ANTA

ANNUAL REPORT 2025

ANTA SPORTS PRODUCTS LIMITED

Incorporated in the Cayman Islands with limited liability
Stock Codes: 2020 (HKD counter) and 82020 (RMB counter)

MISSION

To bring the
TRANSCENDENT SPORTS SPIRIT INTO EVERYONE'S LIFE

VISION

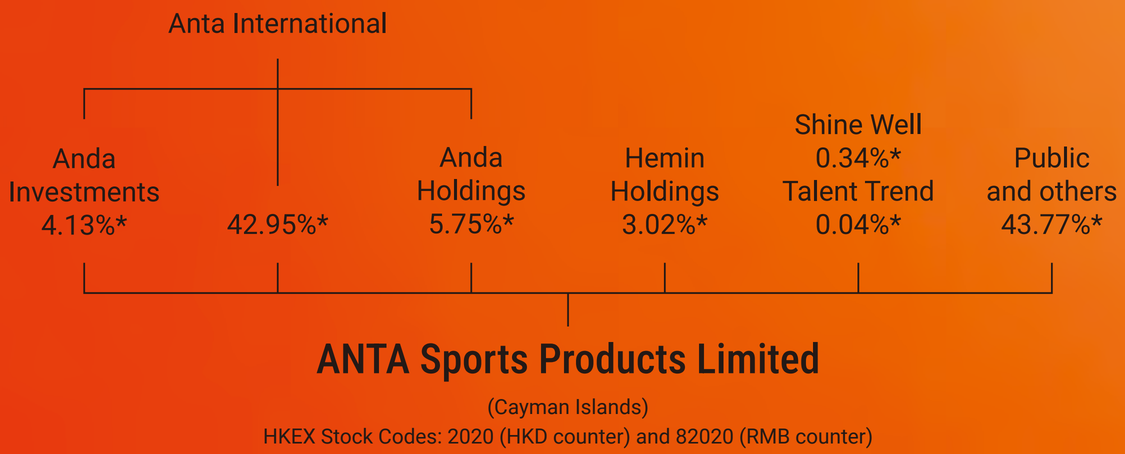
To be a
WORLD-LEADING MULTI-BRAND SPORTSWEAR GROUP

3 Three Cores

Consumer-centric	Competitive Benchmarking	Leading by Example

CORPORATE PROFILE

ANTA was established in 1991; while ANTA Sports Products Limited, a widely recognized global sportswear company, was listed on the Main Board of HKEx in 2007 (Stock Codes: 2020 (HKD counter) and 82020 (RMB counter)). The mission of the Company is to bring the transcendent sports spirit into everyone's life. ANTA Sports principally engages in R&D, design, manufacturing, marketing and sales of professional sports products including footwear, apparel and accessories. By embracing an all-round brand portfolio including ANTA, FILA, DESCENTE, KOLON SPORT, JACK WOLFSKIN and MAIA ACTIVE, etc., ANTA Sports aims to unlock the potential of both the mass and high-end sportswear markets. ANTA Sports is also the largest shareholder of Amer Sports, Inc., a global group of iconic sports and outdoor brands, including Arc'teryx, Salomon, Wilson, Peak Performance, and Atomic, whose shares are listed on the New York Stock Exchange (NYSE: AS).



* As of 31 December 2025

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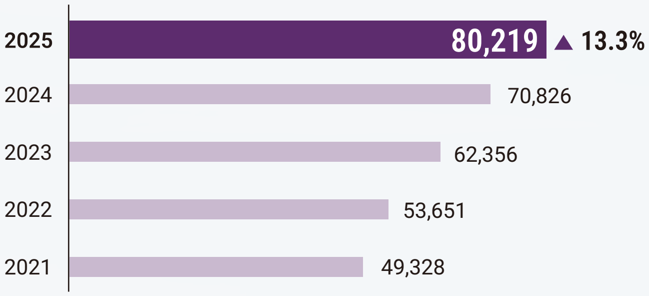
2025 HIGHLIGHTS AT A GLANCE

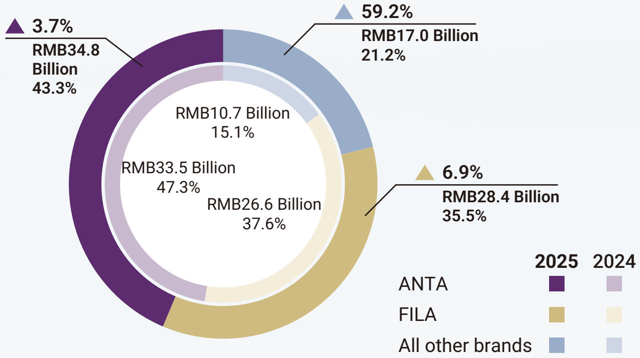
Financial Performance

(For the year ended 31 December 2025)

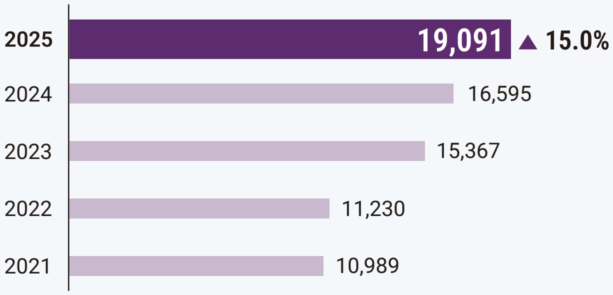
Revenue
RMB million



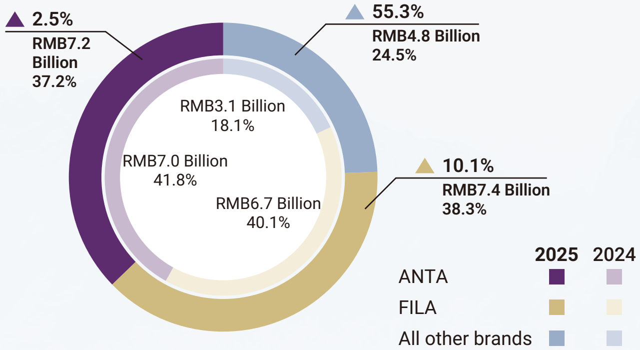
Revenue breakdown by segment



Profit from operations
RMB million

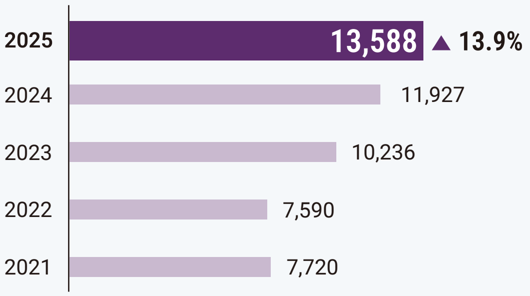


Profit from operations breakdown by segment



* *For reconciliation purpose, the expenses of headquarters and unallocated items of RMB274 million (2024: RMB228 million) are not shown above.*

Profit attributable to equity shareholders#
RMB million



Net cash position
RMB31.7 billion ▲ 1.0%

Payout of adjusted profit attributable to equity shareholders^
50.1%

For comparison purpose, profit attributable to equity shareholders in 2024 excluded gain arising from equity dilution under the Amer Sports Listing and Amer Sports Placing.

^ *Adjusted profit attributable to equity shareholders represents profit attributable to equity shareholders excluding share of profits or loss of associates and any one-off gain or loss related to the investments in associates (if any).*

Operational Performance

(As at 31 December 2025)

Offline monobrand stores

Our multiple brands spanning across approximately

13,000 stores

worldwide

E-commerce business

35.8%

of the overall Group's revenue (2024: 35.1%)

Number of Monobrand Stores

IN CHINA AND OVERSEAS

ANTA	7,203 (7,135*)
ANTA kids	2,652 (2,784*)

IN CHINA AND SINGAPORE

FILA	1,273 (1,264*)
FILA KIDS	578 (590*)
FUSION	189 (206*)

IN CHINA AND SOUTHEAST ASIA

DESCENTE	256 (226*)

IN CHINA

KOLON SPORT	209 (191*)

IN CHINA

MAIA ACTIVE	52 (47*)

** As at 31 December 2024*

Company Highlights

Rising Performance in International Ratings

Moody's Ratings

A3

Outlook: Stable since 2024

A member of the

Hang Seng ESG 50 Index

Dow Jones Best-in-Class Emerging Markets Index

MSCI ESG Ratings

AA MSCI ESG RATINGS

Four Levels
(from A in 2023-2024; B in 2022-2023)

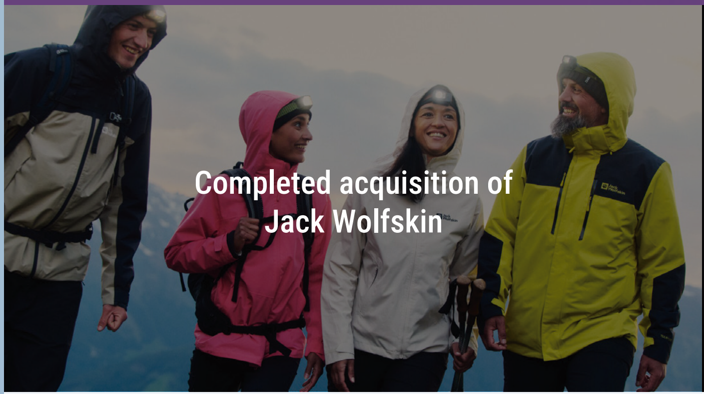
CDP Ratings

Climate CDP A List 2025

A	B	B
Climate Change	Water Security	Forests

Two Levels
since 2025 for climate change

Unwavering Commitment to Investing in Long-Term Growth



Share repurchase

From 2024 to 2025, a total of

35.97 million Shares

have been repurchased and cancelled with a total repurchase amount of

HKD2.96 billion

Share awards

In 2025, a total of approximately

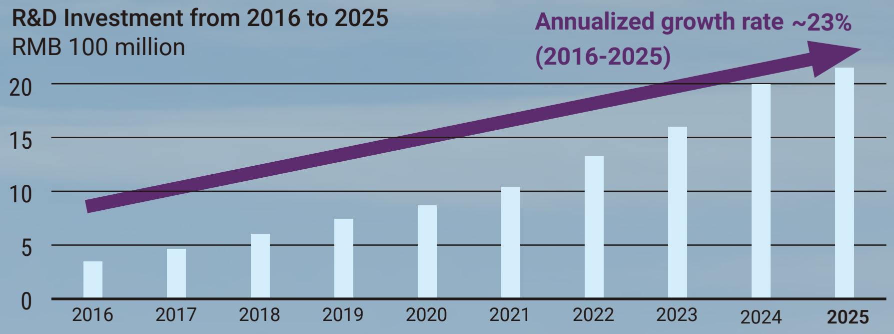
10.45 million awarded Shares

were granted to selected employees of the Group

Investing in the Future to Build Long-Term Advantages

A Decade of Innovation Investment

From 2016 to 2025, the Group's annual R&D expenditure rose from approximately RMB350 million to RMB2.2 billion, representing over a fivefold increase.



Building an Industry-Scale Innovation Ecosystem

The *Sportswear Industry Innovation Consortium*, led by the Group, has delivered several landmark R&D achievements over the past year, including the AEROVENT ZERO and Six-Degree Core Insulation Technology, providing globally competitive new materials for high-end performance products.

Achieving high-performance, PFAS-free waterproof and breathable material is a widely recognized industry challenge. AEROVENT ZERO, jointly developed by the Group and Donghua University, is China's first domestically developed solution of its kind. It incorporates innovations such as proprietary bio-based polymers, micro- and nano-scale structural engineering, and PFAS-free surface modifications. This breakthrough in textile technology achieves exceptional waterproof and breathable performance entirely free of PFAS.

The Six-Degree Core Insulation Technology is a new insulation technology jointly developed by the Group and Academician team at Wuhan Textile University. Drawing on aerospace materials, this technology harnesses basalt fiber's unique structure to achieve core functions of heat retention and balanced thermal conductivity, providing lightweight, reliable insulation in cold conditions. It brings aerospace-grade insulation into consumer products at scale and has been applied to professional training and competition gear for China's national winter sports teams, fully supporting the teams at the 2026 Milan Winter Olympics.

AI365 Strategic Framework

The Group launched the AI365 strategy to systematically drive digital transformation and AI adoption across business operations, providing critical support for building sustainable competitive advantage.

3 Directions	6 Areas	5 Supports
Cost Reduction and Efficiency Improvement	Marketing	AI Innovation Mechanisms
Growth Acceleration	Design	AI Innovation Teams
User Experience Enhancement	Product	AI Culture and Awareness
	Supply Chain	AI Funding Commitment
	Retail	Ecosystem Collaboration and Co-Creation
	Operations	

AI Revolutionizing Workflows and Operations

The AI365 strategy aims for cost reduction and efficiency improvement, driving growth and enhancing user experience by embedding AI technology deeply into core business areas including R&D, design, operations, marketing and customer service. It comprehensively transforms traditional workflows and work practices through process redesign, efficiency improvements and business model innovation. For example, the Group launched the first AI large design model specifically for the sportswear industry, "Ling Loong Large Design Model". Built on over 30 years of design expertise and tens of millions of footwear and apparel design data, the model generates designs from text prompts or sketches, creates footwear and apparel concepts and develops original patterns, significantly accelerating the design process.

For further discussion and analysis on digitalization and AI applications, please refer to page 24 of this annual report.

Financial Overview

Year ended 31 December	2025	2024	Changes
	(RMB million)	(RMB million)	(%)
Revenue	80,219	70,826	▲ 13.3
ANTA	34,754	33,522	▲ 3.7
FILA	28,469	26,626	▲ 6.9
All other brands	16,996	10,678	▲ 59.2
Gross profit	49,734	44,032	▲ 12.9
ANTA	18,621	18,274	▲ 1.9
FILA	18,916	18,051	▲ 4.8
All other brands	12,197	7,707	▲ 58.3
Profit from operations	19,091	16,595	▲ 15.0
ANTA	7,211	7,035	▲ 2.5
FILA	7,418	6,738	▲ 10.1
All other brands	4,736	3,050	▲ 55.3
Profit for the year	15,662	16,989	▼ 7.8
Profit attributable to equity shareholders	13,588	15,596	▼ 12.9
Adjusted profit attributable to equity shareholders(9)	12,385	11,729	▲ 5.6
Free cash inflow	16,106	13,254	▲ 21.5
	(RMB)	(RMB)	(%)
Earnings per share			
– Basic	4.89	5.55	▼ 11.9
– Diluted	4.80	5.41	▼ 11.3
	(HK cents)	(HK cents)	(%)
Dividend per share			
– Ordinary interim	137	118	
– Ordinary final	108	118	
	245	236	▲ 3.8
	(%)	(%)	(% point)
Gross profit margin	62.0	62.2	▼ 0.2
ANTA	53.6	54.5	▼ 0.9
FILA	66.4	67.8	▼ 1.4
All other brands	71.8	72.2	▼ 0.4
Operating profit margin	23.8	23.4	▲ 0.4
ANTA	20.7	21.0	▼ 0.3
FILA	26.1	25.3	▲ 0.8
All other brands	27.9	28.6	▼ 0.7
Net profit margin	19.5	24.0	▼ 4.5
Margin of profit attributable to equity shareholders	16.9	22.0	▼ 5.1
Margin of adjusted profit attributable to equity shareholders(9)	15.4	16.6	▼ 1.2
Effective tax rate(1)	28.6	27.2	▲ 1.4
Advertising and promotional expenses ratio (as a percentage of revenue)	8.0	9.0	▼ 1.0
Staff costs ratio (as a percentage of revenue)	15.3	14.8	▲ 0.5
R&D costs ratio (as a percentage of revenue)	2.7	2.8	▼ 0.1

As at 31 December	2025	2024	Changes
	(RMB)	(RMB)	(%)
Shareholders' equity per share	23.52	21.86	▲ 7.6
	(%)	(%)	(% point)
Gearing ratio(2)	18.7	18.5	▲ 0.2
Return on average total shareholders' equity(3)	21.3	27.6	▼ 6.3
Return on average total assets(4)	11.5	15.2	▼ 3.7
Average total shareholders' equity to average total assets	53.8	55.3	▼ 1.5
	(days)	(days)	(days)
Average inventory turnover days(5)	137	123	▲ 14
Average trade receivables turnover days(6)	21	21	–
Average trade payables turnover days(7)	51	51	–

Cautionary Statement Regarding Forward-Looking Statements

This *Annual Report 2025* contains certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Certain statements, that include wordings like "potential", "estimated", "expects", "anticipates", "objective", "intends", "plans", "believes", "estimates", and similar expressions or variations on such expressions may be considered "forward-looking statements".

Forward-looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ in some instances materially, from those anticipated or implied in any forward-looking statement. Forward-looking statements speak only at the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events. Trends and factors that are expected to affect the Group's results of operations are described in the section "Management Discussion and Analysis".

Notes:

(1) Effective tax rate does not include the effect of share of profit or loss of associates and gain arising from equity dilution under the Amer Sports Listing and Amer Sports Placing.
(2) Gearing ratio is equal to total borrowings divided by the total assets at the end of the relevant year.
(3) Return on average total shareholders' equity is equal to the profit attributable to equity shareholders divided by the average balance of total shareholders' equity.
(4) Return on average total assets is equal to the profit attributable to equity shareholders divided by the average balance of total assets.
(5) Average inventory turnover days is equal to the average balance of inventories divided by the cost of sales and multiplied by the number of days in the relevant year.
(6) Average trade receivables turnover days is equal to the average balance of trade receivables divided by the revenue and multiplied by the number of days in the relevant year.
(7) Average trade payables turnover days is equal to the average balance of trade payables divided by the cost of sales and multiplied by the number of days in the relevant year.
(8) Average balance aforementioned means the average of the balance as at 1 January and the balance as at 31 December of the relevant year.
(9) Adjusted profit attributable to equity shareholders represents profit attributable to equity shareholders excluding share of profits or loss of associates and any one-off gain or loss related to the investments in associates (if any). Therefore, for comparison purpose, the gain arising from equity dilution under the Amer Sports Listing and Amer Sports Placing in 2024 were not included in the adjusted profit attributable to equity shareholders.

Five-Year Financial Summary

	2025	2024	2023	2022	2021
	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)
Revenue	**80,219**	70,826	62,356	53,651	49,328
Gross profit	**49,734**	44,032	39,028	32,318	30,404
Profit from operations	**19,091**	16,595	15,367	11,230	10,989
Profit attributable to equity shareholders	**13,588**	15,596	10,236	7,590	7,720
Non-current assets	**64,639**	60,133	40,088	26,599	22,766
Current assets	**59,656**	52,482	52,140	42,596	39,902
Total assets	**124,295**	112,615	92,228	69,195	62,668
Current liabilities	**33,358**	28,593	20,591	26,207	15,943
Net current assets	**26,298**	23,889	31,549	16,389	23,959
Total assets less current liabilities	**90,937**	84,022	71,637	42,988	46,725
Non-current liabilities	**18,532**	17,283	15,627	5,149	15,062
Total liabilities	**51,890**	45,876	36,218	31,356	31,005
Net assets	**72,405**	66,739	56,010	37,839	31,663
Non-controlling interests	**6,623**	5,010	4,550	3,439	2,740
Shareholders' equity	**65,782**	61,729	51,460	34,400	28,923
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)
Basic earnings per share	**4.89**	5.55	3.69	2.82	2.87
Diluted earnings per share	**4.80**	5.41	3.60	2.76	2.81
Shareholders' equity per share	**23.52**	21.86	18.17	12.68	10.70
	(HK cents)	(HK cents)	(HK cents)	(HK cents)	(HK cents)
Dividend per share					
– Ordinary interim	**137**	118	82	62	60
– Ordinary final	**108**	118	115	72	68
– Special interim	**–**	–	–	–	30
Total	**245**	236	197	134	158
	(%)	(%)	(%)	(%)	(%)
Gross profit margin	**62.0**	62.2	62.6	60.2	61.6
Operating profit margin	**23.8**	23.4	24.6	20.9	22.3
Margin of profit attributable to equity shareholders	**16.9**	22.0	16.4	14.1	15.7
Effective tax rate[(1)]	**28.6**	27.2	26.7	27.5	26.7
Advertising and promotional expenses ratio (as a percentage of revenue)	**8.0**	9.0	8.2	10.3	12.4
Staff costs ratio (as a percentage of revenue)	**15.3**	14.8	14.9	15.1	13.5
R&D costs ratio (as a percentage of revenue)	**2.7**	2.8	2.6	2.4	2.3
Gearing ratio[(1)]	**18.7**	18.5	16.2	18.3	21.0
Return on average total shareholders' equity[(1)]	**21.3**	27.6	23.8	24.0	29.2
Return on average total assets[(1)]	**11.5**	15.2	12.7	11.5	13.5
Average total shareholders' equity to average total assets	**53.8**	55.3	53.2	48.0	46.2
	(days)	(days)	(days)	(days)	(days)
Average inventory turnover days[(1)]	**137**	123	123	138	127
Average trade receivables turnover days[(1)]	**21**	21	20	21	26
Average trade payables turnover days[(1)]	**51**	51	47	50	53

Note:

(1) Please refer to notes on page 10 of this annual report for the definitions of effective tax rate, gearing ratio, return on average total shareholders' equity, return on average total assets, average inventory turnover days, average trade receivables turnover days and average trade payables turnover days.

Chairman's Statement

MULTI-BRA

Over the next ten, twenty, and thirty years, our ambition is not to chase short-term rankings, but to build ANTA Sports into a world-class enterprise, one defined by

Genuine Global Influence and the Capacity to Create Lasting Value,

delivering enduring prosperity for our shareholders and all stakeholders alike.

Ding Shizhong
Chairman

GLOBA

SINGLE-FOCUS

ND

Dear Shareholders,

2025 marked a year of resilient growth for ANTA Sports. Amid a complex and rapidly shifting macroeconomic landscape and persistent industry competition, the Group held firm to its strategic convictions, resisting short-term pressures while staying focused on enhancing operational quality and building long-term capabilities. In the past year, the Group’s revenue surpassed RMB80 billion for the first time, achieving its 12 consecutive years of positive growth on an already substantial base. According to data from a global authoritative institution, ANTA Sports’ market share in the Chinese sportswear market climbed to 21.8% (2024: 20.8%), reinforcing its position as the industry leader, while maintaining a firm foothold among the top three globally. At the same time, we remained steadfast in our commitment to “winning through products, winning through operations”, continuously optimizing our profit structure and cash flow quality, while upholding a sound balance sheet and robust liquidity, ensuring that the Group is well-equipped to navigate uncertainty with both confidence and composure.

As we look to the future, what have we stayed true to and what have we done right?

LIZATION

1

Sustaining and expanding the strategic advantages of "Strong Multi-brand Operation" in pursuit of high-quality growth

ANTA Sports remains unwavering in its "Single-focus, Multi-brand, Globalization" strategy. As sports consumption shifts from the mass market toward greater professionalism and scenario-based engagement, the multi-brand strategy is, at its core, a long-term response to the evolution in consumer structure. Through a differentiated multi-brand portfolio, we address the diverse needs of consumers worldwide by deepening each brand's positioning and building a tailored growth model for each. From our main brand, ANTA, to a portfolio of multiple brands, including FILA, which has scaled into a RMB30 billion retail sales business over more than a decade, DESCENTE, which crossed the RMB10 billion retail sales milestone in nearly ten years, KOLON SPORT, now closing in on RMB10 billion, and Amer Sports, which achieved high-quality, high-growth performance under ANTA Sports' strategic stewardship ahead of its public listing, we have continuously advanced international partnerships and brand investments. The outcome is a well-structured brand portfolio spanning diverse sports occasions and price segments, equipping the Group with a more resilient growth architecture and stronger cyclical capabilities.

2

Building a distinctive globalization practice and value system for ANTA Sports

We believe that "great acquisition" sets the starting point, "great management" drives efficiency, and "great synergies" determine long-term value. The Group upholds a brand-centric governance model that grants each brand meaningful autonomy so that its distinctiveness and creative vitality are fully preserved. In parallel, ANTA Sports' unique "Brand+Retail" business model has been developed into a transferable and replicable global operating management system. From managing a portfolio of global brands to advancing the internationalization of the main brand, ANTA, we continue to build on three core capabilities: multi-brand synergistic management, multi-brand retail operations, as well as global operational and resource deployment. To support healthy growth across our brands, the Group has developed hundreds of lean and highly efficient management models that provide clear guidance across brands, merchandising, retail operations, inventory control, channel, cost discipline and cash flow. This rigorously tested and iteratively refined globalization practice has elevated the Chinese model and Chinese expertise into a globally evolvable and scalable operating framework. Through our shared services platform, we have built meaningful scale advantages and synergy efficiencies across mid- and back-office functions, including supply chain, digitalization, finance, human resources and risk management. This combination of "brand vitality" and "platform efficiency" is precisely what sets ANTA Sports apart from traditional single-brand companies and sits at the heart of our competitive edge.

Creating long-term value for consumers and shareholders, with technology and innovation as the foundation

We firmly believe that growth is the highest expression of corporate culture and that growth is not simply expansion in scale, but the advancement of product strength, organizational capability and operational efficiency, as well as the most direct reflection of a company's long-term health. At the heart of this growth lies a set of principles we have long held: great products and disciplined operations. Our priority is to ensure that every brand within the Group rallies around building great products, building great brands, running operations with discipline and competing to win. Great products are built on relentlessly innovation around consumer needs, building defensible brand barriers with expertise and genuine value. The most direct expression of innovation is delivering the most professional and advanced sports equipment to the world's finest athletes. At the recently concluded Milan Winter Olympics, ANTA Sports equipped 13 national teams with cutting-edge technology in their quest for excellence and glory. Where we once looked upon international brands as an unreachable standard, we now stand side by side with them on the world stage and are pressing further into global markets on the strength of technological innovation. Disciplined operations mean maintaining long-term discipline in inventory, channel, cost and cash flow management, so that growth is built on a healthy foundation. In capital allocation, we remain prudent and rational in striking the right balance among organic growth, brand investment, acquisition integration and shareholder returns, to ensure that every commitment is oriented toward the creation of long-term value.

Thirty-Five Years: A Long-Term Vision That Outlasts the Cycle

This year marks the 35th anniversary of the Group's founding. Having navigated multiple rounds of industry cycles and shifts in the consumer landscapes, we look to the future with even greater confidence, guided by a steadfast strategy and a firm commitment to sustaining resilience, health and vitality. The culture of ANTA Sports is built on a relentless drive to win, a long-term mindset, great products and disciplined operations. We do not sacrifice brand equity for short-term momentum, nor do we allow external volatility to divert us from our long-term direction. Over the past year, we completed the acquisition of the German outdoor brand JACK WOLFSKIN and announced a proposed acquisition of a 29.06% stake in the globally renowned sports brand PUMA, which would make us its largest shareholder. These moves are not driven by a desire for scale expansion but rather represent long-term investments in building our future global capabilities.

Dear shareholders, the international landscape remains unsettled and industry cycles may well continue to fluctuate. Yet through it all, ANTA Sports will stay the course. We will deepen the accumulated strengths of our brand-building as well as our operational management systems and advance the development of a truly global management framework. Every brand will pursue long-term value in depth. We are home to multiple world-class brands and have built a brand portfolio that addresses a wide spectrum of consumer needs, spanning performance sports and athletic fashion to premium outdoor and everyday lifestyle. This is the bedrock of our confidence as we compete on the global stage. Over the next ten, twenty, and thirty years, our ambition is not to chase short-term rankings, but to build ANTA Sports into a world-class enterprise, one defined by genuine global influence and the capacity to create lasting value, delivering enduring prosperity for our shareholders and all stakeholders alike.

Thank you for the trust and support you have placed in ANTA Sports over the years. We look forward to sharing this journey with you and to building a better future together.

Ding Shizhong
Chairman
Hong Kong SAR, 25 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Strategy

Single-Focus

Focusing on Sportswear Industry

Multi-Brand

Multi-brand Synergistic Management

Globalization

Advancing Strategic Global Expansion

Outside China*

460+

Monobrand Stores

During the financial year, the Group focused on Southeast Asia as a bridgehead of its globalization strategy, while expanding its presence in the Middle East, North America, Europe, and Africa, building its overseas presence in accordance with local characteristics.

* *As at 31 December 2025, the Group's monobrand store network comprised ANTA (including ANTA KIDS), FILA (including FILA KIDS and FILA FUSION), DESCENTE, and JACK WOLFSKIN, together with SALOMON and WILSON monobrand stores operated as distributor of Amer Sports.*

Business Model

Over the past 30 years, the Group has evolved into a globally recognized sportswear company with comprehensive upstream, midstream and downstream capabilities. With a sophisticated vertically integrated business model, we are able to rigorously and effectively monitor and control our entire value chain, from R&D to design, manufacturing, marketing and sales of branded sportswear products, and to quickly respond to the diversified needs of our consumers.

On manufacturing, the Group employs a hybrid model, retaining in-house production capabilities for certain footwear and apparel. This strengthens supply chain resilience while setting benchmarks for product quality, craftsmanship standards and sustainability, driving continuous improvement across the supply chain.

On distribution, the Group adopts a DTC-centered hybrid distribution model. On one hand, under direct retail business of ANTA's DTC model as well as direct retail model of FILA and other brands, we directly operate retail stores to capture evolving consumer demand more acutely. On the other hand, under the wholesale model and franchise business of ANTA's DTC model, we leverage our distributors, franchisees and their local market expertise and knowledge to sell our products via the authorized stores. We maintain brand image, product presentation and pricing strictly aligned to, deliver a near-DTC retail experience from the consumer's perspective while continuously deepening our consumer insights.

This vertically integrated business model, coupled with coordination between manufacturing and distribution, enables us to maintain high resilience and agility in dynamic markets, establishing a solid foundation for long-term stable development and sustainable growth.

CO-CEOs' Strategic Review

Market Review

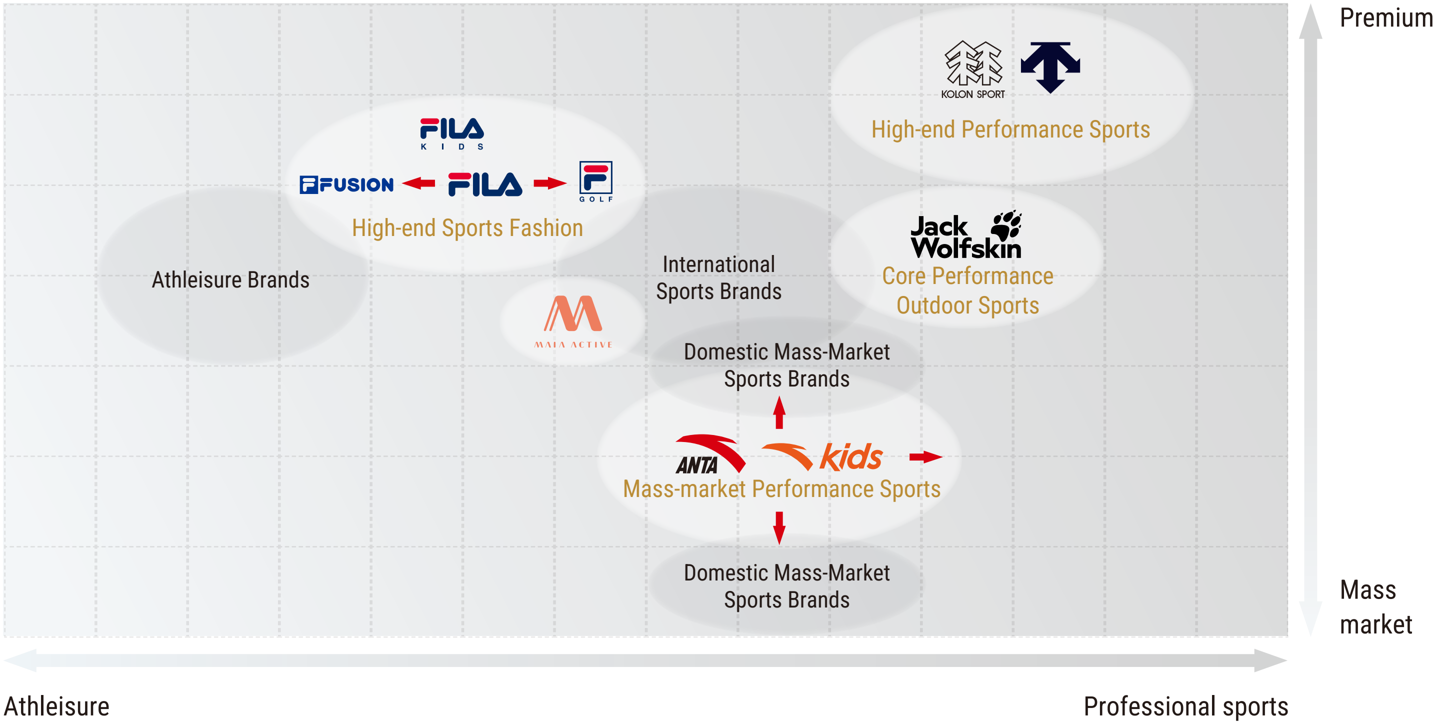
In 2025, the global economy showed resilience despite complex geopolitical and trade barrier challenges. Bolstered by strong AI investment and steady consumer spending, global economy achieved stable growth. According to the International Monetary Fund, global GDP growth was approximately 3.3% for 2025, broadly in line with the rate seen in 2024. Amid a rapidly evolving global market, Chinese enterprises have proactively refined their strategies and expanded into emerging markets such as Southeast Asia, the Middle East, Africa and Latin America, accelerating the shift from basic "product exports" towards "brand exports".

China's economy maintained its stable and progressive growth trajectory in 2025, with GDP expanding by 5.0% year-on-year, achieving the target set at the beginning of the year. The consumer market stepped up to a new level, as total retail sales of consumer goods surpassing RMB50 trillion for the first time, reaching RMB50.1 trillion, a year-on-year increase of 3.7%. Among these, retail sales of apparel, footwear, hats and textiles rose 3.2% year-on-year to approximately RMB1.5 trillion, reflecting more rational consumer spending and a growing pursuit of "emotional value". The sportswear market, particularly the outdoor segment, remained a key growth driver for the consumer market. According to the *China Outdoor Sports Industry Development Report (2024–2025)*, published by the Sports Economy Department of the General Administration of Sport of China, the number of outdoor sports participants exceeded 400 million as at early April 2025. Its growth significantly outpaced that of traditional apparel, reinforcing the view that health-focused, active lifestyles have become a durable structural trend.

Business and Strategy Review

The Group steadfastly implemented its "Single-focus, Multi-brand and Globalization" strategy and demonstrated strong strategic execution capabilities. In 2025, the Group achieved high-quality growth, with revenue reaching a new high of over RMB80 billion and operating profit grew 15.0% year-over-year, thereby further strengthening its leading position in the sportswear industry.

At the heart of this strategy is clear brand positioning and precise coverage of key competitive segments. By leveraging differentiated competitive strengths, we continued to expand our market reach, underpinned by a coherent growth logic and a well-defined development roadmap. ANTA reinforced its foothold in the mass professional sports segment, while FILA has focused on high-end sports fashion lifestyle, continuing to shape market trends. Other brands, including DESCENTE and KOLON SPORT, pursued focused growth in their respective niches. Together, this complementary business portfolio creates strong synergies, further cementing the Group's leadership in the China market.



During the financial year, the Group's revenue reached RMB80.22 billion, representing a year-on-year increase of 13.3% (2024: RMB70.83 billion). DESCENTE and KOLON SPORT delivered strong growth momentum, serving as key drivers of the Group. The overall gross profit margin slightly declined by 0.2% points to 62.0% (2024: 62.2%), primarily due to increased strategic investments in professional offerings and product quality across brands, as well as the growing contribution from e-commerce, which carries a relatively lower gross profit margin. Nevertheless, through stringent cost control measures and continuous operational efficiency improvements, the Group effectively lifted its overall operating profit margin at 23.8% (2024: 23.4%), demonstrating exceptional operational resilience.

On a consolidated basis, excluding the gain arising from equity dilution under Amer Sports Listing and Amer Sports Placing in 2024, profit attributable to equity shareholders in this financial year increased by 13.9% to RMB13.59 billion (2024: RMB11.93 billion); and the related margin of profit attributable to equity shareholders increased by 0.1% point to 16.9% (2024: 16.8%).

ANTA segment revenue

▲3.7%

RMB million

ANTA

During the financial year, revenue from the ANTA segment increased by 3.7%, reaching RMB34.75 billion (2024: RMB33.52 billion). Its operating profit margin declined by 0.3% points year-on-year, to 20.7% (2024: 21.0%). ANTA continued to optimize its channel strategy by systematically advancing structural upgrades across both online and offline platforms. In offline retail, it enhanced store operational efficiency and elevated consumer experience through differentiated retail formats and optimization of the retail portfolio. In online, it prioritized product-mix refinement, content-driven marketing and enhancement of its membership system, reinforcing organizational capabilities while safeguarding growth quality and long-term brand value. Meanwhile, it steadily progressed in brand globalization, achieving notable results in overseas market expansion.

FILA segment revenue

▲6.9%

RMB million

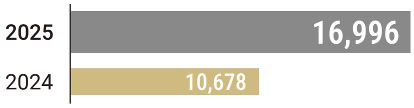
FILA

FILA segment revenue increased by 6.9% to RMB28.47 billion (2024: RMB26.63 billion). Through effective refined operational management, its operating profit margin rose to 26.1% (2024: 25.3%). FILA demonstrated strong operational resilience during the year, completing the integration of internal resources and organizational culture and establishing the "ONE FILA" core strategy. By continuously strengthening product competitiveness and elevating the retail experience, the brand has steadily strengthened its growth momentum, laying a solid foundation to fully unleash its growth potential in 2026.

All other brands segment revenue

▲59.2%

RMB million



All other brands

During the financial year, all other brands delivered an exceptional performance, with revenue increasing by 59.2% to RMB17.00 billion (2024: RMB10.68 billion). Although its operating profit margin was affected during the integration and nurturing phase of newly acquired brands, it remained at an ideal level of 27.9% (2024: 28.6%), underscoring robust overall performance.

DESCENTE, a high-quality performance sports brand, successfully surpassed RMB10 billion in retail sales, becoming the Group's third brand to reach this milestone, by leveraging its differentiated product portfolio and high-end professional positioning. During the year, the brand achieved notable improvements across key operational metrics including store efficiency and brand salience. It successfully established a replicable and sustainable "high-store-efficiency retail model", laying a solid foundation for long-term, high-quality and steady growth.

KOLON SPORT, a professional outdoor sports brand, continued to grow on the back of strong brand momentum and rising consumer recognition of its premium outdoor offerings. By deepening its presence in key cities and core commercial districts across China, the brand delivered solid growth in store efficiency, reinforcing its upward trajectory. Looking ahead, the brand will further deepen its brand storytelling, strengthen the competitiveness of its core products, maintain high-quality retail operations and community engagement to drive sustained business growth.

MAIA ACTIVE, a brand focused on women's yoga apparel, remains in a phase of incubation and accelerated development. We maintain strong conviction in its long-term strategic positioning and will continue to allocate resources to its brand building and product R&D, supporting the steady cultivation of its enduring brand value.

In May 2025, the Group completed the acquisition of JACK WOLFSKIN, a German professional outdoor brand, thereby strengthening our coverage across the full spectrum of the outdoor market from mass to premium segments. Management has formulated a five-year global revitalization plan for JACK WOLFSKIN designed to fully unleash the brand's value and propel the business into a new phase of growth.

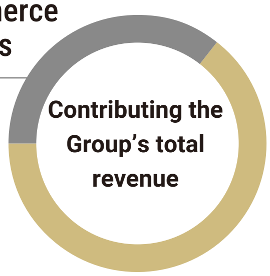
Steady Expansion of E-commerce Business

In 2025, China's online retail sales of physical goods reached RMB13.1 trillion, representing a 5.2% year-on-year increase and accounting for 26.1% of total retail sales of consumer goods. Online retail penetration continued to deepen, with live-stream shopping and content-driven e-commerce maintaining strong momentum, while on-demand retail emerged as a new driver of consumption.

The Group continued to optimize its online product mix and strategically expanded its presence in Southeast Asia, as well as on overseas platforms such as Amazon, supporting the implementation of its globalization strategy. In absolute amount, e-commerce revenue across all Group brands accounted for 35.8% of the Group's total revenue (2024: 35.1%), representing a year-on-year increase of 15.5%. During the "Double 11" shopping festival, FILA delivered an exceptional performance on both Tmall and Douyin, with its down jackets and dad sneakers securing the top rankings in their respective categories, demonstrating the brand's sustained competitiveness and market leadership across mainstream e-commerce channels.

35.8% (2024: 35.1%)

E-commerce business



In terms of absolute amount

▲15.5% year-on-year

Supply Chain Management

Self-produced Footwear

21.8% (2024: 26.7%)

10.9% (2024: 10.0%)

Self-produced Apparel

7.7% (2024: 10.5%)

3.4% (2024: 3.9%)

of our total sold quantities

■ Anta ■ FILA

R&D Investment

Approximately

RMB2.2 billion

(2024: approximately RMB2.0 billion)

Accounting for 2.7% of the Group's total revenue (2024: 2.8%)

Digitalization and AI Enhance Operational Efficiency

The Group has established a globally leading innovation management system, becoming the first in the industry to obtain both ISO56001 international and domestic certifications for innovation management during the financial year. We continue to foster an open and collaborative innovation ecosystem, connecting global innovation resources. The number of global partner universities and research institutions has increased to 96, the scale and influence of the *Sportswear Industry Innovation Consortium* led by the Group have steadily grown. Meanwhile, together with Plug and Play China, the Group launched the *Sports Goods Industry Innovation Accelerator*, identifying high-potential startups for pilot collaborations to bridge industry needs with cutting-edge technologies and drive synergistic development across the industrial chain.

In terms of core technology R&D and commercialization, the Group achieved breakthroughs in several key technologies, including AEROVENT ZERO, Basalt Fiber and Nitrogen Technology. Among these, AEROVENT ZERO and Basalt Fiber successfully addressed international challenges, achieving breakthroughs in extreme-environment adaptability. Multiple technologies have already been industrialized and translated into tangible competitive advantages in the marketplace. As at the end of 2025, the Group held 4,569 valid patents. The sustainable rebound materials developed by our postdoctoral research station achieved a breakthrough with findings published in the prestigious international journal *Nature*. In addition, the Group received four Science and Technology Awards from the China National Textile and Apparel Council in 2025, including two first-class awards. It also won dozens of globally recognized design awards such as the China Patent Silver Award and the Red Dot Design Award (Best of the Best), highlighting the Group's breakthroughs at an industry leading level.

Guided by the AI365 strategy, the Group has focused on cost reduction and efficiency enhancement, driving growth and enhancing user experience. We have achieved splendid results across various businesses such as developing proprietary AI large models, digital human live streaming and intelligent customer service. In R&D and design, AI has broken through traditional process constraints, reducing costs and boosting efficiency. We introduced the industry's first AI large design model, Ling Loong Design Model, which streamlines core design workflows including sketch-to-image generation and retouching. By supporting designers through creative brainstorming and refinement, the model has significantly enhanced R&D efficiency. AI-assisted product design orders generated over RMB9 billion, becoming a key driver for product innovation. In marketing and operations, the Group deployed digital humans across domestic and international platforms for round-the-clock live streaming, logging over 100,000 annual broadcast hours and generating GMV of more than RMB300 million. AI technology analyzed private domain member consumption data to enable precise marketing targeting, replacing traditional manual selection. These initiatives achieved a 20% improvement in sales conversion rates and drove incremental GMV of nearly RMB500 million. For customer service, the Group rolled out AI-powered service tools across all platforms to provide instant support for questions, consultations and post-purchase guidance. Our customer service response speed improved by over 50% while customer satisfaction rose by 11%. This has allowed our customer service team to focus on complex issues and personalized service, optimizing resource allocation and efficiency.

Structured Global Expansion

The Group continued to build and enhance its global operating platform, strengthen its core competitiveness in the global sportswear market and driving scalable, high-quality growth across its overseas operations. During the financial year, guided by its approach of “global vision with localized execution”, the Group deepened its presence in Southeast Asian market and successfully developed a replicable pathway for overseas expansion. With a high-value product portfolio and targeted localization and digital strategies, we have begun to realize tangible results in the region. Alongside opening flagship stores in core commercial districts, we expanded e-commerce platforms to unlock new growth opportunities, while actively utilizing our sports resources to co-organize events with local organizations.

In the Middle East and Africa, our retail network now covers markets including the UAE, Saudi Arabia, Qatar, Egypt and Kenya. In addition, the Group has entered into a partnership with Brandman Retail, a distributor and retailer of international sports and lifestyle brands, to expand into the Indian market. This collaboration will cover nationwide distribution and the development of physical stores, with offline retail stores expected to open in major Indian cities starting from 2026. In North America and Europe, we have secured entry into major retail channels such as Foot Locker, Dick’s Sporting Goods and JD Sports, while further strengthening its e-commerce presence through Amazon. After careful preparation, the Group’s first ANTA flagship store in North America began trial operations in early 2026 in Beverly Hills, Los Angeles, marking the Group’s formal debut in one of the world’s most prestigious retail districts and represents a significant milestone in elevating the brand’s global profile.

Group Employees worldwide*#

69,100 employees

2025	69,100
2024	65,900

Number of Monobrand Store Outside China*

ANTA	241
FILA	21
DESCENTE	4

* *As of 31 December 2025*

The total number of employees is defined as our regular employees. In addition, we have approximately 7,000 other types of workers, such as temporary workers, trainees and interns employed by our directly operated and managed businesses.

Prospects

Looking ahead to 2026, domestic economy is expected to maintain steady growth despite uncertainties in the macroeconomic and consumer landscape. As the inaugural year of the country's 15th Five-Year Plan, national efforts to expand domestic demand should continue to underpin a stable and sizeable sportswear market. We anticipate both the professional and athleisure segments to deliver steady growth, alongside rapid expansion in outdoor sports, collectively driving stable overall industry growth. With a clear strategic roadmap, the Group will adhere to its "Single-focus, Multi-brand, Globalization" strategy, maintaining a long-term approach to drive sustainable, high-quality growth.

As the Group's cornerstone brands, ANTA and FILA will deepen consumer mindshare, develop their market-recognized hero products, and enhance retail operational efficiency. Leveraging their scale and operational advantages, they aim to reinforce their foundations for delivering steady and sustainable growth. DESCENTE and KOLON SPORT, positioned as the growth brands, will maintain their focus on the outdoor and professional sports arenas. By sharpening their professional positioning, both brands are expected to sustain rapid expansion. Meanwhile, the Group will continue to nurture the potential of incubation-stage brands, including MAIA ACTIVE and JACK WOLFSKIN, by crafting high-quality products aligned with each brand's unique identity. JACK WOLFSKIN has already established itself as an all-scenario professional hiking brand and will unlock its brand value through well-matched products and distribution channels.

The Group will continue to anchor its development on two core pillars, product and operations, to drive high-quality growth through superior merchandise and efficient execution. On the product side, each brand will formulate medium-term product strategies centered on core categories, bestselling items and hero products to strengthen consumer recognition and enhance efficiency across the full product lifecycle. Operationally, all brands will prioritize operational excellence, with a focus on improving quality and efficiency, maintaining healthy inventory levels, enforcing stringent quality standards for new stores, and strengthening overall retail performance.

Southeast Asia serves as a key strategic bridgehead for the Group's globalization. The Group is now actively advancing the "ANTA Southeast Asia Thousand Stores Plan", with the goal of establishing 1,000 points of sales for ANTA across the region by 2028. Additionally, the Group is actively investing in local digitalization, logistics and supply chain infrastructure, while gradually expanding into adjacent markets such as South Asia, Australia, New Zealand and India, applying our proven operational knowledge from Southeast Asia to these new regions.

From a mid- to long-term perspective, the Group will continue to invest in its future development, focusing on four core strategic priorities: First, optimizing brand resources and making strategic deployments across its distribution channels. Second, strengthening core product capabilities by recruiting and nurturing design talent, upgrading craftsmanship and advancing collaborative innovation with academic and research partners to boost product competitiveness. Third, expanding overseas markets by building overseas channels and supply chain capabilities to accelerate globalization. Fourth, accelerating digitalization and AI development to empower efficient business growth through technology and establish a solid foundation for the Group's mid- and long-term growth.

Target number of monobrand stores by the end of 2026

ANTA

ANTA
7,000–7,100

ANTA KIDS
2,500–2,600

FILA (including FILA KIDS and FILA FUSION)
1,900–2,000

FILA

KOLON SPORT

DESCENTE
260–270

KOLON SPORT
220–230

MAIA ACTIVE
60–70

MAIA ACTIVE

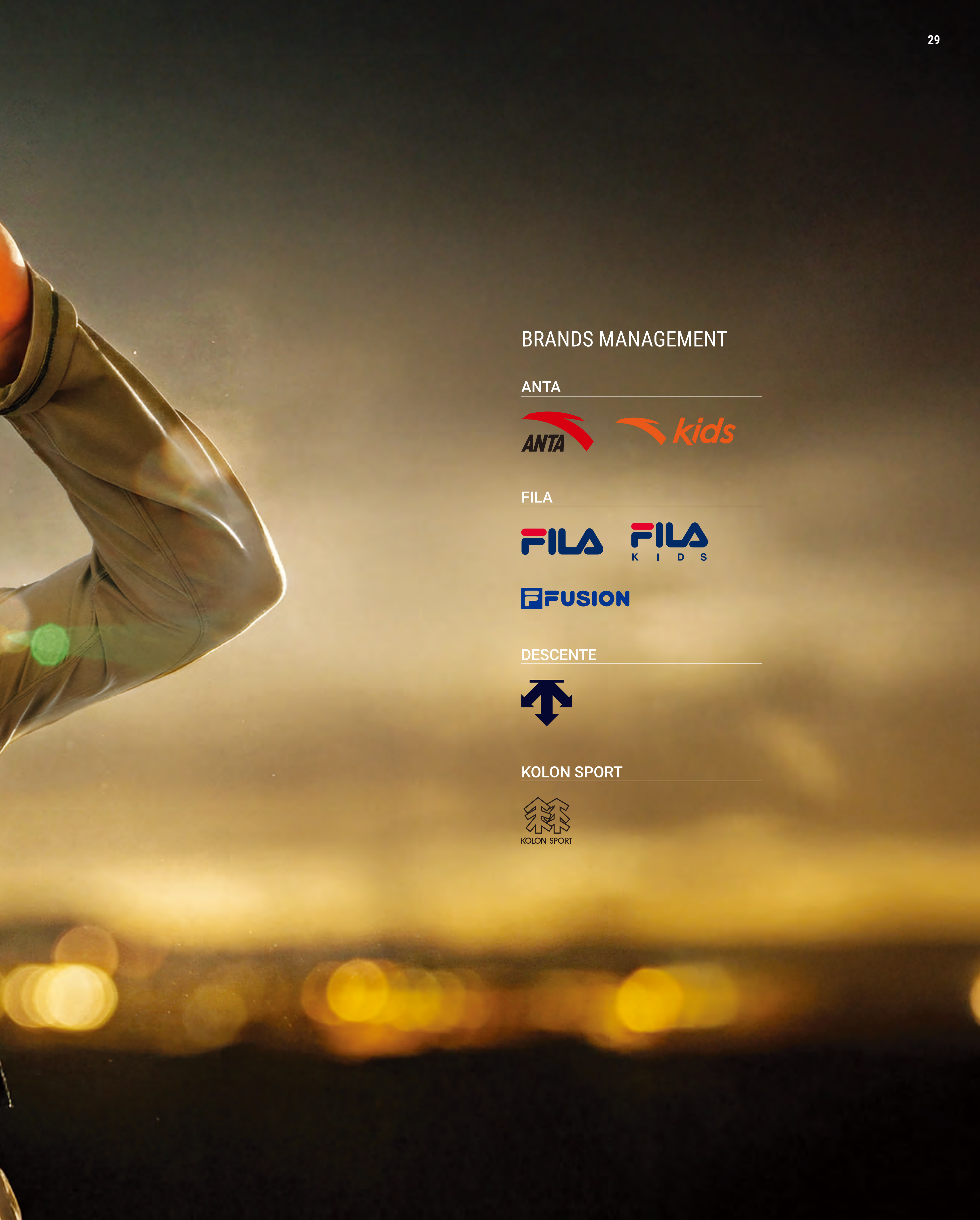
DESCENTE

Lai Shixian
Co-CEO

Wu Yonghua
Co-CEO

Hong Kong SAR, 25 March 2026

BUSINESS REVIEW



BRANDS MANAGEMENT

ANTA

FILA

DESCENTE

KOLON SPORT

ANTA

ANTA and ANTA KIDS continued to execute their core strategy of "Mass Market Positioning, Breakthroughs in Performance Sports, and Brand Elevation". Through technology-led innovation and product upgrades, they have built a comprehensive product portfolio spanning mass sports to specialized performance categories, further strengthening their leading position in Chinese sportswear market.

Since 2010, ANTA has served as an official partner of the Winter Sports Management Center of the General Administration of Sport of China for 16 consecutive years. For the 2026 Milan Winter Olympics, ANTA supplied professional training and competition equipment for ten national winter sports teams. Through proprietary R&D and technological integration, ANTA comprehensively upgraded its winter sports equipment to support athletes in achieving stronger performance on the international stage. ANTA expanded its winter sports athlete endorsements to include Sun Long, Liu Shaolin, Liu Shaoang, Yang Wenlong, Zhang Xiaonan and others, while also adding partnerships with national teams in 3x3 basketball, archery, and aquatics during the financial year. The brand now provides professional equipment to 31 Chinese national teams, establishing a comprehensive sports ecosystem spanning national teams, professional competitions, universities and youth sports. As the official athletic gear partner of the 15th National Games, the brand supplied over 600,000 pieces of professional equipment to event personnel. In running, ANTA supported approximately 26,000 runners at the 2025 Guangzhou Marathon, enhancing the brand's influence within the running community. The brand also continued to serve as an official sports apparel supplier to the International Olympic Committee, demonstrating its ongoing contribution to the global sports ecosystem.

In product innovation, ANTA remained committed to technology-driven product upgrades, launching multiple core technologies and market-leading, high-performing products. The brand's core cushioning technology "Nitrogen Technology" was upgraded to three versions, Nitrogen 80, Nitrogen 85, and Nitrogen 90, meeting different sporting scenarios' needs for stable, soft and responsive cushioning. In running footwear, ANTA developed three major product IPs, PG7, MACH and C Family, covering jogging, training, and racing. During the financial year, sales of the PG7 series exceeded 4 million pairs, while the C Family surpassed 1.2 million pairs. ANTA KIDS continued to deepen its brand proposition of "Technology Leads Growth." In collaboration with Beijing Sport University, the brand launched the "Surging Speed Race" initiative to develop new models for children's sports assessment. The apparel category also demonstrated strong innovation, with ANTA's proprietary PFAS-free high-breathability waterproof membrane, the AEROVENT ZERO, provides core material support for high-performance PFAS-free shell jackets, driving the industry toward more sustainable practices and a significant breakthrough for ANTA in functional apparel technology. In addition, the ANTAZERO X KRIS VAN ASSCHE collection successfully launched at Dover Street Market Paris, underscoring ANTA's continued ability to penetrate the international fashion landscape.

ANTA advanced its offline retail upgrades through tiered and segmented store format innovation. ANTA GUANJUN and ANTA SNEAKERVERSE effectively elevated the brand's influence in elite outdoor communities and the fashion-forward market. ANTA SUPER STORE, positioned as a onestop retail destination, achieved steady productivity growth during the financial year. Other new store formats including ANTA ARENA, ANTA PALACE, ANTA LINGLOONG, and ANTA CAMPUS also maintained solid performance. In the e-commerce, the brand will continue to strengthen merchandise logistics and middle office integration to enhance merchandise planning capabilities and operational efficiency.

ANTA continued to deepen its development in Southeast Asia while systematically expanding into the U.S., Middle East, and North Africa, as well as European markets. Through the launch of the "PG7 Global Cushion Evolution", ANTA engaged directly with runners in major cities including Boston, San Francisco, Chicago, New York and Los Angeles, embedding itself within local running communities and accelerating global brand recognition. The PG7 and C Family made their international debut at The Running Event, the world's leading exhibitions for the running industry, showcasing ANTA's capabilities in performance running. The brand's global product ANTA KAI 2 was launched simultaneously across 16 countries, while Irving's HÉLÀ series debuted at New York Fashion Week, further enhancing the brand's influence in global markets.

FILA

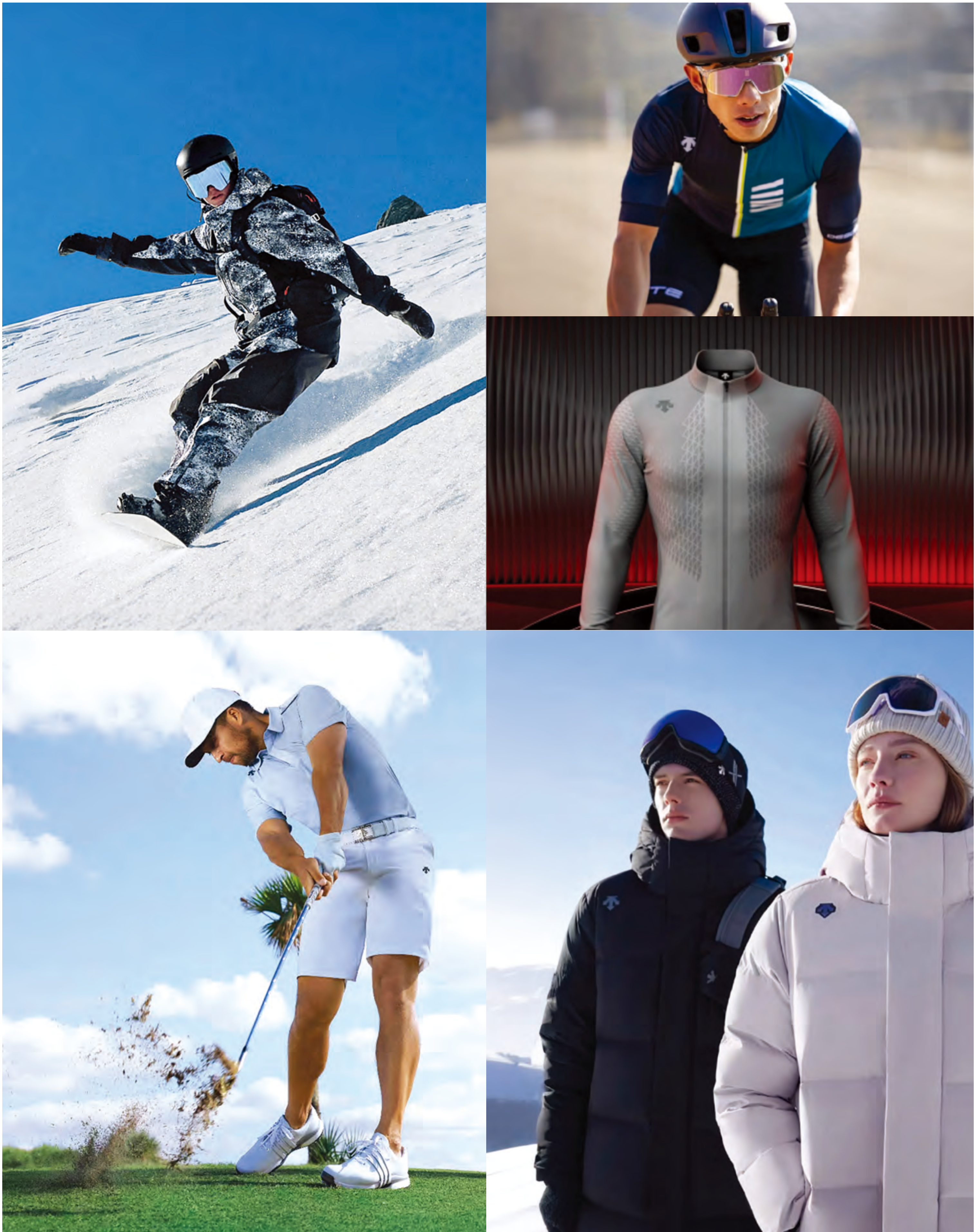
2025 was a pivotal year for FILA, marked by strategic restructuring and brand value uplift. FILA swiftly streamlined and integrated its internal resources, organization and culture, establishing its “ONE FILA” strategy. With a sharpened focus on high-end athletic fashion and the mission to “Make Performance Beautiful”, FILA concentrated resources on three strategic pillars – brand elevation, product innovation and retail upgrade. It targeted middle class elites and high value consumers, while broaden its reach across all customer segments through FILA KIDS, FILA FUSION, and FILA GOLF.

FILA further sharpened its strategic focus on tennis and golf, two high-growth professional sports with strong community influence. It built a multidimensional ecosystem that extends well beyond individual product lines or event sponsorships. In the second half of 2025, the brand introduced a new tennis strategy designed to create a full-spectrum ecosystem spanning events, athletes, R&D and community engagement. Initiatives included becoming the exclusive official footwear and apparel sponsor of the China Open; partnering with universities programs to advance industry-academia-research collaboration and strengthen product R&D expertise; appointing China’s top men’s singles player, Bu Yunchaokete, as brand ambassador and launching the “Most Beautiful Courts Initiative” across over 30 cities nationwide to build landmark courts and engage local communities, bringing tennis beyond competitive arenas into everyday life. Iconic products such as the BB1 Polo and the Suzanne tennis skirt were revitalized tailored to modern performance needs. Since the rollout of the tennis strategy, both tennis-related sales and visibility have risen markedly. In golf, FILA boosted its professional standing within golf circle through three consecutive years of sponsorship of the Volvo China Open, hosting the FILA GOLF Women’s Elite and the China Junior Golf Elite Tournament and signing Yin Ruoning, LPGA champion, as ambassador. With 50 years of expertise in winter sports, FILA has built a partnership with China’s national freestyle skiing aerials team that has lasted over a decade. For the 2026 Milan Winter Olympics, FILA provided full-scale equipment support to 12 teams representing 6 countries and regions, including Italy, the Netherlands, Norway, Canada, as well as Hong Kong, China, across multiple disciplines including speed skating, short track speed skating, figure skating, curling and ice hockey.

In product, FILA pursued “hero products” by deeply focusing on categories such as polo shirts, down jackets, running shoes and dad sneakers, developing highly distinctive and competitive items to drive category breakthroughs through hit IPs. For example, the FILA Vetta, designed by international designer Robbie Fuller, established a distinctive “V toe” sneaker silhouette that achieved strong market traction and drove the dad sneaker portfolio reach nearly ten million pairs in annual sales. Additionally, through sustained technological innovation, iterative product development and expanded usage scenarios, FILA further built a more precise and powerful product offerings. The reimagined MUSE tracksuit, together with the SPEED 5 TURBO children’s performance running shoe, co-developed by FILA KIDS and the China Institute of Sport Science, won the Platinum Award, the highest honor at the 2025 Muse Design Awards, underscoring the success of product optimization over the past year.

In retail upgrades, FILA transformed from traditional points of sale into immersive brand experience spaces and refined its store network upgrades to meet varied consumer demand. Under its “one store, one theme” strategy, the brand debuted the flagship FILA TOPIA Store as its top-tier benchmark. The FILA TOPIA at Xi’an SAGA Mall, inspired by the “Dual Cities” design concept, blends the athletic heritage of the Roman Colosseum with the cultural legacy of Tang-dynasty Chang’an, creating a retail space where cultural storytelling merges shopping experiences to serve needs of all demographics. FILA KIDS launched WONNIE FRIENDS theme park store at Beijing Universal Studios and Shanghai Disney Resort – its first store model to attract adult customers through kid’s store. Meanwhile, FILA GOLF debuted its “Master Club” store format, centered on lifestyle of elite consumers to strengthen its premium, professional standing in vertical communities.

Supported by refined operations and hit products across categories, FILA’s e commerce business continued to post healthy growth. For the first time, the brand ranked first in the sports apparel category on both Tmall and Douyin during Double 11, with multiple sub categories topping the charts. It also successfully increased penetration among high value female and younger demographics, optimizing the customer mix.



DESCENTE

DESCENTE upholds its brand philosophy of "DESIGN THAT MOVES", integrating innovative technology with precision craftsmanship to solidify its position as a premium performance sports brand. During the financial year, the brand celebrated its 90th anniversary, focusing on strengthening brand equity and product excellence, achieving growth that outpaced the broader industry. During the financial year, DESCENTE's retail sales successfully surpassed RMB10 billion, becoming the Group's third brand to reach this milestone.

In brand building, DESCENTE celebrated its 90th anniversary with a landmark exhibition in Shanghai titled "Engineering as Art". The exhibition traced the brand's heritage across its three core sports disciplines – skiing, triathlon, and golf – since its establishment in 1935, and presented 12 signature innovations through immersive experiential installations. Staying true to its founding DNA of "All Starts with Skiing", DESCENTE continued to anchor its annual brand campaigns around winter sports. During the financial year, the brand hosted its annual showcase at its "City of the Future" global flagship store at Beijing's China Central Place. The show featured a ceremonial handover of the official Milan Winter Olympics uniforms to the Chinese National Alpine Ski Team, enabling athletes to compete in DESCENTE's professional gear and push their limits to achieve outstanding results. The competition suits designed for both the Chinese National Alpine Ski Team and the Chinese National Snowboard Halfpipe Team were also prominently showcased on the runway. Through these authentic and scenario-based demonstrations of professional gear, the brand further reinforced its technical leadership and credibility in the professional winter sports sector. Beyond flagship events, the brand also deepened its engagement with golf, skiing and urban sports communities through initiatives such as the D-Tour event series, member-exclusive events and experiential camps, strengthening community connections and attracting consumers who aspire to professional sports performance and a premium lifestyle. In professional sports partnerships, DESCENTE sponsored the LPGA Championship resources for the third consecutive year, expanded its roster of elite golfers across domestic and international markets and continued its longstanding collaboration with the Chinese National Triathlon Team, providing cutting-edge equipment support for the national team and elite athletes.

In product innovation, DESCENTE continued to strengthen its investment in professional equipment technology, further reinforcing its "specialist and refined" market positioning. In skiing, the brand launched its 2025 alpine ski apparel collection, featuring the SKY series with enhanced protective performance and the WOMEN'S SKY series, designed specifically for Asian female body profiles and equipped with an integrated smart temperature-control system. In triathlon, addressing the demands of multi-stage competition and swift transitions, the brand introduced the DELTA PRO EXP V2 performance footwear, the AWAKEN PRO professional cycling series and the ultra-light running shell jacket. In golf, the brand applied its proprietary 4PRO design system to optimize equipment across four dimensions including fabric, fit, design and craftsmanship, achieving a seamless fusion of professional performance and premium quality. Additionally, the brand continued to expand its children's segment, extending its core expertise in skiing and golf while enhancing equipment performance and broadening its product offering to address the developmental needs and sporting demands of younger consumers.

In channel development, the brand adhered to its "robust and refined" store expansion strategy, opening dedicated locations at ski resorts and golf courses to strengthen its professional positioning and experiential offering. DESCENTE also continued to advance the expansion of its kids' store, establishing dedicated experiential spaces to deepen engagement with younger consumers. By maintaining a selective yet high-performing store portfolio, the brand successfully elevated both brand image and operational performance, establishing a "high store-efficiency" retail model. The brand officially unveiled its 1,600-square-metre global flagship, "City of the Future", at Beijing's China Central Place. Designed as a landmark destination, the flagship seamlessly integrates professional product showcases, immersive experiential zones, and forward-looking sports concepts. The store features four themed zones including skiing, golf, triathlon, and children's to systematically present the brand's technical heritage across multiple disciplines. Through seamless spatial flow and scenario-based storytelling, the flagship redefines retail expression, evolving from traditional product display to a holistic, sport-centred experiential journey. Looking ahead, DESCENTE will continue to align its channel strategy with its brand positioning, prioritising flagship locations in prime urban landmarks to further elevate brand visibility and reinforce its high-end market presence.

KOLON SPORT

Founded in Korea, KOLON SPORT is a professional outdoor brand with over 50 years of heritage, dedicated to enabling a high-quality lifestyle. Upholding its philosophy of "YOUR BEST WAY TO NATURE", the brand aspires to be a beacon in the journey of nature exploration. The brand continues to expand its presence across diverse outdoor scenarios, including hiking, mountaineering, camping and fishing, transforming the spirit of exploration into professional-grade products and immersive experiences, thereby establishing itself as a benchmark in the professional outdoor sector. Reflecting its growing influence, KOLON SPORT was the fastest-growing brand within the Group during the financial year.

During the financial year, KOLON SPORT continued to strengthen its strategic allocation of professional resources. The brand officially partnered with the China National Climbing Team and unveiled the team's new uniform. These new uniforms, leveraging the brand's advanced technologies and ergonomic 3D tailoring, provide professional-grade equipment designed to support athletes in competitions. Furthermore, the brand further expanded its KOLON ROAD LAB community initiative, launched in 2020 to bring together like-minded outdoor enthusiasts through diverse experiential activities and convey the brand's distinctive outdoor aesthetic and professional expertise.

KOLON SPORT firmly believes that professional performance is the cornerstone of its brand development, and has, over the years, remained committed to expert craftsmanship and a consumer-oriented approach to R&D. During the financial year, the brand continued to enhance its comprehensive product portfolio across apparel, footwear, and equipment. While consolidating its leading position in the apparel market, it also strategically increased the sales contribution of its footwear category. In footwear products, the MOVE ALPHA Hiking Shoes series, engineered to meet the demands of professional hiking scenarios, has become one of the brand's signature collections. The launch of the upgraded MOVE ALPHA 2.0 Hiking Shoes and its derivative series further reinforced the brand's year-round outdoor footwear offering. In apparel products, the brand continued to broaden its diversified portfolio by introducing a range of innovative technical fabrics and developing several core products, for instance, the OBLI-K Camping Waterproof Jacket, which combines functionality with aesthetic appeal. Additionally, the brand launched a new pioneering design line, the K: Series which explores a refined, quiet-luxury outdoor style, drawing inspiration from subtle moments in nature to construct a unique design language.

Regarding channel strategy, the brand is accelerating the nationwide expansion of its store network. Building on its strong foothold in the Northeastern, Northern and Eastern China markets, it is placing greater emphasis on refined operations while further extending into the Southern and Western China markets. At the same time, the brand has opened several high-spec flagship stores in key first-tier and emerging first-tier cities, including Beijing, Shenzhen, and Chengdu, to deepen market penetration and elevate the consumer experience in strategically important locations. Supported by prime commercial districts and innovative retail environments, the KOLON KRAFT flagship stores in MixC Luohu, Shenzhen, and Taikoo Li, Chengdu, have further strengthened the brand's position within the premium consumer segment.

Looking ahead, KOLON SPORT will remain committed to pursuing healthy growth, with a continued focus on enhancing store efficiency. The brand will prioritize core commercial districts that align with its brand positioning and target consumer base and will further develop high-spec flagship stores to deepen consumer experience and reinforce brand affinity, thereby strengthening the position in the premium outdoor market.

Internal Management

Legal Compliance

To the knowledge of the Directors and management, we are not aware of any non-compliance of laws or regulations resulting in a significant impact on the Group.

As part of our corporate governance practice, the Audit Committee regularly reviews and monitors the Group's policies and practices in compliance with legal and regulatory requirements.

Relationship with Stakeholders

Good corporate governance mechanisms help build stable relationships with our suppliers, distributors, franchisees, customers, shareholders and other stakeholders. Through various communication channels, we collect feedbacks and advices from stakeholders, which provide considerable benefits to our business. Maintaining long term relationships with our stakeholders is not only an intangible asset to us, but also helps all parties comply with common code of business ethics, achieving win-win outcomes.

Environmental Protection Measures

We understand that the environment has a long lasting impact on our future development. We take up responsibility for the environment, promote energy conservation, emissions reduction and green operation, and work with upstream and downstream partners to jointly tackle the risks of climate change. We continue to promote green products and sustainable logistics. We promote green office, and enhance the environmental protection awareness of employees and their families through various employee activities.

For further details of our measures in environmental protection, please refer to the Company's *Environmental, Social and Governance Report 2025*.

Principal Risks and Uncertainties Facing the Group

Strategic Risk

Economic Environment Risk

The sportswear industry is vulnerable to volatile economic cycles. If volatile economic cycle persists and leads to continued sluggish consumer demand, it would have an adverse impact on the Group's operations.

Globalization Risk

When expanding overseas, enterprises should comply with the laws and regulations, technical standards, and other policies of the import and export countries, including tax policies, foreign exchange policies, and financial policies. Any breach may cause an adverse impact on the Group's operations.

In the process of global expansion, the Group may be hindered by its failure to obtain sufficient and accurate understanding of the local characteristics.

Market Risk

Risk of Changes in Consumer Structure and Consumption Behavior

In terms of the current consumption trend, the core consumer base is shifting toward the new-generation groups; the potential of female market is being unleashed; the demand for outdoor sports products is growing rapidly; and changes in the consumer structure and consumption behavior are having a significant impact on enterprises. If the Group fails to fully consider changes in market demand and adjust its marketing layout in a timely manner, it would have an adverse impact on the operations.

Competition Risk

Increasingly tense competition in the domestic sportswear industry as reflected by the expanding scale and continuous concentration of the industry, and the rapid expansion of international clothing brands across China. The nature of this competition has shifted from a focus on quantity and price to new attributes such as state-of-the-art technology and value-added products. Although the Group has maintained the leading position in the China sportswear market, the Group acknowledges that further intensified market competition may impact future revenue and profitability to a certain degree.

Policy Risk

Risk of Foreign Exchange Policy

While the Group's businesses in Chinese Mainland are denominated in RMB, offshore businesses are denominated in other currencies. Currently, RMB is a managed floating currency which is adjusted by reference to a basket of foreign currencies. The conversion rates of RMB into other currencies are subject to market fluctuations and are impacted by global economy and political conditions. Changes in foreign exchange rates affect the value of the Group's assets, liabilities, income and expenses, which are denominated in other currencies, and may impact the Group's financial position and performance.

Risk of Foreign Investment Policies

As at 31 December 2025, the Group's foreign investments include its investment in Amer Sports, Inc. As outbound investment involves many relevant policies and regulations of China and overseas, any subsequent changes in relevant laws, tax policies, foreign exchange policies and financial policies may have an adverse impact on the Group's investment value.

Operational Risk

Consumer Experience Enhancement Risk

The market has entered into an era of experienced economy, and personalization of consumer needs and diversification of retail scenarios making consumer experience a key factor in brand and product selection. Consumer experience enhancement is conducive to better strengthening brand loyalty. If the Group fails to deliver an all-rounded consumer experience through various touchpoints, it would have an adverse impact on brand development.

Product Innovation and R&D Risk

The Group focuses on the branded sportswear business, and consumers have a certain level of demand on product function and style. Consumer preferences for fabrics and clothing styles change at a rapid pace, and the Group's product development ability to adapt to these preferences would affect the sales performance of products.

Risk from Counterfeit Brands

Brand is a key consideration that consumers take into account when buying sportswear products. There are a number of unscrupulous manufacturers that counterfeit well-known brands and conduct illegal sales, which has an adverse impact on the brands they replicate. As brands and sportswear products under the Group are well-regarded in the domestic market, the Group has proactively adopted a number of different safeguards to protect the self-owned IP rights, but it is difficult to identify every infringement immediately. If the Group's products were counterfeited on a mass scale in the future, there would be an adverse impact on brand image and profitability.

Production Safety Risk

Due to the particularity of the sportswear manufacturing, fire prevention of manufacturing facilities is especially important. The glue used in the production process and semi-finished products and finished products are flammable, and fire would affect production directly and cause an adverse impact to the Group's (and suppliers') operations.

Risk of Channel Costs Increase

For brick-and-mortar business, the Group adopts a hybrid business model combining wholesale and retail for different brands, including DTC model and direct retail model. Should retail shop rents and staff costs increase, profitability of the Group, distributors and franchisees would be reduced.

Also for e-commerce business, profitability of the Group would be reduced when e-commerce platforms and social media e-commerce channels related costs increase.

Risk of Cross-Region Operation

Consumer groups' purchasing power and consumption preference are different among different regional markets. Currently, the Group's business locates in multiple areas in China as well as some overseas markets, and it is under fast, steady and healthy development. The cross-region operation and business development bring in higher requirements on the Group's existing organizational structure and managerial system. Therefore, potential internal management and operation risks could exist.

Force Majeure Risk

In case of an uncontrollable change of external market and environment (for instance, a potential natural disaster or political and economic issues in China and foreign countries), it would have an adverse impact on the Group's operations, and the Group may not be able to raise sufficient capital resulting in negative impact on sufficient repayment for all borrowings on time.

Management Risk

Subsidiaries Management Risk

Over the years, the Group has conducted strict management and control of its subsidiaries and branch companies in various aspects, including manufacturing, operation, sales, human resources, finance, etc. However, the fast development of the Group's businesses and the continuous expansion of its asset scale bring in higher requirements on the Group's organizational structure and managerial system. This has increased the difficulties to a certain degree in terms of the Group's organizational coordination and operational management. Therefore, potential internal management and operation risks could exist.

Risk of Brand Reputation

The Group has established an internal control system as well as product quality and safety management system, in order to facilitate risk and quality controls across the full process. However, there are various factors affecting the product quality. Any mismanagement or loopholes in the process of quality monitoring and procedure control could lead to product quality problems that might not satisfy consumer's need. In this case, the Group's brand image, product sales and operational results could be adversely affected.

Supplier Management Risk

Despite the strict selection mechanisms and quality control system towards suppliers, the Group's business may be affected by numerous factors relating to the suppliers, including the quality of raw materials provided, the timing of product deliveries, transportation capabilities and management capabilities, among others. Cases where the quality of raw materials fails to meet the Group's standards; quality inspection departments are not able to identify defective products in time; products are not delivered on time, to the right location or in the right quantity; and products are lost or damaged during delivery, would all have adverse impacts on the Group's operations. Furthermore, the Group's operation would also be adversely affected by suppliers' liquidity problem or credit deterioration.

Risk from Talent Shortage and Loss of Talent

The branding of sportswear industry, the digitalization upgrade and the optimization of supply chain require many talents who specialize in brand management, product planning, product design, information management and supply chain management. However, there is a shortage of relevant professional talents in China, and a large-scale loss of those kinds of talents in the future would adversely impact the Group's operations.

Risk from Logistic Management

The Group primarily relies on third-party logistics companies to transport products, and face challenges in logistic management due to the significant number of existing logistics company partners. If there are any negligence or mistakes by any logistics companies, resulting in any delay or error on supply of certain products, or even causing product damage, the Group's operations would be adversely affected. Should any incidents occur, such as traffic accidents, natural disasters or strikes, among other issues, the product supply may be temporarily interrupted, meaning that the Group would not be able to deliver products to customers, stores, distributors and franchisees in time. This would have an adverse impact on the Group's operations.

(Certain risks were considered as major risks for the financial year based on the risk assessment by management. For the related countermeasures, please refer to the Company's Risk Management Report hereunder.)

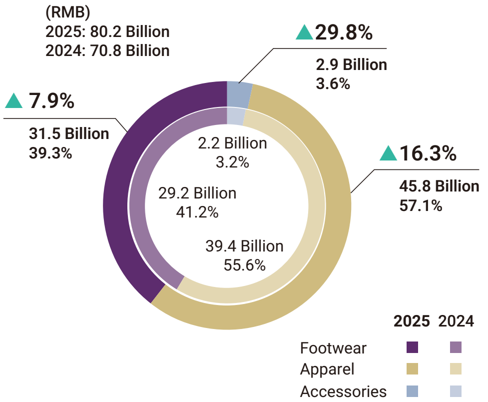
Financial Review

Revenue

Breakdown by Product Category

The following table sets out the Group's revenue by product category for the financial year:

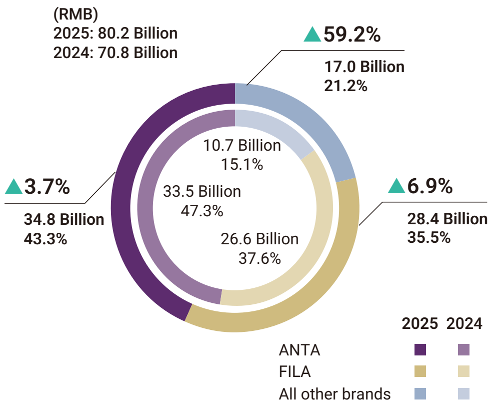
	Year ended 31 December				Changes
	2025		2024		
	(RMB million)	(% of Revenue)	(RMB million)	(% of Revenue)	(%)
Footwear	**31,499**	**39.3**	29,202	41.2	▲ 7.9
Apparel	**45,814**	**57.1**	39,385	55.6	▲ 16.3
Accessories	**2,906**	**3.6**	2,239	3.2	▲ 29.8
Overall	**80,219**	**100.0**	70,826	100.0	▲ 13.3



Breakdown by Segment

The following table sets out the Group's revenue by segment for the financial year:

	Year ended 31 December				Changes
	2025		2024		
	(RMB million)	(% of Revenue)	(RMB million)	(% of Revenue)	(%)
ANTA	**34,754**	**43.3**	33,522	47.3	▲ 3.7
FILA	**28,469**	**35.5**	26,626	37.6	▲ 6.9
All other brands	**16,996**	**21.2**	10,678	15.1	▲ 59.2
Overall	**80,219**	**100.0**	70,826	100.0	▲ 13.3



During the financial year, the Group's revenue increased by 13.3% as compared with 2024 to RMB80,219 million (2024: RMB70,826 million), which was mainly attributable to (i) the successful penetration of diverse market segments through clear positioning of each brand and the multi-brand strategy; and (ii) the continuous growth of e-commerce business.

ANTA segment revenue increased by 3.7% as compared with 2024 to RMB34,754 million (2024: RMB33,522 million), which was mainly attributable to (i) offline retail sales growth driven by enhanced end-customer experience through differentiated retail and product portfolios via channel optimization; and (ii) e-commerce business growth driven by online product structure optimization, content-driven marketing, and membership system development.

The following table sets out the ANTA segment's revenue by business model for the financial year:

	Year ended 31 December				Changes
	2025		2024		
	(RMB million)	**(% of Revenue)**	(RMB million)	(% of Revenue)	(%)
DTC – Direct retail	**12,310**	**35.4**	11,619	34.7	▲ 5.9
DTC – Franchise	**6,395**	**18.4**	6,619	19.7	▼ 3.4
E-commerce	**12,863**	**37.0**	11,985	35.8	▲ 7.3
Traditional wholesale and others	**3,186**	**9.2**	3,299	9.8	▼ 3.4
Total	**34,754**	**100.0**	33,522	100.0	▲ 3.7

FILA segment revenue increased by 6.9% as compared with 2024 to RMB28,469 million (2024: RMB26,626 million), which was mainly attributable to (i) continuous product upgrades, which enhanced product competitiveness and improved the customer retail experience, thereby driving higher sales; and (ii) the continuous growth of e-commerce business.

Revenue of all other brands increased by 59.2% as compared with 2024 to RMB16,996 million (2024: RMB10,678 million). The growth was mainly driven by the businesses of DESCENTE and KOLON SPORT, which delivered outstanding performance by capitalizing on the growth of niche and premium markets through precise and differentiated strategies.

The e-commerce business contributed 35.8% (2024: 35.1%) of the overall revenue to the Group, and increased by 15.5% as compared with 2024 in terms of absolute amount. The revenue growth was attributable to (i) continuous refinement of e-commerce platform channel matrix and product portfolio; and (ii) more precise products for target customers by leveraging our digitalization advantages.

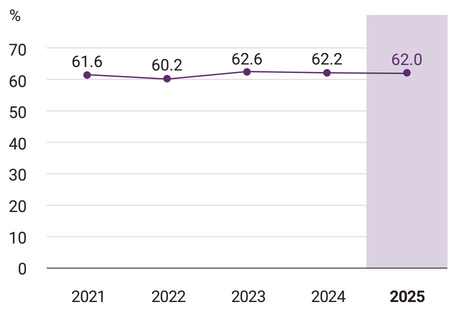
Gross Profit and Gross Profit Margin

Breakdown by Product Category

The following table sets out the gross profit and the gross profit margin by product category for the financial year:

	Year ended 31 December				Changes
	2025		2024		
	Gross profit (RMB million)	**Gross profit margin (%)**	Gross profit (RMB million)	Gross profit margin (%)	Gross profit margin (% point)
Footwear	**18,391**	**58.4**	17,120	58.6	▼ 0.2
Apparel	**29,821**	**65.1**	25,681	65.2	▼ 0.1
Accessories	**1,522**	**52.4**	1,231	55.0	▼ 2.6
Overall	**49,734**	**62.0**	44,032	62.2	▼ 0.2

Gross Profit Margin



Breakdown by Segment

The following table sets out the gross profit and the gross profit margin by segment for the financial year:

	Year ended 31 December				
	2025		2024		Changes
	Gross profit (RMB million)	**Gross profit margin (%)**	Gross profit (RMB million)	Gross profit margin (%)	Gross profit margin (% point)
ANTA	**18,621**	**53.6**	18,274	54.5	▼ 0.9
FILA	**18,916**	**66.4**	18,051	67.8	▼ 1.4
All other brands	**12,197**	**71.8**	7,707	72.2	▼ 0.4
Overall	**49,734**	**62.0**	44,032	62.2	▼ 0.2

During the financial year, the Group's overall gross profit margin decreased by 0.2% point as compared with 2024 to 62.0% (2024: 62.2%). The decrease in overall gross profit margin was mainly attributable to decrease in gross profit margins of ANTA segment and FILA segment.

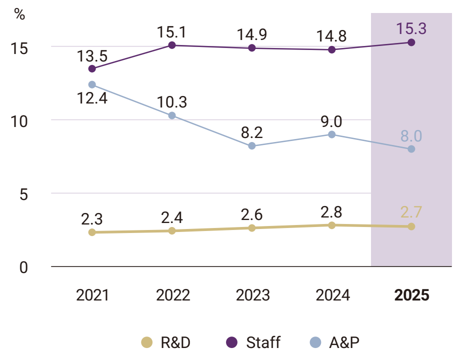
ANTA segment gross profit margin decreased by 0.9% point as compared with 2024 to 53.6% (2024: 54.5%), which was mainly attributable to (i) increased investment in performance products; and (ii) continued increase in the proportion of the e-commerce business, which typically yields lower gross profit margins.

FILA segment gross profit margin decreased by 1.4% point as compared with 2024 to 66.4% (2024: 67.8%), which was mainly attributable to (i) the increase in costs resulting from strategic enhancement and improvement in product functionality and quality; and (ii) growth in e-commerce business which typically yields lower gross profit margins.

Operating Expenses Ratios

The ratio of staff costs to revenue increased by 0.5% point for the financial year, driven by a 16.7% increase in total staff costs to RMB12,242 million, which was mainly due to (i) the acquisition of JACK WOLFSKIN business; and (ii) the Group's continued investment in human resources and talent development. The ratio of advertising and promotional expenses to revenue decreased by 1.0% point, primarily due to (i) a higher proportion of advertising spending was incurred in 2024 as it was a major year for sports; and (ii) strong overall revenue growth in this financial year, coupled with stable advertising and promotional spending. The ratio of R&D costs to revenue decreased slightly by 0.1%, mainly due to the growth in revenue. The Group continues to invest in its R&D capabilities to provide better products to consumers.

Operating Expenses Ratios



Write-down of Inventories

Inventories are stated at cost or net realizable value, whichever is lower. In the event that net realizable value falls below cost, the difference is taken as write-down of inventories and charged to profit or loss.

During the financial year, write-down of inventories amounting to RMB274 million was charged to profit or loss (2024: reversal of write-down of RMB132 million credited to profit or loss).

The Group continues to adopt the flexible "Dynamic Management" approach in response to market volatilities in order to maintain a healthy inventory level under the evolving business environment.

Impairment Loss of Trade Receivables

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses ("ECLs"). ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions.

During the financial year, impairment loss of trade receivables amounting to RMB24 million was charged to profit or loss (2024: RMB26 million).

Profit From Operations and Operating Profit Margin

The following table sets out the profit from operations and operating profit margin by segment for the financial year. Further details of financial information comprising profit from operations are set out in the note to the financial statements.

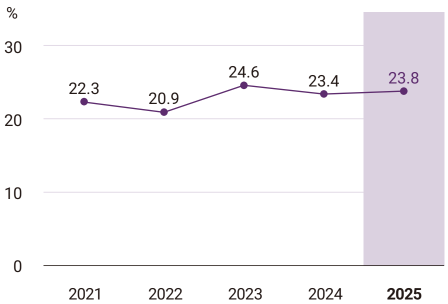
	Year ended 31 December				
	2025		2024		**Changes**
	Profit from operations (RMB million)	**Operating profit margin (%)**	Profit from operations (RMB million)	Operating profit margin (%)	Operating profit margin (% point)
ANTA	**7,211**	**20.7**	7,035	21.0	▼ 0.3
FILA	**7,418**	**26.1**	6,738	25.3	▲ 0.8
All other brands	**4,736**	**27.9**	3,050	28.6	▼ 0.7
	19,365	**24.1**	16,823	23.8	▲ 0.3
Headquarters and unallocated items	**(274)**	**N/A**	(228)	N/A	N/A
Overall	**19,091**	**23.8**	16,595	23.4	▲ 0.4

During the financial year, the Group's overall operating profit margin increased by 0.4% point as compared with 2024 to 23.8% (2024: 23.4%).

ANTA segment operating profit margin decreased by 0.3% point as compared with 2024 to 20.7% (2024: 21.0%). Although operation improvement and cost saving measures enhanced operating profit margin, the decrease in gross profit margin offset the impact from operation efficiency.

FILA segment operating profit margin increased by 0.8% point as compared with 2024 to 26.1% (2024: 25.3%), which was mainly attributable to improvement in operating efficiency, partially offset by the decrease in gross profit margin.

Operating Profit Margin



Finance Income/Costs

Total interest income for the financial year amounted to RMB1,730 million (2024: RMB1,846 million). The decrease was mainly attributable to lower average interest rates on bank deposits compared with 2024.

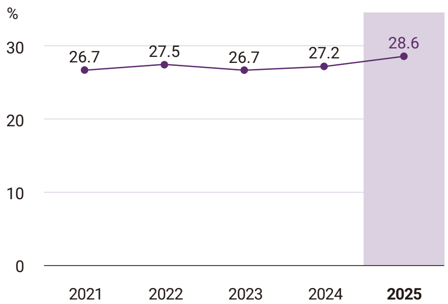
Total interest expense (excluding interest expense on lease liabilities) amounted to RMB510 million (2024: RMB310 million) for the financial year. The increase was mainly driven by the higher amortized interest expense arising from convertible bonds during the financial year.

Interest expense on lease liabilities under applicable financial reporting standards amounting to RMB334 million was incurred during the financial year (2024: RMB331 million).

Effective Tax Rate

Effective tax rate (excluding the effect of share of profit or loss of associates and gain arising from equity dilution under the Amer Sports Listing and Amer Sports Placing) was 28.6% for the financial year (2024: 27.2%).

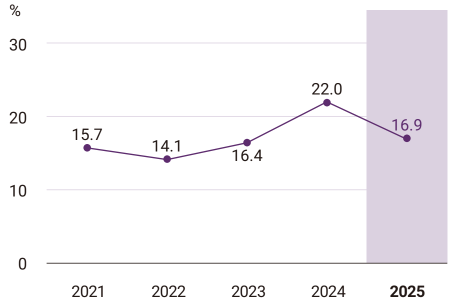
Effective Tax Rate



Margin of Profit Attributable to Equity Shareholders

Margin of profit attributable to equity shareholders decreased by 5.1% point to 16.9% (2024: 22.0%) for the financial year, which was mainly attributable to one-off item relating to the gain arising from equity dilution under the Amer Sports Listing and Amer Sports Placing of RMB3,669 million in 2024.

Margin of Profit Attributable to Equity Shareholders

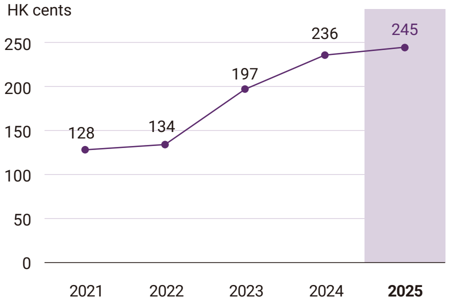


For comparison purpose, excluding the gain arising from equity dilution under Amer Sports Listing and Amer Sports Placing in 2024, profit attributable to equity shareholders in this financial year increased by 13.9% as compared with 2024 to RMB13,588 million (2024: RMB11,927 million); and the related margin of profit attributable to equity shareholders increased by 0.1% point as compared with 2024 to 16.9% (2024: 16.8%).

Dividends

The Board has recommended a final dividend of HK108 cents per ordinary share in respect of financial year 2025, together with payment of interim dividend of HK137 cents per ordinary share, representing a total ordinary dividend payout of RMB6,199 million (2024: RMB6,071 million), or a distribution of 50.1% of adjusted profit attributable to equity shareholders. Adjusted profit attributable to equity shareholders represents profit attributable to equity shareholders excluding share of profits or loss of associates and any one-off gain or loss related to the investments in associates (if any). The recommended final dividend is subject to the approval by shareholders of the Company at the forthcoming AGM.

Ordinary Dividends Per Ordinary Share



Liquidity and Financial Resources

The Group's financial position remains robust and recorded a net operating cash inflow during the financial year.

As at 31 December 2025, the cash and cash equivalents of the Group amounted to RMB12,181 million which were mainly denominated in RMB, USD, HKD and EUR, representing an increase of RMB791 million as compared with the cash and cash equivalents of RMB11,390 million as at 31 December 2024. This was mainly attributable to:

- Net cash inflow from operating activities amounted to RMB20,996 million, which was similar to the profit from operations and represented the Group's strong cash generating capability.

- Net cash outflow from investing activities amounted to RMB7,046 million, mainly including (i) the acquisition of JACK WOLFSKIN business of RMB2,170 million; (ii) capital expenditures of RMB2,716 million; (iii) net placements of fixed deposits held at banks with maturity over three months of RMB1,991 million; and (iv) net payments of other investing activities amounting to RMB169 million.

- Net cash outflow from financing activities amounted to RMB13,116 million, mainly including (i) payment of 2024 final dividend and 2025 interim dividend amounting to RMB6,585 million; (ii) payments for repurchase of shares amounting to RMB1,952 million; and (iii) net payments of other financing activities amounting to RMB7,885 million, mainly including repayments of bank loans and lease liabilities. This was partially offset by (iv) net proceeds obtained from bills payables amounting to RMB3,306 million.

	2025 (RMB million)	2024 (RMB million)
Year ended 31 December		
Operating cash inflow	**20,996**	16,741
Capital expenditures	**(2,716)**	(3,460)
Acquisition of subsidiaries	**(2,170)**	(38)
Others	**(4)**	11
Free cash inflow	**16,106**	13,254
As at 31 December		
Cash and cash equivalents	**12,181**	11,390
Fixed deposits held at bank with maturity over three months	**42,128**	40,579
Pledged deposits	**712**	242
Subtotal	**55,021**	52,211
Less: borrowings		
– Bank loans	**(1,328)**	(2,431)
– Bills payable (financing in nature)	**(10,900)**	(7,500)
– Convertible bonds (liability component)	**(11,074)**	(10,379)
– Medium term notes	**–**	(506)
Subtotal	**(23,302)**	(20,816)
Net cash position	**31,719**	31,395

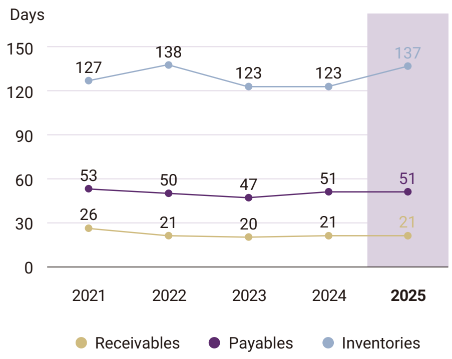
As at 31 December 2025, total assets of the Group amounted to RMB124,295 million, of which current assets were RMB59,656 million. Total liabilities and non-controlling interests were RMB58,513 million and total equity attributable to equity shareholders of the Company amounted to RMB65,782 million.

The Group's gearing ratio was 18.7% as at 31 December 2025 (as at 31 December 2024: 18.5%), being a ratio of total borrowings to total assets. Bank loans including both fixed rate and variable rates were denominated in RMB and measured at amortized cost. Of these loans, 47.6% were repayable within 1 year. Bills payable (financing in nature) were bills of exchange denominated in RMB, measured at amortized cost and repayable within 1 year. 2029 Convertible Bonds were denominated in EUR, measured at amortized cost and repayable in 4 years (subject to early redemption provision under the terms and conditions).

Assets/Liabilities Turnover Ratios

The average inventory turnover days increased by 14 days, which was mainly attributable to the increase in inventory as compared with 2024. The average trade receivables turnover days and the average trade payables turnover days remained at the same level of last year. The turnover ratios mentioned above were at healthy levels.

Assets/Liabilities Turnover Days



Pledge of Assets

As at 31 December 2025, the Group had bank deposits of RMB712 million (as at 31 December 2024: RMB242 million) pledged as security mainly for forward foreign exchange contracts.

Financial Management Policies

The Group continues to manage financial risks in a prudent manner and proactively adopts internationally recognised corporate management standards to safeguard the interests of Shareholders.

As the functional currencies of most of the non-Chinese Mainland entities (other than the associate whose functional currency is USD) are foreign currencies (mainly HKD, USD and EUR) and those financial statements in foreign currencies are translated into RMB for reporting and consolidation purposes, foreign exchange differences arising from the translation of such financial statements are directly recognised in equity as a separate reserve. In addition, as the investment in Amer Sports, Inc. and the convertible bonds (liability component) are denominated in USD and EUR respectively, fluctuations in the exchange rates of the USD against RMB and EUR against RMB may have significant impacts to the Group's net assets and total comprehensive income.

Nevertheless, the management actively monitors foreign exchange rate fluctuations to ensure that its net exposure is kept to an acceptable level.

Significant Investments and Acquisitions

Investment in an Associate – Amer Sports, Inc.

As at 31 December 2025, the Group held an investment in Amer Sports, Inc., which is accounted for as investment in an associate.

During the financial year, Amer Sports was a wholly-owned subsidiary of Amer Sports, Inc., which is a global group of iconic sports and outdoor brands, including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, whose shares are listed on the New York Stock Exchange (NYSE: AS).

As at 31 December 2025, the Group effectively held 219,577,535 shares or 39.37% interest in Amer Sports, Inc. The carrying amount of the investment in Amer Sports, Inc. was RMB16,275 million, representing 13.1% of the total assets of the Group.

For the annual financial results of Amer Sports, Inc. for the year ended 31 December 2025, please refer to the announcements of Amer Sports, Inc. dated on 26 February 2026.

On 2 March 2026, Amer Sports, Inc. filed a registration statement with the U.S. Securities and Exchange Commission for a new round of public offering of its ordinary shares on the New York Stock Exchange ("Amer Sports Placing 2026").

On 4 March 2026, the Company was informed by Amer Sports, Inc. that the Amer Sports Placing 2026 had been completed and was effective immediately. Pursuant to the Amer Sports Placing 2026, a total of 23,695,055 ordinary shares were offered by Amer Sports, Inc. at the final offer price of USD36.40 per share.

Based on the latest available information to the Company, following the completion of Amer Sports Placing 2026, the Group's equity interest in Amer Sports, Inc. decreased from 39.37% to approximately 37.77%, and a non-cash accounting gain of approximately RMB1.6 billion is expected to be recognized in the Group's consolidated financial statements for the financial year ending 31 December 2026 arising from the equity dilution under the Amer Sports Placing 2026.

Acquisition of JACK WOLFSKIN Business

On 10 April 2025, an indirect wholly-owned subsidiary (the "Purchaser") of the Company entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Topgolf Callaway Brands Corp. (the "Seller") in relation to the sale and purchase of equity interests in Callaway Germany Holdco GmbH (the "Target Company"). Pursuant to the Sale and Purchase Agreement, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 100% equity interests in the Target Company (the "Acquisition") for a base price of USD290 million in cash, subject to net working capital and other customary adjustments. On 31 May 2025, the Acquisition was completed and the Target Company has become an indirect wholly-owned subsidiary of the Group.

The Target Company was incorporated in Idstein, Germany and operates the JACK WOLFSKIN business, one of the world's leading specialists in outdoor apparel, footwear and equipment, in target markets worldwide. JACK WOLFSKIN develops professional outdoor products targeted at the active outdoor and urban outdoor customer categories, spanning hiking, bike, ski and camping. Its products are renowned for their optimized functionality, high quality and exceptional innovation, harnessing German engineering, technology and design. It owns a versatile portfolio of smartly and sustainably engineered technologies, including its popular "Texapore" group of materials. Under the philosophy of enabling everyone to partake in outdoor experiences through endless discovery, JACK WOLFSKIN is dedicated to providing innovative and sustainable solutions for apparel, footwear and equipment that help individuals extend and deepen their outdoor experiences.

The Acquisition aligns with the Group's "Single-focus, Multi-brand, Globalization" strategy and presents opportunities to further strengthen and to grow the Group's outdoor sports segment. Its addition complements the Group's existing brand portfolio, extending the Group's outdoor product offering from premium to mass market while enriching product solutions for a broader set of outdoor activities. The Group also stands to benefit from JACK WOLFSKIN's exclusive material technologies and the extensive experience of their German engineering and design team, further bolstering the Group's competitiveness in the outdoor sports segment. Moreover, JACK WOLFSKIN is one of the leading specialists in outdoor apparel, footwear and equipment with a strong presence in Europe, particularly Germany. Integrating JACK WOLFSKIN is another step forward in the Group's global expansion strategy.

On 27 August 2025, Anca Holding Limited (a special purpose vehicle for the holding of the JACK WOLFSKIN business, the "Anca Holding") entered into the share subscription agreements (the "Share Subscription Agreements") with each of Wise Source Global Limited ("Wise Source") and Reward Grand Holdings Limited ("Reward Grand"), respectively, pursuant to which Wise Source and Reward Grand conditionally agreed to subscribe for, and Anca Holding conditionally agreed to allot and issue, an aggregate of 2,500 new ordinary shares (the "Subscription Shares") for the cost of the Acquisition (collectively, the subscriptions of the Subscription Shares by Wise Source and Reward Grand pursuant to the Share Subscription Agreements, each a "Subscription").

Upon completion of the Subscriptions, the Company's indirect beneficial interest in Anca Holding held by the Company will be diluted from 100% to 80% as the total issued shares of Anca Holding is enlarged by the issue of the Subscription Shares. As such, the Subscriptions constitute a deemed disposal of 20% equity interest in Anca Holding held by the Company.

Saved as disclosed above, during the financial year, the Group made no other significant investment or material acquisition or disposal of subsidiary.

Significant Financing

Convertible Bonds

2029 Convertible Bonds

On 5 December 2024, the Group completed the issuance of EUR1.5 billion zero coupon convertible bonds due on 5 December 2029 and the convertible bonds are listed on the Singapore Stock Exchange ("2029 Convertible Bonds"). The issue price was 100.0% of the principal amount of the 2029 Convertible Bonds. The 2029 Convertible Bonds may be converted into ordinary shares of the Company pursuant to its terms and conditions. The Board considered that 2029 Convertible Bonds can provide the Group with additional funding at lower cost to refinance its existing debt and to optimize its debt maturity profile, to further strengthen the working capital for the Group, as well as potentially enhance the equity base of the Group.

The gross proceeds and the net proceeds (after deduction of commission and expenses) from the issuance of the 2029 Convertible Bonds were EUR1,500 million and approximately EUR1,487 million, respectively. Please refer to the table below for the use of proceeds of the 2029 Convertible Bonds during the financial year.

Intended use of proceeds	**Initial intended allocation** (EUR million)	**Unutilized amount as at 31 December 2024** (EUR million)	**Utilized amount for the year ended 31 December 2025** (EUR million)	**Unutilized amount as at 31 December 2025** (EUR million)	**Expected timeline for utilizing the remaining proceeds**
Issue to 2029 Convertible Bonds					
Settlement of the repurchase of the 2025 Convertible Bonds	1,000	54	**(54)**	**–**	N/A
Share repurchase	300	300	**–**	**300**	Reserve for long term share repurchase over and above the share repurchase plan announced by the Company on 27 August 2024
General corporate purposes	200	200	**(200)**	**–**	N/A
	1,500	554	**(254)**	**300**	

As at 31 December 2025, the total outstanding principal amount of the 2029 Convertible Bonds was EUR1,500 million (equivalent to RMB12,605 million). There had not been any exercise of conversion right of the 2029 Convertible Bonds and no redemption right had been exercised by the bondholders or the Group during the reporting period. Based on the applicable conversion price of HKD101.13 on that date and assuming full conversion of the 2029 Convertible Bonds, the convertible bonds would be convertible into 120,944,823 conversion shares.

For further details of 2029 Convertible Bonds, please refer to the announcements of the Company dated 27 November 2024, 5 December 2024, 7 May 2025 and 27 August 2025.

Saved as disclosed above, during the financial year, the Group made no other significant financing.

Capital Commitments, Contingencies and Guarantee

Capital Commitments

As at 31 December 2025, the Group had capital commitments of RMB9,571 million, primarily relating to construction of ANTA Shanghai headquarters, Xiamen Anta Sports Park, ANTA Global Digital Intelligence Integrated Industrial Park, Group logistic centers and renovation of retail stores.

Contingencies

The Group is not involved in any material legal proceedings, nor are there any pending or potential material legal proceedings involving the Group.

Guarantee

As at 31 December 2025, the Group did not provide any form of guarantee for any company outside the Group.

Investors Information

Share Information

Listing Day
10 July 2007

Board lot size
200 shares

Numbers of shares outstanding (excluding treasury shares)
2,796,653,300 shares
(As at 31 December 2025)

Number of treasury shares
Nil
(As at 31 December 2025)

Stock Codes

Hong Kong Stock Exchange
2020 (HKD counter) and 82020 (RMB counter)

Reuters
2020.HK

Bloomberg
2020: HK
82020: HK

MSCI
3741301

Dividends

HK cents	2021	2022	2023	2024	**2025**
Ordinary interim	60	62	82	118	**137**
Ordinary final	68	72	115	118	**108**
Special interim	30	–	–	–	**–**

Important Dates

Annual results announcement	**25 March 2026**
Annual general meeting	**12 May 2026**
Record date of 2025 final dividend	**18 May 2026 4:30 p.m.**
Payment date of 2025 final dividend	**On or about 1 June 2026**
Financial year end date of 2025	**31 December 2025**

Investor Relations Contacts

If you have any inquiries, please contact:

IR Department – ANTA Sports Products Limited
16/F, Manhattan Place,
23 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong SAR

Telephone: (852) 2116 1660
Fax: (852) 2116 1590
E-mail: ir@anta.com.hk
IR website: ir.anta.com
Brand website: www.anta.com

Corporate Information

Board

Executive Directors

Ding Shizhong *(Chairman)*
Ding Shijia *(Deputy Chairman)*
Lai Shixian *(Co-Chief Executive Officer)*
Wu Yonghua *(Co-Chief Executive Officer)*
Zheng Jie
Bi Mingwei *(Chief Financial Officer)*

Independent Non-Executive Directors

Yiu Kin Wah Stephen *JP*
Lai Hin Wing Henry Stephen
Wang Jiaqian
Xia Lian

Company Secretary

Tse Kin Chung

Board Committees

Audit Committee

Yiu Kin Wah Stephen
(committee chairman)
Lai Hin Wing Henry Stephen
Wang Jiaqian
Xia Lian

Remuneration Committee

Xia Lian *(committee chairman)*
Lai Hin Wing Henry Stephen
Wang Jiaqian

Nomination Committee

Lai Hin Wing Henry Stephen
(committee chairman)
Yiu Kin Wah Stephen
Wang Jiaqian
Xia Lian

Risk Management Committee

Wang Jiaqian *(committee chairman)*
Yiu Kin Wah Stephen
Lai Hin Wing Henry Stephen
Xia Lian
Bi Mingwei

Sustainability Committee

Lai Shixian
(committee chairman)
Yiu Kin Wah Stephen
Lai Hin Wing Henry Stephen
Wang Jiaqian
Xia Lian
Wu Yonghua
Tsui Yeung*
Yiu Wai Hung*@
Jiang Yan*#

Authorized Representatives

Lai Shixian
Tse Kin Chung

Registered Office

Cayman Islands Office

Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Principal Place of Business in Hong Kong SAR

Hong Kong SAR Office

16/F, Manhattan Place,
23 Wang Tai Road, Kowloon Bay,
Kowloon, Hong Kong SAR

Head Offices in Chinese Mainland

Jinjiang Office

Dongshan Industrial Zone,
Chidian Town, Jinjiang City,
Fujian Province, China
Postal code: 362212

Xiamen Office

No.99 Jiayi Road, Guanyinshan,
Xiamen, Fujian Province, China
Postal code: 361008

Share Registrars and Transfer Offices

Cayman Islands Principal Registrar

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

Hong Kong SAR Branch Registrar

Computershare Hong Kong
Investor Services Limited
Shops 1712–1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wan Chai, Hong Kong SAR

Legal Adviser

Morgan, Lewis & Bockius

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

Principal Bankers

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China Ltd.
Industrial Bank Co., Ltd.
China Merchants Bank Co., Ltd.
Standard Chartered Bank PLC

* *non-Board member*
@ *cessation effective from 15 June 2025*
\# *appointment effective from 15 June 2025*

GOVERNANCE

Report of the Directors

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2025.

Principal Place of Business

The Company was incorporated in the Cayman Islands and is domiciled in Hong Kong SAR and has office at 16/F, Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong SAR. The Group's principal place of business is in China.

Principal Activities and Business Review

The principal activities of the Group are R&D, design, manufacturing, marketing and sales of professional sports products including footwear, apparel and accessories. The Group is also the largest shareholder of Amer Sports, Inc., a global group of iconic sports and outdoor brands, whose shares are listed on the New York Stock Exchange (NYSE: AS).

Further discussion and analysis of these activities, including the Group's compliance with the relevant laws and regulations, principal risks and uncertainties facing the Group and indication of likely future developments in the Group's business, can be found in the "Management Discussion and Analysis" set out on pages 16 to 51, the "Corporate Governance Report" set out on pages 77 to 118 and the "Risk Management Report" set out on pages 119 to 125 of this annual report. They form part of this Report of the Directors.

The analysis of the principal activities of the Group during the financial year are set out in note 1 to the financial statements.

Major Customers and Suppliers

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year are as follows:

	2025 Percentage of the Group's total		2024 Percentage of the Group's total	
	Sales	**Purchases**	Sales	Purchases
The largest customer	**3.8%**		4.0%	
Five largest customers in aggregate	**7.3%**		7.3%	
The largest supplier		**3.7%**		3.5%
Five largest suppliers in aggregate		**14.6%**		14.3%

At no time during the financial year have the Directors, their associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the number of issued Shares) had any interest in these major customers and suppliers.

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 11 of this annual report.

Financial Statements

The financial performance of the Group for the year ended 31 December 2025 and the financial positions of the Company and the Group as at that date are set out in the financial statements on pages 133 to 219 of this annual report.

Transfer to Reserves

Profits attributable to equity shareholders, before dividends, of RMB13,588 million (2024: RMB15,596 million) have been transferred to the reserves. Other movements in reserves are set out in note 26 to the financial statements.

Recommended Dividend

An interim dividend of HK137 cents (2024: HK118 cents) per ordinary share in respect of the year ended 31 December 2025 was paid on 23 September 2025.

On the date of this Report of the Directors, the Board recommended a final dividend of HK108 cents (2024: HK118 cents) per ordinary share in respect of the year ended 31 December 2025. The final dividend has not been recognised as a liability at the end of the financial year.

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

Charitable Donations

Charitable donations made by the Group during the financial year amounted to RMB61 million (2024: RMB37 million).

Properties

Details of acquisitions and other movements in properties (including property, plant and equipment and construction in progress) during the financial year are set out in notes 10 and 12 to the financial statements.

Borrowings

Particulars of borrowings of the Group as at 31 December 2025 are set out in note 20 to the financial statements.

Share Capital

Details of the movements in share capital of the Company during the financial year are set out in note 25 to the financial statements.

Debenture Issued

There was no debenture issued by the Company during the financial year.

Equity-Linked Agreements

Save as disclosed in the annual report, no equity-linked agreements were entered by the Group into during the financial year or subsisted at the year end.

Purchases, Sales and Redemptions of Listed Securities

During the financial year, no Shares (2024: 13,281,800 Shares) were purchased on the Hong Kong Stock Exchange, and no new Shares (2024: Nil) were subscribed, by the trustee of the 2018 Share Award Scheme (2023 Revision). Total consideration paid for the said purchases during the financial year, including all relevant expenses, was nil (2024: RMB1,007 million).

During the financial year, the Company repurchased a total of 19,664,200 Shares (2024: 16,306,000 Shares) on the Hong Kong Stock Exchange for an aggregate consideration of HKD1,685 million (2024: HKD1,276 million) before all relevant expenses. The repurchased Shares were subsequently cancelled on 12 February 2025 and 10 December 2025. The repurchase aimed to promote the interests of the Shareholders and the Company's capital enhancement in the medium-to-long term and was in the best interest of the Company and the Shareholders as a whole, and creates shareholders' value. Details of the Shares repurchased are as follows:

Month of purchase in 2025	No. of Shares purchased	Purchase consideration per Share Highest price paid HKD	 Lowest price paid HKD	Aggregate consideration paid HKD
January	9,104,400	80.00	74.25	697,992,341
September	10,559,800	95.90	90.20	986,699,519
Total	19,664,200			1,684,691,860

Save as disclosed above, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries (including sales of treasury Shares (if any)) during the financial year.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands where the Company is incorporated.

Directors

The Directors during the financial year were:

Executive Directors

Mr. Ding Shizhong *(Chairman)*
Mr. Ding Shijia *(Deputy Chairman)*
Mr. Lai Shixian *(Co-Chief Executive Officer) (SC)*
Mr. Wu Yonghua *(Co-Chief Executive Officer) (SC)*
Mr. Zheng Jie
Mr. Bi Mingwei *(Chief Financial Officer) (RMC)*

Independent Non-Executive Directors

Mr. Yiu Kin Wah Stephen *JP (AC, NC, RMC, SC)*
Mr. Lai Hin Wing Henry Stephen *(AC, RC, NC, RMC, SC)*
Ms. Wang Jiaqian *(AC, RC, NC, RMC, SC)*
Ms. Xia Lian *(AC, RC, NC, RMC, SC)*

AC: Audit Committee
RC: Remuneration Committee
NC: Nomination Committee
RMC: Risk Management Committee
SC: Sustainability Committee

Details of the Directors' biographies have been set out on pages 126 to 127 of this annual report.

In accordance with article 84 of the Company's articles of association, at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. Mr. Lai Shixian, Mr. Zheng Jie, Mr. Yiu Kin Wah Stephen and Ms. Xia Lian will retire from office by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

Each of the Directors in the Board has entered into a service contract or a letter of appointment (as the case may be) with the Company for a term of three years until terminated by giving a three-month notice in writing thereof by either party to the other.

None of the Directors, including those proposed for re-election at the forthcoming AGM, has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

Independence of Independent Non-Executive Directors

Each Independent Non-Executive Director shall inform the Company as soon as practical if there is any change of circumstances which may affect his/her independence. The Company has received written confirmation from all Independent Non-Executive Directors regarding their independence in respect of Rule 3.13 of the Listing Rules.

The Nomination Committee has assessed the independence of each Independent Non-Executive Director based on the criteria set out in Rule 3.13 of the Listing Rules, and the Board and the Nomination Committee consider that all the Independent Non-Executive Directors are independent.

Permitted Indemnity Provision

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has taken out and maintained appropriate insurance coverage in respect of potential legal actions against its Directors and officers.

Directors’ Interests in Transactions, Arrangements or Contracts

Save as disclosed in this annual report, no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest (direct or indirect), subsisted at the end of the financial year or at any time during the financial year.

Directors’ Remuneration

The Company has adopted a directors (and senior management) remuneration policy to maintain fair and competitive packages of the Directors based on the business needs of the Group and industry practice. For determining the remuneration packages of each Director, market rates and factors such as individual workload, duties and required commitment are taken into account (including their individual performance or the performance of the respective department(s) and business unit(s) that they are in charge). In addition, factors comprising economic and market situations, individual contributions to the Group’s results and development (including the aspect of sustainability) as well as individual’s potential are considered when determining the remuneration packages of Directors. At the same time, remuneration levels shall be sufficient to attract and retain Directors to run the Group successfully without paying more than necessary.

The Remuneration Committee assists the Board on formulating remuneration policy and determining the emoluments of the Directors. Responsibilities and work performed in the financial year by the Remuneration Committee are stated on pages 91 to 92 in the Corporate Governance Report.

Particulars regarding Directors’ remuneration as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in note 6 to the financial statements.

During the financial year, there is no arrangement under which a Director has waived or agreed to waive any emoluments.

Arrangements to Purchase Shares or Debentures

Save as disclosed in this annual report, at no time during the financial year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company or chief executives or any of their close associate (as defined under the Listing Rules) to acquire benefits by means of the acquisitions of shares or debentures of the Company or any other body corporate.

Competing Business

None of the Directors had any interest in any competing business with the Company or any of its subsidiaries during the financial year which is required to be disclosed under Rule 8.10(2) of the Listing Rules.

Each of the Controlling Shareholders (as defined in the prospectus of the Company issued on 26 June 2007 (the "Prospectus")) has confirmed to the Company of his compliance with the non-compete undertakings provided to the Company under the Non-competition Deed (as defined in the Prospectus). The Directors (including the Independent Non-Executive Directors) have reviewed the status of compliance and also confirmed that all the undertakings under the Non-competition Deed have been complied with by the Controlling Shareholders.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into during the financial year or subsisted at the year end.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2025, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

Interests in Shares and underlying Shares and associated corporations

Name of Directors	Company/ Name of associated corporation	Capacity/ Nature of interest	Number of shares interested	Number of underlying Shares interested	Approximate percentage of interest in such corporation (1)
Mr. Ding Shizhong	Company	Founder of a discretionary trust	1,486,946,000(L) (4)	–	53.17%
	Anta International	Founder of a discretionary trust	503,172,690(L) (4)	–	34.06%
	Anta International	Interest of spouse	18,267,273(L) (4)	–	1.24%
	Amer Sports, Inc.	Founder of a discretionary trust	232,990,872(L) (5)	–	41.78%
	Amer Sports, Inc.	Founder of a discretionary trust	3,800,000(L) (5)	–	0.68%
Mr. Ding Shijia	Company	Founder of a discretionary trust	1,478,500,000(L) (6)	–	52.87%
	Anta International	Founder of a discretionary trust	495,300,570(L) (6)	–	33.52%
	Amer Sports, Inc.	Founder of a discretionary trust	232,990,872(L) (7)	–	41.78%
	Amer Sports, Inc.	Founder of a discretionary trust	2,794,152(L) (7)	–	0.50%
	Amer Sports, Inc.	Interest of spouse	637,418(L) (7)	–	0.11%
Mr. Lai Shixian	Company	Beneficial owner	891,955(L)	–	0.03%
	Company	Beneficiary of a trust (other than a discretionary interest)	–	900,000(L) (2)	0.03%
	Anta International	Beneficiary of a discretionary trust/Interest of spouse	146,189,463(L) (8)	–	9.89%
	Anta International	Interest in controlled corporation	39,961,734(L) (8)	–	2.70%
Mr. Wu Yonghua	Company	Beneficiary of a trust (other than a discretionary interest)	–	900,000(L) (2)	0.03%
	Anta International	Founder of a discretionary trust	78,136,038(L) (9)	–	5.29%
	Amer Sports, Inc.	Founder of a discretionary trust	536,791(L) (10)	–	0.10%
Mr. Zheng Jie	Company	Beneficial owner	950,000(L)	–	0.03%
	Amer Sports, Inc.	Beneficial owner	2,248,492(L)	1,723,087(L) (3)	0.71%
Mr. Bi Mingwei	Company	Beneficial owner	208,636(L)	–	0.01%
	Company	Beneficiary of a trust (other than a discretionary interest)	–	158,800(L) (2)	0.01%
Mr. Yiu Kin Wah Stephen	Company	Beneficial owner	33,000(L)	–	0.00%
	Amer Sports, Inc.	Beneficial owner	24,073(L)	7,265(L) (3)	0.01%

(L) – Long Position

Notes:

(1) As at 31 December 2025, the number of issued ordinary shares (excluding treasury shares (if any)) of the Company, of Anta International and of Amer Sports, Inc. were 2,796,653,300, 1,477,500,000 and 557,667,387, respectively.

(2) The interests in underlying Shares represent the interests in awarded shares granted pursuant to the 2018 Share Award Scheme (2023 Revision), details of which are set out in the section entitled "2018 Share Award Scheme and 2018 Share Award Scheme (2023 Revision)" under "Share Schemes" below.

(3) The interests in underlying shares represent the interests in unvested share granted (subject to certain vesting conditions) pursuant to an incentive plan of Amer Sports, Inc.

(4) A total of 1,477,500,000 Shares were directly held by Anta International and its wholly-owned subsidiaries, and 9,446,000 Shares were directly held by Shine Well (Far East) Limited ("Shine Well"), representing 52.83% and 0.34% of the issued Shares as at 31 December 2025 respectively. Shine Well directly held 503,172,690 shares of Anta International, representing 34.06% of the issued shares of Anta International as at 31 December 2025, and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International, and therefore was deemed to be interested in all the Shares held by Anta International. The entire issued shares of Shine Well was held by Top Bright Assets Limited ("Top Bright"). The entire issued shares of Top Bright was in turn held by HSBC International Trustee Limited ("HSBC Trustee") acting as the trustee of the DSZ Family Trust. The DSZ Family Trust was an irrevocable discretionary trust. Mr. Ding Shizhong as the founder of the DSZ Family Trust was deemed to be interested in the total 1,486,946,000 Shares held by Anta International and Shine Well and the 503,172,690 shares of Anta International held by Shine Well. 18,267,273 shares of Anta International, representing 1.24% of the issued shares of Anta International as at 31 December 2025, were directly held by Blossom Prospect Limited ("Blossom Prospect"). Ms. Ding Youmian held 50% of the issued shares of Blossom Prospect and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Blossom Prospect, and therefore was deemed to be interested in the 18,267,273 shares of Anta International held by Blossom Prospect. Mr. Ding Shizhong as the spouse of Ms. Ding Youmian was deemed to be interested in the 18,267,273 shares of Anta International held by Blossom Prospect.

(5) By virtue of SFO, Mr. Ding Shizhong is deemed to be interested in (i) 232,990,872 shares of Amer Sports, Inc. through his interest in the Company; and (ii) 3,800,000 shares of Amer Sports, Inc. directly held by Zhi Sheng Overseas Holdings Limited.

(6) A total of 1,477,500,000 Shares were directly held by Anta International and its wholly-owned subsidiaries, and 1,000,000 Shares were directly held by Talent Trend Investment Limited ("Talent Trend"), representing 52.83% and 0.04% of the issued Shares as at 31 December 2025 respectively. Talent Trend directly held 495,300,570 shares of Anta International, representing 33.52% of the issued shares of Anta International as at 31 December 2025, and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International, and therefore was deemed to be interested in all the Shares held by Anta International. The entire issued shares of Talent Trend was held by Allwealth Assets Limited ("Allwealth"). The entire issued shares of Allwealth was in turn held by HSBC Trustee acting as the trustee of the DSJ Family Trust. The DSJ Family Trust was an irrevocable discretionary trust. Mr. Ding Shijia as the founder of the DSJ Family Trust was deemed to be interested in the total 1,478,500,000 Shares held by Anta International and Talent Trend and the 495,300,570 shares of Anta International held by Talent Trend.

(7) By virtue of SFO, Mr. Ding Shijia is deemed to be interested in (i) 232,990,872 shares of Amer Sports, Inc. through his interest in the Company; (ii) 2,794,152 shares of Amer Sports, Inc. directly held by He Sheng Overseas Holdings Limited; and (iii) 637,418 shares of Amer Sports, Inc. directly held by his spouse.

(8) Certain interests of Mr. Lai Shixian in Anta International were held through Gain Speed Holdings Limited ("Gain Speed"), which directly held 146,189,463 shares of Anta International, representing 9.89% of the issued shares of Anta International as at 31 December 2025. The entire issued shares of Gain Speed was held by Spring Star Assets Limited. The entire issued shares of Spring Star Assets Limited was in turn held by HSBC Trustee acting as the trustee of the DYL Family Trust. The DYL Family Trust was an irrevocable discretionary trust. Ms. Ding Yali as the founder of the DYL Family Trust was deemed to be interested in the 146,189,463 shares of Anta International held by Gain Speed. Mr. Lai Shixian as one of the beneficiaries of the DYL Family Trust and as the spouse of Ms. Ding Yali was deemed to be interested in the 146,189,463 shares of Anta International held by Gain Speed. 18,267,273 shares of Anta International, representing 1.24% of the issued shares of Anta International as at 31 December 2025, were directly held by Blossom Prospect. Mr. Lai Shixian held 50% of the issued shares of Blossom Prospect and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Blossom Prospect, and therefore was deemed to be interested in the 18,267,273 shares of Anta International held by Blossom Prospect. 21,694,461 shares of Anta International, representing 1.47% of the issued shares of Anta International as at 31 December 2025, were directly held by First Start Investment Limited ("First Start"). Mr. Lai Shixian held 90% of the issued shares of First Start and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of First Start, and therefore was deemed to be interested in the 21,694,461 shares of Anta International held by First Start.

(9) The interests of Mr. Wu Yonghua in Anta International were held through Spread Wah International Limited ("Spread Wah"), which directly held 78,136,038 shares of Anta International, representing 5.29% of the issued shares of Anta International as at 31 December 2025. The entire issued shares of Spread Wah was held by Allbright Assets Limited. The entire issued shares of Allbright Assets Limited was in turn held by HSBC Trustee acting as the trustee of the WYH Family Trust. The WYH Family Trust was an irrevocable discretionary trust. Mr. Wu Yonghua as the founder of the WYH Family Trust was deemed to be interested in the 78,136,038 shares of Anta International held by Spread Wah.

(10) By virtue of SFO, Mr. Wu Yonghua is deemed to be interested in 536,791 shares of Amer Sports, Inc. held by the W Family Trust as the founder of the W Family Trust.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had otherwise been notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Substantial Shareholders

As at 31 December 2025, the persons or corporations (not being a Director or chief executive of the Company) who had an interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, or which were notified to the Company, were as follows:

Interests in Shares and/or underlying Shares

Name of Shareholders	Capacity/Nature of interest	Number of Shares/ underlying Shares interested	Approximate percentage of interest in the Company
HSBC Trustee	Trustee(1)	1,488,008,792(L)	53.21%
Top Bright	Interest in controlled corporation(1)	1,486,946,000(L)	53.17%
Shine Well	Interest in controlled corporation(1)	1,477,500,000(L)	52.83%
	Beneficial owner(1)	9,446,000(L)	0.34%
Allwealth	Interest in controlled corporation(1)	1,478,500,000(L)	52.87%
Talent Trend	Interest in controlled corporation(1)	1,477,500,000(L)	52.83%
	Beneficial owner(1)	1,000,000(L)	0.04%
Anta International	Beneficial owner(2)	1,201,125,000(L)	42.95%
	Interest in controlled corporation(2)	276,375,000(L)	9.88%
Anda Holdings	Beneficial owner	160,875,000(L)	5.75%

(L) – Long Position

Notes:

(1) *The interests of HSBC Trustee in the Company were held through Anta International, Anda Holdings, Anda Investments, Shine Well and Talent Trend, representing approximately 42.95%, 5.75%, 4.13%, 0.34% and 0.04% of the issued Shares, respectively. In addition, HSBC Trustee also held 62,792 Shares as trustee for persons unrelated to the substantial shareholders.*

HSBC Trustee was the trustee of the DSZ Family Trust, the DSJ Family Trust, the WYH Family Trust and the DYL Family Trust, and it held the entire issued shares of Top Bright and Allwealth, which in turn held the entire issued shares of Shine Well and Talent Trend, respectively. Each of Shine Well and Talent Trend was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anta International and therefore each of them was deemed to be interested in all the 1,201,125,000 Shares directly held by Anta International. Anta International held the entire issued shares of each of Anda Holdings and Anda Investments and therefore was deemed to be interested in the 160,875,000 Shares and the 115,500,000 Shares directly held by Anda Holdings and Anda Investments, respectively. Accordingly, HSBC Trustee, Top Bright, Allwealth, Shine Well and Talent Trend were deemed to be interested in the total 1,477,500,000 Shares held by Anta International and its wholly-owned subsidiaries. 9,446,000 Shares were held by Shine Well directly. Accordingly, HSBC Trustee and Top Bright were also deemed to be interested in the 9,446,000 Shares held by Shine Well. 1,000,000 Shares were held by Talent Trend directly. Accordingly, HSBC Trustee and Allwealth were also deemed to be interested in the 1,000,000 Shares held by Talent Trend.

(2) *1,201,125,000 Shares were directly held by Anta International. 160,875,000 Shares and 115,500,000 Shares were directly held by Anda Holdings and Anda Investments, respectively. Each of Anda Holdings and Anda Investments was wholly-owned by Anta International and therefore was a controlled corporation of Anta International. Accordingly, Anta International was deemed to be interested in the 160,875,000 Shares held by Anda Holdings and the 115,500,000 Shares held by Anda Investments.*

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person or corporation having an interest or short positions in shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Continuing Connected Transactions

Certain related party transactions as disclosed in note 30 to the financial statements also constituted continuing connected transactions under the Listing Rules which are required to be disclosed in this annual report in accordance with Chapter 14A of the Listing Rules. The Company has complied with applicable disclosure requirements in Chapter 14A of the Listing Rules. The following transactions between certain connected persons and the Group have been entered into and are ongoing during the financial year for which relevant disclosure had been made by the Company in the announcements of the Company issued on 12 December 2024.

1. Packaging Material Supply Agreement with Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (collectively "Family Directors")

On 12 December 2024, the Company and the Family Directors entered into a packaging material supply agreement (the "2025 PMSA") for a term of three years effective from 1 January 2025 to 31 December 2027 in relation to the supply of paper packaging materials (including but not limited to cardboard cases, paper bags and shoe boxes, "PPM"). Each Family Director shall, and shall procure his relevant associates to, supply PPM to the relevant member(s) of the Group from time to time on normal commercial terms which are no less favourable than those terms made available to the Group from independent third-party suppliers. Each of the Company and the Family Directors shall, and shall procure the relevant member(s) of the Group and the Family Directors' relevant associates respectively to, enter into a separate sub-agreement for each of the recurring transactions. The detailed terms of a specific transaction shall be set out in such sub-agreement (which is ancillary to and subject to the terms and conditions of the 2025 PMSA) entered or to be entered into. Associates of the Family Directors are companies principally engaged in the manufacture and sales of packaging materials in the Chinese Mainland.

Under the 2025 PMSA, the prices for PPM shall be agreed upon from time to time after arm's length negotiations between (i) the relevant member(s) of the Group and (ii) the Family Directors and/or their relevant associates, and shall be comparable to and no less favourable than market prices of similar PPM offered by independent third-party suppliers to the Group. The general credit period shall be 30 to 60 days, which shall be comparable to and no less favourable than such terms offered by other independent suppliers to the Group in relation to similar PPM, or such other credit period as agreed in the specific sub-agreement ancillary to the 2025 PMSA.

As at the date of the 2025 PMSA, each of the Family Directors, being Mr. Ding Shizhong, Mr. Ding Shijia (the elder brother of Mr. Ding Shizhong) and Mr. Lai Shixian (a brother-in-law of Mr. Ding Shizhong and Mr. Ding Shijia), was a Director, and thus a connected person of the Company. Therefore, the 2025 PMSA and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For details please refer to the announcement of the Company dated 12 December 2024.

The annual caps for each of the three years ended 31 December 2025, 2026 and 2027 under the 2025 PMSA amounts to RMB120 million (equivalent to approximately HKD127 million), RMB138 million (equivalent to approximately HKD146 million) and RMB159 million (equivalent to approximately HKD168 million), respectively. During the financial year, the Group's purchase of PPM from the Family Directors (and their associates) amounted to RMB91 million (2024: RMB96 million).

2. Master Services Agreement with Family Directors

On 12 December 2024, the Company and Family Directors entered into a master service agreement (the “2025 MSA”) for a term of three years from 1 January 2025 to 31 December 2027 for the provision of Relevant Services (as defined below). “Relevant Services” are the leasing of transportation vehicles, land and properties (including leases of land, factory premises, warehouses, staff quarters, retail stores and offices), and provision of warehouse management services and logistic services by the Family Directors and/or their relevant associates to the Group subject to the terms and conditions of the 2025 MSA. Each Family Director shall, and shall procure his relevant associates to, provide the Relevant Services to the relevant member(s) of the Group at prevailing market price with reference to the nature and the scope of the Relevant Services provided or to be provided by such Family Director and/or his relevant associates (including but not limited to property location and area, ancillary facilities and equipment, and transportation network, and/or service nature) from time to time on normal commercial terms which are no less favourable than those terms made available to the Group from independent third-party suppliers. Each of the Company and the Family Directors shall, and shall procure the relevant member(s) of the Group and the Family Directors’ relevant associates respectively to, enter into a separate sub-agreement for each of the recurring transactions. The detailed terms of a specific transaction shall be set out in such sub-agreement (which is ancillary to and subject to the terms and conditions of the 2025 MSA) entered or to be entered into.

Under the 2025 MSA, the rents and/or service fees for the Relevant Services shall be agreed upon from time to time after arm’s length negotiations between (i) the relevant member(s) of the Group and (ii) the Family Directors and/or their relevant associates, and shall be comparable to and no less favourable than (i) the fair market rents or market prices of leases or services offered to the Group by independent third-party suppliers that are similar to the Relevant Services; and (ii) the rents and/or service fees charged by the Family Directors and/or their relevant associates against independent third parties for leases or services that are similar to the Relevant Services. The general credit period shall be 30 to 60 days, which shall be comparable to and no less favourable than such terms offered by other independent third-party suppliers to the Group in relation to leases or services similar to the Relevant Service, or such other credit period as agreed in the specific sub-agreement ancillary to the 2025 MSA.

As at the date of the 2025 MSA, each of the Family Directors, being Mr. Ding Shizhong, Mr. Ding Shijia (the elder brother of Mr. Ding Shizhong) and Mr. Lai Shixian (a brother-in-law of Mr. Ding Shizhong and Mr. Ding Shijia), was a Director, and thus a connected person of the Company. He is an associate of Mr. Ding Shizhong and Mr. Ding Shijia, and thus a connected person of the Company. Therefore, the 2025 MSA and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the 2025 MSA for the three financial years ending 31 December 2025, 2026 and 2027 are all less than 0.1%, such transactions are fully exempt under Chapter 14A of the Listing Rules.

The Directors (including the Independent Non-Executive Directors) have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms or better; and

(3) according to the agreements governing them on terms which are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 (Revised), *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unmodified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

Convertible Bonds

2025 Convertible Bonds

On 5 February 2020, the Group completed the issuance of EUR1.0 billion zero coupon convertible bonds due on 5 February 2025 and the convertible bonds were listed on the Singapore Stock Exchange (the "2025 Convertible Bonds").

The principal amounts of EUR945.5 million and EUR54.5 million of the 2025 Convertible Bonds have been cancelled on 9 December 2024 and 7 January 2025, respectively. The 2025 Convertible Bonds was delisted from the Singapore Stock Exchange on 13 January 2025. For details, please refer to the announcements of the Company dated 26 November 2024, 5 December 2024 and 8 January 2025.

2029 Convertible Bonds

On 5 December 2024, the Group completed the issuance of EUR1.5 billion zero coupon convertible bonds due on 5 December 2029 to not less than six independent placees (who are independent individual, corporate and/or institutional investors) and the convertible bonds are listed on the Singapore Stock Exchange (the "2029 Convertible Bonds").

The initial conversion price per conversion share was HKD104.02, subject to adjustments in accordance with the terms and conditions of the 2029 Convertible Bonds, and was adjusted to HKD101.13 as at 31 December 2025. For details of the adjustments of the conversion price during the financial year, please refer to the announcements of the Company dated 7 May 2025 and 27 August 2025.

As at 31 December 2025, the total outstanding principal amount of the 2029 Convertible Bonds was EUR1.5 billion (equivalent to RMB12.6 billion). There had not been any exercise of conversion right of the 2029 Convertible Bonds and no redemption right had been exercised by the bondholders or the Group during the financial year.

As at 31 December 2025, the total number of the issued shares of the Company is 2,796,653,300. Based on the applicable conversion price of HKD101.13 on that date and assuming full conversion of the 2029 Convertible Bonds, the 2029 Convertible Bonds will be convertible into 120,944,823 conversion shares, representing approximately 4.32% of the issued Shares and approximately 4.15% of the issued Shares as enlarged by the issuance of such conversion shares (assuming that there is no other change to the issued Shares).

The conversion shares that may fall to be issued upon exercise of the conversion right attaching to the 2029 Convertible Bonds will be issued under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM held on 8 May 2024. The conversion shares to be issued upon exercise of the conversion right attaching to the 2029 Convertible Bonds will be fully paid and rank *pari passu* in all respects with the Shares then in issue on the date on which the name of the exercising bondholder is registered as holder of the relevant conversion shares in the register of members of the Company.

Assuming the 2029 Convertible Bonds were fully converted on 31 December 2025, the shareholdings of the Company immediately before and after the full conversion of the convertible bonds are set out below for illustration purposes:

	Shareholding immediately before the full conversion of the convertible bonds		Upon full conversion of the 2029 Convertible Bonds at the conversion price of HKD101.13 each	
Name of Shareholders	Number of Shares	Approximate % of issued shares of the Company	Number of Shares	Approximate % of issued shares of the Company
Anta International(1)	1,201,125,000	42.95%	1,201,125,000	41.17%
Anda Holdings(1)	160,875,000	5.75%	160,875,000	5.51%
Anda Investments(1)	115,500,000	4.13%	115,500,000	3.96%
Shine Well	9,446,000	0.34%	9,446,000	0.32%
Talent Trend	1,000,000	0.04%	1,000,000	0.03%
Hemin Holdings(2)	84,500,000	3.02%	84,500,000	2.90%
Bondholders	–	–	120,944,823	4.15%
Other Shareholders	1,224,207,300	43.77%	1,224,207,300	41.96%
Total	2,796,653,300	100.00%	2,917,598,123	100.00%

Notes:

(1) Each of Anda Holdings and Anda Investments is wholly-owned by Anta International.

(2) Hemin Holdings is a company set up for public charity and donation.

Based on the cash and cash equivalents and the fixed deposits held at banks with maturity over three months as at 31 December 2025, the Company has the ability to meet its redemption obligation under the convertible bonds.

Please refer to note 20(c) to the financial statements for further details of the convertible bonds.

Bondholders to Convert or Redeem

The analysis of the Company's share price at which it would be equally financially advantageous for the bondholders to convert or redeem the 2029 Convertible Bonds based on their implied rate of return (and therefore the bondholders would be indifferent as to whether the convertible bonds are converted or redeemed) when the Company's share price approximates to the conversion price in the future.

Retirement Schemes

The Group participates in several defined contribution retirement schemes which cover the Group's eligible employees in the Chinese Mainland, and a Mandatory Provident Fund Scheme for the employees in Hong Kong SAR. Particulars of these retirement schemes are set out in note 22 to the financial statements.

Share Scheme

2018 Share Award Scheme and 2018 Share Award Scheme (2023 Revision)

The Company adopted the 2018 Share Award Scheme on 19 October 2018 by a resolution passed by the Board. The 2018 Share Award Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 19 October 2018.

To bring the Company's 2018 Share Award Scheme in line with the new requirements of Chapter 17 of the Listing Rules, on 21 March 2023, the Company amended the 2018 Share Award Scheme such that, from 10 May 2023, only grant of awards involving existing Shares may be made thereunder and no further grant of awards involving new Shares may be made under the 2018 Share Award Scheme (2023 Revision).

The purposes of the 2018 Share Award Scheme (2023 Revision) are (i) to recognise and reward for the past contributions by eligible participants, including employee participants; (ii) to retain or otherwise maintain on-going relations with eligible participants; (iii) to give the eligible participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group; and (iv) to attract suitable personnel for further growth and development of the Group.

Eligible participants of the 2018 Share Award Scheme (2023 Revision) include employee participants.

The Board shall not make any further award of awarded Shares which will result in the number of the existing Shares awarded by the Board under the 2018 Share Award Scheme (2023 Revision) exceeding 10% of the number of the Company's issued Shares (excluding treasury Shares, if any) from time to time.

Pursuant to the 2018 Share Award Scheme (2023 Revision), the Board may from time to time cause sufficient funds to be paid to the trustee (being appointed for the purpose of the 2018 Share Award Scheme (2023 Revision) and being independent of and not connected with the Company) for purchase of Shares on or off the Hong Kong Stock Exchange. Once purchased, the Shares are to be held by the trustee for the benefit of the grantees and the eligible participants (as applicable). Upon vesting, the trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the trustee for the benefit of the grantees or the eligible participants (as applicable) under the relevant trust on and subject to the terms and conditions of the 2018 Share Award Scheme (2023 Revision) and the related trust deed.

The Board may, from time to time, at its absolute discretion select any eligible participant for participation in the 2018 Share Award Scheme (2023 Revision) as a selected participant, and grant awarded Shares to any selected participant (i) at such amount payable and time (if any) on acceptance of the award; (ii) at such purchase price (if any) of the awarded Shares; (iii) in such number of awarded Shares; and (iv) on and subject to such terms and conditions, as it may in its absolute discretion determine.

Subject to rules of the 2018 Share Award Scheme (2023 Revision), where any grant of awards to a selected participant would result in the number of existing Shares awarded by the Board under the 2018 Share Award Scheme (2023 Revision) (excluding any awards lapsed in accordance with the rules of the 2018 Share Award Scheme (2023 Revision)) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 1% of the total number of issued Shares, such grant of awards shall be approved by the Shareholders in general meeting in the manner as set out in the rules of the 2018 Share Award Scheme (2023 Revision).

The vesting of any awards under the 2018 Share Award Scheme (2023 Revision) shall be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant notice.

The vesting period for an award under the 2018 Share Award Scheme (2023 Revision) shall not be less than 12 months, unless the Board determines in its sole discretion that the awards granted to employee participants may be less than 12 months under the following specific circumstances:

(i) grants of "make-whole" awards to an employee participant who is a new director or employee of the Group to replace the share awards such person forfeited when leaving his previous employer(s);

(ii) grants of awards to an employee participant whose employment is terminated due to death or disability or event of force majeure;

(iii) grants of awards which are subject to the fulfilment of performance targets as conditions of the awards;

(iv) grants of awards made in batches during a year for administrative and compliance reasons;

(v) grants of awards with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months; and

(vi) grants of awards with a total vesting and holding period of more than 12 months.

Subject to the provisions of the Listing Rules and the 2018 Share Award Scheme (2023 Revision), the Board may in its absolute discretion (i) when offering the grant of an award impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the 2018 Share Award Scheme (2023 Revision) as the Board may think fit (to be stated in the grant notice) including (without prejudice to the generality of the foregoing) (a) the qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the grantee, (b) the satisfactory performance or maintenance by the grantee of certain conditions or obligations or (c) the time or period before all or some of the awarded Shares shall be vested, and (ii) at any time after the grant of an award, waive or amend such conditions, restrictions or limitations to the advantage of the grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2018 Share Award Scheme (2023 Revision).

In respect of an employee participant, unless otherwise determined by the Board and specified in the grant notice, the Group and/or grantee shall achieve the performance targets set out in the grant notice before the awarded Shares can be vested. The performance targets of awarded Shares granted to the Directors and senior management of the Company, and any grants of awarded Shares to the Directors and senior management of the Company without performance targets, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

While the performance targets will be imposed on a case-by-case basis to ensure the awards vested would be beneficial to the Group, general factors to be taken into account include but not limited to (i) annual results and performance of the Group; (ii) key performance indicators of respective department(s) and/or business unit(s) that the grantee belongs; and (iii) individual position, annual appraisal result and other factors relevant to the grantee. However, the rules of the 2018 Share Award Scheme (2023 Revision) do not specify any performance targets.

Where there has been an occurrence of misconduct such as (i) any material misstatements or omissions in the Group's financial statements by a grantee; (ii) any violation by a grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such grantee of the Group's trade secrets, intellectual property or proprietary information; (iii) any termination of employment contracts by a grantee without notice or payment in lieu of notice; (iv) conviction of any criminal offence by a grantee involving integrity or honesty; or (v) any conduct of a grantee that has material adverse effect to the reputation or interests of the Group, the awarded Shares may be subject to clawback as determined by the Board from time to time. The clawback of awarded Shares granted to the Directors and senior management of the Company, and any grants of awarded Shares to the Directors and senior management of the Company without clawback, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

Subject to the provisions of the Listing Rules, the purchase price (if any) in respect of any particular awarded Shares under the 2018 Share Award Scheme (2023 Revision) shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant award (and shall be stated in the grant notice) and taking into consideration factors such as the prevailing closing price of the Shares, the purpose of the 2018 Share Award Scheme (2023 Revision), the characteristics and profile of the relevant selected participant(s).

As at 31 December 2025, the remaining life of the 2018 Share Award Scheme (2023 Revision) is around 3 years.

During the financial year, no Shares (2024: 13,281,800 Shares) were purchased on the Hong Kong Stock Exchange, and no new Shares (2024: Nil) were subscribed, by the trustee of the 2018 Share Award Scheme (2023 Revision). Total consideration paid for the said purchases during the financial year, including all relevant expenses, was nil (2024: RMB1,007 million).

As at 31 December 2025, the trustee of the 2018 Share Award Scheme (2023 Revision) held a total of 26,153,713 Shares (2024: 31,684,421 Shares).

The total number of awards available for grant under the scheme mandate of 2018 Share Award Scheme (and the 2018 Share Award Scheme (2023 Revision)) at the beginning and the end of the financial year is 260,487,070 and 249,061,490, respectively.

The movement of unvested share awards under the 2018 Share Award Scheme (and the 2018 Share Award Scheme (2023 Revision)) during the financial year were as follows:

				Number of unvested share awards					
Name or category of participant	Date of grant	Vesting period	Purchase price	As at 1 January 2025	Granted during the year	Vested during the year	Lapsed during the year	Cancelled during the year	As at 31 December 2025
Directors									
Mr. Lai Shixian	4 June 2025	4 June 2025 to 1 May 2028	Nil	–	900,000[1]	–	–	–	900,000
Mr. Wu Yonghua	4 June 2025	4 June 2025 to 1 May 2028	Nil	–	900,000[1]	–	–	–	900,000
Mr. Bi Mingwei	24 May 2024	24 May 2024 to 1 May 2025	Nil	30,000	–	(25,200)[2]	(4,800)	–	–
	24 May 2024	24 May 2024 to 1 May 2027	Nil	70,000	–	–	(11,200)	–	58,800
	4 June 2025	4 June 2025 to 1 May 2026	Nil	–	30,000[1]	–	–	–	30,000
	4 June 2025	4 June 2025 to 1 May 2028	Nil	–	70,000[1]	–	–	–	70,000
The five highest paid individuals other than Directors during the financial year in aggregate	24 May 2024	24 May 2024 to 1 May 2025	Nil	45,000	–	(36,000)[2]	(9,000)	–	–
	24 May 2024	24 May 2024 to 1 May 2027	Nil	105,000	–	-	(21,000)	–	84,000
	4 June 2025	4 June 2025 to 1 May 2026	Nil	–	14,250[1]	–	–	–	14,250
	4 June 2025	4 June 2025 to 1 May 2028	Nil	–	483,250[1]	-	–	–	483,250

Report of the Directors

Name or category of participant	Date of grant	Vesting period	Purchase price	Number of unvested share awards: As at 1 January 2025	Granted during the year	Vested during the year	Lapsed during the year	Cancelled during the year	As at 31 December 2025
Employees other than above (including ex-employees in aggregate)	2 November 2020	2 November 2020 to 1 May 2025	Nil	144,000	–	(110,500) (2)	(33,500)	–	–
	1 November 2021	1 November 2021 to 1 May 2025	Nil	111,083	–	(84,291) (2)	(26,792)	–	–
	1 November 2021	1 November 2021 to 1 May 2026	Nil	111,085	–	–	(22,750)	–	88,335
	4 April 2022	4 April 2022 to 1 May 2025	Nil	4,621,050	–	(4,468,220) (2)	(152,830)	–	–
	4 April 2022	4 April 2022 to 1 May 2027	Nil	3,080,700	–	–	(213,600)	–	2,867,100
	1 November 2022	1 November 2022 to 1 May 2025	Nil	19,750	–	(17,500) (2)	(2,250)	–	–
	1 November 2022	1 November 2022 to 1 May 2026	Nil	19,750	–	–	(19,750)	–	–
	1 November 2022	1 November 2022 to 1 May 2027	Nil	19,750	–	–	(19,750)	–	–
	1 November 2023	1 November 2023 to 1 May 2025	Nil	74,333	–	(50,083) (2)	(24,250)	–	–
	1 November 2023	1 November 2023 to 1 May 2026	Nil	74,333	–	–	(29,333)	–	45,000
	1 November 2023	1 November 2023 to 1 May 2027	Nil	74,333	–	–	(29,333)	–	45,000
	1 November 2023	1 November 2023 to 1 May 2028	Nil	74,333	–	–	(29,333)	–	45,000
	24 May 2024	24 May 2024 to 1 May 2025	Nil	978,320	–	(732,747) (2)	(245,573)	–	–
	24 May 2024	24 May 2024 to 1 May 2027	Nil	2,282,746	–	–	(663,786)	–	1,618,960
	12 November 2024	12 November 2024 to 1 May 2025	Nil	6,167	–	(6,167) (2)	–	–	–
	12 November 2024	12 November 2024 to 1 May 2026	Nil	6,167	–	–	(4,167)	–	2,000
	12 November 2024	12 November 2024 to 1 May 2027	Nil	6,167	–	–	(4,167)	–	2,000
	12 November 2024	12 November 2024 to 1 May 2028	Nil	6,167	–	–	(4,167)	–	2,000
	12 November 2024	12 November 2024 to 1 May 2029	Nil	6,167	–	–	(4,167)	–	2,000
	4 June 2025	4 June 2025 to 1 May 2026	Nil	–	920,953 (1)	–	(30,990)	–	889,963
	4 June 2025	4 June 2025 to 1 May 2028	Nil	–	7,128,905 (1)	–	(72,310)	–	7,056,595
Total				11,966,401	10,447,358	(5,530,708)	(1,678,798)	–	15,204,253

Notes:

(1) The awarded shares are subject to certain performance targets with reference to the annual results of the Company and the selected employees' individual key performance indicators for the financial year preceding the respective vesting dates. The closing price of the Shares immediately before the date on which the awarded shares were granted during the financial year was HKD93.95.

(2) The weighted average closing price of the Shares immediately before the dates on which the awarded shares were vested during the financial year was HKD91.95.

2023 Share Award Scheme

Pursuant to a resolution passed by the Shareholders at the AGM dated 10 May 2023, the Company adopted the 2023 Share Award Scheme pursuant to which only grant of awards involving new Shares may be made. The 2023 Share Award Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 10 May 2023.

The purposes of the 2023 Share Award Scheme are (i) to recognise and reward for the past contributions by eligible participants, including employee participants, related entity participants and service providers; (ii) to retain or otherwise maintain on-going relations with eligible participants; (iii) to give the eligible participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group; and (iv) to attract suitable personnel for further growth and development of the Group.

Eligible participants of the 2023 Share Award Scheme include employee participants, related entity participants and service providers.

The scheme mandate limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury Shares, if any) as at the adoption date of the above schemes (i.e. 283,262,350 Shares). The service provider sublimit, being a sublimit under the scheme mandate limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company, and shall not in aggregate exceed 2% of the total number of issued Shares (excluding treasury Shares, if any) as at the adoption date of the above schemes (i.e. 56,652,470 Shares).

Pursuant to the 2023 Share Award Scheme, the Board may from time to time cause sufficient funds to be paid to the trustee (being appointed for the purpose of the 2023 Share Award Scheme and being independent of and not connected with the Company) for subscription of Shares at their nominal value. Once subscribed, the Shares are to be held by the trustee for the benefit of the grantees and the eligible participants (as applicable). Upon vesting, the trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the trustee for the benefit of the grantees or the eligible participants (as applicable) under the relevant trust on and subject to the terms and conditions of the 2023 Share Award Scheme and the related trust deed.

The Board may, from time to time, at its absolute discretion select any eligible participant for participation in the 2023 Share Award Scheme as a selected participant, and grant awarded Shares to any selected participant (i) at such amount payable and time (if any) on acceptance of the award; (ii) at such purchase price (if any) of the awarded Shares; (iii) in such number of awarded Shares; and (iv) on and subject to such terms and conditions, as it may in its absolute discretion determine.

Subject to the rules of the 2023 Share Award Scheme, where any grant of options to a selected participant under the 2023 Share Award Scheme would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares, such grant of awards shall be separately approved by the Shareholders in general meeting with such selected participant and his close associates (or associates if such selected participant is a connected person) abstaining from voting.

The vesting of any awards under the 2023 Share Award Scheme shall be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant notice.

Only in so far as and for so long as the Listing Rules require, the vesting period for an award under the 2023 Share Award Scheme shall not be less than 12 months, unless the Board determines in its sole discretion that the awards granted to employee participants may be less than 12 months under the following specific circumstances:

(i) grants of “make-whole” awards to an employee participant who is a new director or employee of the Group to replace the share awards such person forfeited when leaving his previous employer(s);

(ii) grants of awards to an employee participant whose employment is terminated due to death or disability or event of force majeure;

(iii) grants of awards which are subject to the fulfilment of performance targets as conditions of the awards;

(iv) grants of awards made in batches during a year for administrative and compliance reasons;

(v) grants of awards with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months; and

(vi) grants of awards with a total vesting and holding period of more than 12 months.

Subject to the provisions of the Listing Rules and the 2023 Share Award Scheme, the Board may in its absolute discretion (i) when offering the grant of an award impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the 2023 Share Award Scheme as the Board may think fit (to be stated in the grant notice) including (without prejudice to the generality of the foregoing) (a) the qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the grantee, (b) the satisfactory performance or maintenance by the grantee of certain conditions or obligations or (c) the time or period before all or some of the awarded Shares shall be vested; and (ii) at any time after the grant of an award, waive or amend such conditions, restrictions or limitations to the advantage of the grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2023 Share Award Scheme.

In respect of a related entity participant or a service provider, unless otherwise determined by the Board and specified in the grant notice, there is no performance target which needs to be achieved by the Group and/or grantee before the awarded Shares can be vested. In respect of an employee participant, unless otherwise determined by the Board and specified in the grant notice, the Group and/or grantee shall achieve the performance targets set out in the grant notice before the awarded Shares can be vested. The performance targets of awarded Shares granted to the Directors and senior management of the Company, and any grants of awarded Shares to the Directors and senior management of the Company without performance targets, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

While the performance targets will be imposed on a case-by-case basis to ensure the awards vested would be beneficial to the Group, general factors to be taken into account include but not limited to (i) annual results and performance of the Group; (ii) key performance indicators of respective department(s) and/or business unit(s) that the grantee belongs; and (iii) individual position, annual appraisal result and other factors relevant to the grantee. However, the rules of the 2023 Share Award Scheme do not specify any performance targets.

Where there has been an occurrence of misconduct such as (i) any material misstatements or omissions in the Group's financial statements by a grantee; (ii) any violation by a grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such grantee of the Group's trade secrets, intellectual property or proprietary information; (iii) any termination of employment contracts by a grantee without notice or payment in lieu of notice; (iv) conviction of any criminal offence by a grantee involving integrity or honesty; or (v) any conduct of a grantee that has material adverse effect to the reputation or interests of the Group, the awarded Shares may be subject to clawback as determined by the Board from time to time. The clawback of awarded Shares granted to the Directors and senior management of the Company, and any grants of awarded Shares to the Directors and senior management of the Company without clawback, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

Subject to the provisions of the Listing Rules, the purchase price (if any) in respect of any particular awarded Shares under the 2023 Share Award Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant award (and shall be stated in the grant notice) and taking into consideration factors such as the prevailing closing price of the Shares, the purpose of the 2023 Share Award Scheme, the characteristics and profile of the relevant selected participant(s).

As at 31 December 2025, the remaining life of the 2023 Share Award Scheme is around 7 years.

During the financial year, no new Shares were subscribed by the trustee of the 2023 Share Award Scheme (2024: Nil).

As at 31 December 2025, no Shares were held by the trustee of the 2023 Share Award Scheme (2024: Nil).

The total number of awards available for grant under the scheme mandate of the 2023 Share Award Scheme at the beginning and the end of the financial year was 283,262,350* and 283,262,350*, respectively. The total number of awards available for grant under the service provider sublimit of the 2023 Share Award Scheme at the beginning and the end of the financial year was 56,652,470* and 56,652,470*, respectively.

No awarded Shares were granted, vested, lapsed or cancelled under the 2023 Share Award Scheme during the financial year (2024: Nil). As at 31 December 2025, there were no unvested awards under the 2023 Share Award Scheme (2024: Nil).

The total number of Shares available for issue under the 2023 Share Award Scheme is 283,262,350*, representing approximately 10% of the issued Shares (excluding treasury Shares, if any), as at the date of this annual report.

* *The scheme mandate limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company.*

2023 Share Option Scheme

Pursuant to a resolution passed by the Shareholders at the AGM dated 10 May 2023, the Company adopted the 2023 Share Option Scheme. The 2023 Share Option Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 10 May 2023.

The purposes of the 2023 Share Option Scheme are (i) to recognise and reward for the past contributions by eligible participants, including employee participants, related entity participants and service providers; (ii) to retain or otherwise maintain on-going relations with eligible participants; (iii) to give the eligible participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group; and (iv) to attract suitable personnel for further growth and development of the Group.

Eligible participants of the 2023 Share Option Scheme include employee participants, related entity participants and service providers.

The scheme mandate limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury Shares, if any) as at the adoption date of the above schemes (i.e. 283,262,350 Shares). The service provider sublimit, being a sublimit under the scheme mandate limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company, and shall not in aggregate exceed 2% of the total number of issued Shares (excluding treasury Shares, if any) as at the adoption date of the above schemes (i.e. 56,652,470 Shares).

Pursuant to the 2023 Share Option Scheme, the Board shall be entitled at any time at its absolute discretion to select any eligible participant for participation in the 2023 Share Option Scheme as a selected participant and to offer the grant of an option to any selected participant to subscribe at the exercise price for such number of Shares as the Board may determine. Upon exercise of the option and payment of the exercise price by the relevant grantee, the Board shall allot and issue new Shares to the grantee.

Subject to the rules of the 2023 Share Option Scheme, where any grant of to a selected participant under the 2023 Share Option Scheme would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of options the total number of issued Shares, such grant of options shall be separately approved by the Shareholders in general meeting with such selected participant and his close associates (or associates if such selected participant is a connected person) abstaining from voting.

The period within which an option may be exercised by the grantee as the Board may in its absolute discretion determine and which shall not be more than ten years from the grant date of the option.

The vesting of any options under the 2023 Share Option Scheme shall be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant letter.

Only in so far as and for so long as the Listing Rules require, the vesting period for an option under the 2023 Share Option Scheme shall not be less than 12 months, unless the Board determines in its sole discretion that the options granted to employee participants may be less than 12 months under the following specific circumstances:

(i) grants of "make-whole" options to an employee participant who is a new director or employee of the Group to replace the share options such person forfeited when leaving his previous employer(s);

(ii) grants of options to an employee participant whose employment is terminated due to death or disability or event of force majeure;

(iii) grants of options which are subject to the fulfilment of performance targets as conditions of the options;

(iv) grants of options made in batches during a year for administrative and compliance reasons;

(v) grants of options with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 months; and

(vi) grants of options with a total vesting and holding period of more than 12 months.

Subject to the provisions of the Listing Rules and the 2023 Share Option Scheme, the Board may in its absolute discretion (i) when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the 2023 Share Option Scheme as the Board may think fit (to be stated in the grant letter) including (without prejudice to the generality of the foregoing) (a) the qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the grantee, (b) the satisfactory performance or maintenance by the grantee of certain conditions or obligations or (c) the time or period before all or some of the options shall be vested; and (ii) at any time after the grant of an option, waive or amend such conditions, restrictions or limitations to the advantage of the grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2023 Share Option Scheme.

In respect of a related entity participant or a service provider, unless otherwise determined by the Board and specified in the grant letter, there is no performance target which needs to be achieved by the Group and/or grantee before the options can be vested. In respect of an employee participant, unless otherwise determined by the Board and specified in the grant letter, the Group and/or grantee shall achieve the performance targets set out in the grant letter before the options can be vested. The performance targets of options granted to the Directors and senior management of the Company, and any grants of options to the Directors and senior management of the Company without performance targets, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

While the performance targets will be imposed on a case-by-case basis to ensure the options vested would be beneficial to the Group, general factors to be taken into account include but not limited to (i) annual results and performance of the Group; (ii) key performance indicators of respective department(s) and/or business unit(s) that the grantee belongs; and (iii) individual position, annual appraisal result and other factors relevant to the grantee. However, the rules of the 2023 Share Option Scheme does not specify any performance targets.

Where there has been an occurrence of misconduct such as (i) any material misstatements or omissions in the Group's financial statements by a grantee; (ii) any violation by a grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such grantee of the Group's trade secrets, intellectual property or proprietary information; (iii) any termination of employment contracts by a grantee without notice or payment in lieu of notice; (iv) conviction of any criminal offence by a grantee involving integrity or honesty; or (v) any conduct of a grantee that has material adverse effect to the reputation or interests of the Group, the options or option Shares may be subject to clawback as determined by the Board from time to time. The clawback of options or option Shares granted to the Directors and senior management of the Company, and any grants of options to the Directors and senior management of the Company without clawback, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

An offer of the grant of an option shall remain open for acceptance by the selected participant concerned for a period of 30 business days from the grant date provided that no such grant of an option may be accepted after the expiry of the effective period of the 2023 Share Option Scheme or after the 2023 Share Option Scheme has been terminated. An option shall be deemed to have been granted and accepted by the selected participant and to have taken effect when the duplicate grant letter comprising acceptance of the offer of the option duly signed by the grantee together with a remittance in favour of the Company of HKD1.00 by way of consideration for the grant thereof is received by the Company on or before the acceptance date. Such remittance shall in no circumstances be refundable.

Subject to the provisions of the Listing Rules, the exercise price in respect of any particular option under the 2023 Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the grant letter) but in any event the exercise price shall not be less than whichever is the highest of:

(i) the nominal value (if any) of a Share;

(ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; and

(iii) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date.

As at 31 December 2025, the remaining life of the 2023 Share Option Scheme is around 7 years.

The total number of options available for grant under the scheme mandate of the 2023 Share Option Scheme at the beginning and the end of the financial year was 283,262,350* and 283,262,350*, respectively. The total number of options available for grant under the service provider sublimit of the 2023 Share Option Scheme at the beginning and the end of the financial year was 56,652,470* and 56,652,470*, respectively.

No options were granted, exercised, lapsed or cancelled under the 2023 Share Option Scheme during the financial year. As at 31 December 2025, there were no outstanding options under the 2023 Share Option Scheme.

The total number of Shares available for issue under the 2023 Share Option Scheme is 283,262,350*, representing approximately 10% of the issued Shares (excluding treasury Shares, if any), as at the date of this annual report.

* *The scheme mandate limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and the 2023 Share Award Scheme of the Company.*

The number of Shares that may be issued in respect of options and awards granted under 2023 Share Option Scheme and 2023 Share Award Scheme of the Company during the financial year divided by weighted average number of Shares in issue for the financial year is nil.

Corporate Governance

For the year ended 31 December 2025, save as disclosed in the Corporate Governance Report on pages 77 to 118 of this annual report, all the code provisions set out in the CG Code were met by the Company.

Sufficiency of Public Float

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

Tax Relief and Exemption

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

Auditor

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the forthcoming AGM.

By order of the Board

Ding Shizhong
Chairman

Hong Kong SAR, 25 March 2026

Corporate Governance Report

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the confidence of Shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards by focusing on areas including risk management and internal control, fair disclosure and accountability to all Shareholders.

The Company has complied with the code provisions of the CG Code during the financial year. The Company regularly reviews its corporate governance practices to ensure its continuous compliance.

(A) Board and Board Committees

The Board is collectively responsible for the Company's management, operations and decisions.

The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, risk management and internal control systems, and monitoring of the performance of management team. All Directors are subject to the same legal duties under all applicable laws and the Listing Rules. They are required, in the performance of their duties as directors, to act honestly and in good faith in the interests of the Company as a whole, avoid actual and potential conflicts of interest and duty, apply reasonable care and diligence, and make decisions objectively in the best interests of the Company. Currently, the Board comprises 10 Directors, including 6 Executive Directors and 4 Independent Non-Executive Directors, and the composition of the Board and the Board Committees are as follows:

Executive Directors

Mr. Ding Shizhong *(Chairman)*
Mr. Ding Shijia *(Deputy Chairman)*
Mr. Lai Shixian *(Co-Chief Executive Officer)*
Mr. Wu Yonghua *(Co-Chief Executive Officer)*
Mr. Zheng Jie
Mr. Bi Mingwei *(Chief Financial Officer)*

Independent Non-Executive Directors

Mr. Yiu Kin Wah Stephen *JP*
Mr. Lai Hin Wing Henry Stephen
Ms. Wang Jiaqian
Ms. Xia Lian

Audit Committee

Mr. Yiu Kin Wah Stephen *(committee chairman)*
Mr. Lai Hin Wing Henry Stephen
Ms. Wang Jiaqian
Ms. Xia Lian

Remuneration Committee

Ms. Xia Lian *(committee chairman)*
Mr. Lai Hin Wing Henry Stephen
Ms. Wang Jiaqian

Nomination Committee

Mr. Lai Hin Wing Henry Stephen *(committee chairman)*
Mr. Yiu Kin Wah Stephen
Ms. Wang Jiaqian
Ms. Xia Lian

Risk Management Committee

Ms. Wang Jiaqian *(committee chairman)*
Mr. Yiu Kin Wah Stephen
Mr. Lai Hin Wing Henry Stephen
Ms. Xia Lian
Mr. Bi Mingwei

Sustainability Committee

Mr. Lai Shixian *(committee chairman)*
Mr. Yiu Kin Wah Stephen
Mr. Lai Hin Wing Henry Stephen
Ms. Wang Jiaqian
Ms. Xia Lian
Mr. Wu Yonghua
Mr. Tsui Yeung*
Mr. Yiu Wai Hung*@
Ms. Jiang Yan*#

* *non-Board member*
@ *cessation effective from 15 June 2025*
\# *appointment effective from 15 June 2025*

The Board contains a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. The Board includes a balanced composition of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement. The Board has established practices to ensure that any changes to the Board composition (if any) can be managed without undue disruption.

Directors' biographical details and relationships between the Directors (if any) are set out in the section entitled "Directors, Company Secretary and Senior Management" in this annual report.

The Board's Roles and Responsibilities

The Board is collectively responsible for long-term success of the Group and interests of Shareholders. Under the leadership of the Chairman, the Board actively promotes the success of the Group by directing and supervising its affairs in a responsible and effective manner. The principal responsibilities of the Board include, but are not limited to, the following:

- formulating the Group's mission, vision and core values;
- establishing and promoting the Group's corporate culture;
- formulating, updating and refining the Group's strategy and business objectives;
- reviewing and approving the Group's business plan;
- monitoring and evaluating the management in driving the Group's businesses against plan and budget;
- approving any major acquisitions and disposals, formation of joint ventures and capital transactions, and any other transactions in accordance with the Listing Rules and other regulations;
- overseeing the management of the Group's relationships with stakeholders;
- ensuring the effective communication with the shareholders of the Company;
- ensuring appropriate and adequate disclosure and reporting in corporate communication documents including announcements and annual reports;
- reviewing the policies and monitoring the implementations in relation to corporate governance, internal controls, risk management and sustainability practices;
- approving the Group's quarterly, interim and annual financial statements, applicable results announcements and any other related documents;
- considering the distributions of ordinary and special dividends (if any);
- providing all Board Committees with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary; and
- evaluating the performances of the Board and the Board Committees annually.

Executive Directors and Management's Roles and Responsibilities

The Executive Directors are involved in the day-to-day operations of the Group's businesses. Being members of the Company's senior management, they ensure that the management is accountable to the Board, and ultimately to the Shareholders. The Executive Directors also seek advice from and work closely with the Non-Executive Directors (including independent Non-Executive Directors). The principal responsibilities of the Executive Directors and management include, but are not limited to, the following:

- implementing the Company's strategies and objectives including assessing and identifying trends and development, for the Company;
- analysing the global macro economy and local market situation;
- conducting day-to-day management of the Group's businesses operation;
- achieving budget, plan and targets set by the Board;
- designing, implementing and maintaining appropriate and effective risk management and internal control systems;
- monitoring risks and takes measures to mitigate risks in day-to-day operations;
- monitoring and assessing the performance of each brand and function under the Group;
- providing input to and reviewing the business planning and budget; and
- analysing various matters, such as products lines, sales channels and supply chain, in different dimensions for the Group's businesses operation.

Delegation by the Board

In addition to the individual Board Committees established to assist the full Board in specific areas as discussed below, the responsibilities for implementing the Company's strategies and objectives, and day-to-day management of the Group's business operations are delegated to the Executive Directors and management team. The Board does not delegate matters to Executive Directors or management team to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions. The Company formalises the functions reserved to the Board and those delegated to management, and management are aware of the matters needed to report back and obtain prior Board approval before making decisions or entering into any commitments on the Group's behalf. The Board would review those arrangements from time to time to ensure that they remain appropriate to the Group's needs.

Chairman and CEO

Chairman provides leadership for the Board and takes the lead to ensure the Board acts in the best interests of the Company. The responsibilities of Chairman comprise, but are not limited to, the following:

- leading the Board in determining the strategic direction of the Company;
- ensuring that the Board works effectively and performs its responsibilities;

- establishing and overseeing sound corporate governance practices and procedures;
- enhancing effective communication with Shareholders and ensure the views of Shareholders are communicated to the Board as a whole;
- encouraging all Directors to make full and active contributions to the Board's affairs;
- facilitating the effective contribution of Non-Executive Directors (including Independent Non-Executive Directors) in particular and ensuring constructive relations between Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors);
- ensuring all Directors are properly briefed on issues arising at Board meetings and always receive timely, accurate, reliable and complete information;
- ensuring sufficient time for discussion of issues among Directors; and
- ensuring that Board decision fairly reflect Board consensus.

CEO takes the lead of the Group's entire management team and reports to the Board on behalf of the management. The responsibilities of CEO comprise, but are not limited to, the following:

- leading and supervising the management team in the Group's daily operations;
- executing the Company's strategic initiatives determined by the Board from time to time;
- reporting on business operation, financial performance and strategic matters and providing key updates to the Board regularly;
- enhancing the Group's existing brand portfolio;
- facilitating the integration of different functions among the Group to unlock the potential synergies; and
- seeking for potential acquisition and investment opportunities.

Compliance with the Code for Securities Transactions for Directors' Securities Transactions

The Company has established written guideline no less exacting than the Model Code for the Directors in respect of their dealings in the Company's securities ("Code for Securities Transactions"). Our management's dealings in the Company's securities are also subject to the Code for Securities Transactions for those who have access to potential inside information, and are recorded in the register under the Code of Securities Transactions. The Company has further made specific enquiries to all the Directors and they have confirmed their compliance with the required standards set out in the Code for Securities Transactions regarding the Directors' securities transactions during the financial year. During the financial year, no incident of non-compliance with the Code of Securities Transactions was noted by the Company.

Directors' and Officers' Insurance

The Directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in the discharge of their duties while holding offices as the Directors and officers of the Group. The Directors and officers shall not be indemnified where there is any negligence, fraud, breach of duty or breach of trust proven against them.

Appointments, Retirement and Re-election of Directors

A formal, considered and transparent procedure for the appointment of new Directors is in place. Appointment of Directors is recommended by the Nomination Committee for approval of the Board. Candidates should be aware that they must be able to contribute sufficient time and attention to the affairs of the Company before accepting their appointment. Each newly appointed Director would receive a formal, comprehensive and tailored orientation, which details the duties and responsibilities of Directors under the Listing Rules, the Company's constitutional documents and other related ordinances and relevant regulatory requirements. Presentations by internal management and external professionals (where necessary) would also be provided to ensure a proper understanding of the Company's business and operations and governance policies.

Each of the Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) has entered into a service contract with the Company for a specific term. The existing articles of association of the Company provides that any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first AGM after his appointment and shall then be eligible for re-election. Also, at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. When an Independent Non-Executive Director proposed for re-election has served for more than nine years, his re-election would be subject to a separate resolution to be approved at the AGM.

For details of re-election of Directors at the forthcoming AGM, please refer to the section entitled "Directors" in the Report of the Directors of this annual report.

Directorship Commitments

The Board is satisfied that the Directors had a strong commitment to the Company and positively contributed to the Board through their participation in the Company's affairs and the Board's discussions and decisions, as reflected in their high attendance record on the Board and its Committee meetings during the financial year. All of the Directors have provided annual confirmations and made disclosures about their other appointments, the number and nature of offices held in public companies or organisations and other significant commitments.

Non-Executive Directors

Non-Executive Directors (including Independent Non-Executive Directors) may be industry practitioners or experts in the Group's business, or have other skills and experience in other areas which enhancing the Board members' balance of skills, experience and diversity of perspectives. As Board members with equivalent role, Non-Executive Directors (including Independent Non-Executive Directors) give the Board and any Board Committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Non-Executive Directors (including Independent Non-Executive Directors) can make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.

The responsibilities of Non-Executive Directors comprise, but are not limited to, the following:

- participating in Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- taking the lead where potential conflicts of interests arise for other Directors;
- serving on the Board Committees, if invited; and
- scrutinising the Group's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

All Non-Executive Directors (including Independent Non-Executive Directors) are appointed for a term of three years and are subject to retirement by rotation and eligible for re-election in accordance with the articles of association of the Company.

Independent Non-Executive Directors

Independent Non-Executive Directors play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring an impartial view to bear on issues of the Company's strategy, performance and control. All Independent Non-Executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board. The Board also considers that Independent Non-Executive Directors can provide independent advice on the Company's business strategy, results and management so that all interests of Shareholders can be taken into account, and the interests of the Company and the Shareholders can be protected.

Each Independent Non-Executive Director shall inform the Company as soon as practical if there is any change of circumstances which may affect his/her independence. The Company has received written confirmation from all Independent Non-Executive Directors regarding their independence in respect of Rule 3.13 of the Listing Rules.

The Nomination Committee has assessed the independence of each Independent Non-Executive Director based on the criteria set out in Rule 3.13 of the Listing Rules, and the Board and the Nomination Committee consider that all the Independent Non-Executive Directors are independent.

Currently, none of the Independent Non-Executive Directors, individually, held directorships in seven or more listed public companies (including the Company) or has served for more than nine years.

During the financial year, the Chairman held a meeting with all the Independent Non-Executive Directors (without the presence of other Directors), matters to discuss including:

- competitiveness analysis on the Group's outlook and strategy;
- overall consumer sector's performance;
- Amer Sports' recent development;
- board member diversity;
- trends and development of ESG;
- brand strategy;
- enterprise risk management; and
- other significant matters of concern to the Independent Non-Executive Directors.

Mechanisms to Ensure Independent Views and Input are Available to the Board

The Company has put in place mechanisms to ensure independent views and input are available to the Board, including but not limited to the following:

- Board and Board Committees meetings:

  Non-Executive Directors (including Independent Non-Executive Directors) participate in the Board and/or Board Committee meetings (including meetings of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Sustainability Committee) to bring independent views, advice and judgment on important issues relating to the Company (including strategy, mergers and acquisition, policy, performance, accountability, resources, key appointments and standards of conduct), and take the lead on matters where potential conflicts of interests arise;

- Board and Board Committees evaluation:

  The Board and Board Committees conduct annual evaluations of their respective effectiveness and performance in the form of questionnaire. Non-Executive Directors (including Independent Non-Executive Directors) have been providing objective and independent feedbacks to the Board by participating in the annual evaluations of the Board and Board Committees;

- Annual review of Independent Non-Executive Directors' independence:

  The Nomination Committee assesses the independence of all Independent Non-Executive Directors annually in accordance with the requirements of the Listing Rules; and

- Further review of long-serving Independent Non-Executive Directors:

  In respect of any Independent Non-Executive Directors having served for more than nine years (if any), the Nomination Committee further assesses his role as an Independent Non-Executive Director, taking into account factors including but not limited to his reputation for integrity, experience, ability to assist the Board, perspectives and skills, and commitment while having due regard to the board diversity policy of the Company.

The Board has reviewed the implementation and effectiveness of the above mechanisms on an annual basis and is of the view that such mechanisms was implemented effectively during the financial year.

Director Nomination Policy

The Company has adopted a director nomination policy to ensure that the Board has a balance of skills, experience and diversity of perspective relevant to the Group's business. The Nomination Committee shall nominate suitable candidates to the Board for it to (i) consider and make recommendations to the Shareholders for election of Directors at general meetings or (ii) appoint as Directors by the Board to fill casual vacancies or as additions to the existing Board.

The Nomination Committee may nominate such number of candidates as it considers appropriate to (i) be appointed or re-appointed as Directors at a general meeting, or (ii) fill the casual vacancies or otherwise serve as new members of the existing Board. However, the ultimate responsibility for selection, recommendation and appointment of Directors shall rest with the entire Board.

In assessing the suitability of a proposed candidate, the Nomination Committee would consider factors including:

- integrity;
- qualification and experience in sportswear industry and/or business strategy, management, legal and financial aspects;
- ability to assist the Board in effective performance of its responsibilities;
- the perspectives and skills that the proposed candidate is expected to bring to the Board;
- commitment in respect of available time and relevant interest;
- diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; and
- in the case of selection for Independent Non-Executive Directors, the independence of the proposed candidate.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

The secretary of the Nomination Committee shall call a meeting and invite nominations of candidates from Board members (if any) for consideration by the Nomination Committee prior to its meeting. Alternatively, such nomination may be approved by the Nomination Committee by way of written resolutions. For filling a casual vacancy or addition to the existing Board, the Nomination Committee shall recommend candidate(s) for the Board's consideration and approval. For proposing candidates to stand for election of Directors at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation. Subject to and pursuant to the existing articles of association of the Company, any one or more Shareholders can serve a notice of its intention to propose a resolution to elect certain person (other than the Shareholders serving such notice) as a Director, without the Board's recommendation or the Nomination Committee's nomination (details of which are set out in the section entitled "(F) Shareholders' Rights, Communications with Shareholders and Investor Relations" below).

The re-appointment of a long serving Independent Non-Executive Director (e.g. an Independent Non-Executive Director who has continuously served for more than nine years) at AGM of the Company shall be subject to any other requirements that may be required by the Listing Rules from time to time.

The Nomination Committee would regularly review the implementation and effectiveness of the director nomination policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and would also discuss and consider any revisions that may be required.

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

Board Diversity Policy

The Company adopted a board diversity policy in accordance with the requirement set out in the Listing Rules and the CG Code. The policy aims to set out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to broaden its view and enhance the quality of its performance. All Board appointments will be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of diversity on the Board. Diversity on the Board can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In designing the Board's composition, the Company will also take into account factors based on its own business model and specific needs from time to time. Selection of candidates will be based on these diversity perspectives, with the final decision made on merit and contribution that the selected candidates will bring to the Board.

Directors are from diverse and complementary backgrounds. Their valuable experience and expertise are critical for the long-term growth of the Company. The current Board's composition under diversified perspectives is summarised as follows:

Name		Mr. Ding Shizhong	Mr. Ding Shijia	Mr. Lai Shixian	Mr. Wu Yonghua	Mr. Zheng Jie	Mr. Bi Mingwei	Mr. Yiu Kin Wah Stephen	Mr. Lai Hin Wing Henry Stephen	Ms. Wang Jiaqian	Ms. Xia Lian
Gender		Male	Male	Male	Male	Male	Male	Male	Male	Female	Female
Age		55	61	51	55	57	53	65	69	47	47
Length of service as Director*		18 years	18 years	18 years	18 years	16 years	4.5 years	7.5 years	5 years	4.5 years	3.5 years
Skills, knowledge & professional experience	(a) Accounting & finance			✓			✓	✓			
	(b) Business development	✓			✓	✓				✓	✓
	(c) Brand management	✓			✓	✓				✓	
	(d) Capital market			✓				✓	✓		
	(e) Corporate responsibility/ sustainability	✓		✓	✓	✓	✓	✓	✓	✓	✓
	(f) Corporate strategy and planning	✓				✓	✓			✓	✓
	(g) Executive management and leadership skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	(h) Informational management			✓			✓				
	(i) Investor relations			✓							
	(j) Legal			✓					✓		
	(k) Manufacturing		✓								
	(l) Other listed board experience/role			✓				✓	✓		✓
	(m) Operational management	✓	✓	✓	✓	✓	✓				
	(n) Risk management			✓			✓	✓		✓	✓
	(o) Sales and marketing	✓			✓	✓					
	(p) Supply chain management		✓	✓			✓				
	(q) Treasury management			✓							

* *up to 31 December 2025*

The Nomination Committee would annually review the implementation and effectiveness of the board diversity policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and would also discuss and consider any revisions that may be required.

The Nomination Committee has conducted the annual review of the Board composition and the implementation and effectiveness of the board diversity policy. Based on different measurable objectives on board diversity, including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, the Nomination Committee considered that board diversity has been achieved. The Nomination Committee (and the Board) recognises the importance and benefits of gender diversity at the Board level, and shall continue to take initiatives to identify more female candidate(s) to further enhance the gender diversity among the Board members with a target of 30% women in the Board by the end of 2030. The Nomination Committee will continue to assist the Board in maintaining an appropriate mix of skills that are relevant to the Group's strategy, governance and business, and the skills matrix above sets out the skills and expertise of the Board that enable the Board to effectively discharge its duties and responsibilities in attaining the Group's strategic objectives and achieving sustainable and balanced development for the Group. The Nomination Committee concluded that the diversity policy (especially in terms of gender and skills) was implemented effectively during the financial year. The Nomination Committee will continue the annual review of the Board skills matrix and consider any further skills that the Board may acquire to improve its effectiveness and overall performance.

The Board also recognises the importance of diversity in the workforce (including senior management). The Company adopted labor policy and diversity and inclusion policy concerning the diversity of its workforce (including senior management) in accordance with the requirement set out in the Listing Rules and the CG Code. The Group employs our staff based on meritocracy and we respect our staff's personal choices, regardless of gender, age, religion, nationality etc. Currently only the Executive Directors, the Co-CEOs and the CFO are regarded as members of the Group's senior management, which makes achieving gender diversity at senior management level more challenging. The Group will continue to make ways in achieving gender diversity in the workforce (including senior management). During the year, the Group achieved the target of having over 40% women at the director level and above by the end of 2030 in advance. The proportion of female executives (director level and above) was 41.1% as of 31 December 2025.

The gender ratios in the Group's workforce as at 31 December 2025 are as follows:

Overall male to female ratio	Male 26.7%; Female 73.3%
By rank and gender:	
Office staff:	
Senior management	Male 100.0%; Female 0.0%
President level (excluding senior management)	Male 77.2%; Female 22.8%
Director level	Male 57.7%; Female 42.3%
Manager level	Male 44.1%; Female 55.9%
Officers and others	Male 19.8%; Female 80.2%
Production staff	Male 41.4%; Female 58.6%

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

Remuneration of Directors and Senior Management

The Company has adopted a directors and senior management remuneration policy to maintain fair and competitive packages of the Directors and senior management based on the business needs of the Group and industry practice. For determining the remuneration packages of each Director and senior management, market rates and factors such as individual workload, duties and required commitment are taken into account (including their individual performance or the performance of the respective department(s) and business unit(s) that they are in charge (including the aspect of sustainability)). In addition, factors comprising economic and market situations, individual contributions to the Group's results and development (including the aspect of sustainability) as well as individual's potential are considered when determining the remuneration packages of Directors and senior management. At the same time, remuneration levels shall be sufficient to attract and retain Directors and senior management to run the Group successfully without paying more than necessary.

The Company has adopted the model ascribed in code provision E.1.2(c)(i) of the CG Code, whereby the Remuneration Committee determines, with the delegation from the Board, the remuneration packages of individual Executive Directors and senior management. The Remuneration Committee is also responsible for making recommendations to the Board on the remuneration packages of Non-Executive Directors (including Independent Non-Executive Directors).

Annual discretionary bonus of Executive Directors and senior management shall be determined with reference to the performance of the respective department(s) and business unit(s) that they are in charge of (including but not limited to key performance indicators) and their individual performance, and shall be approved by the Remuneration Committee.

The Remuneration Committee shall approve equity-based remuneration on the individual performance and business objectives of Executive Directors and senior management with the goal of maximising long-term shareholder value, and grant stock options and share awards in accordance with the Company's share option schemes and share award schemes as appropriate.

No Director takes part in any discussion of his own remuneration. Directors would abstain from voting in the resolutions in relation to their individual remuneration in relevant Board or the Remuneration Committee meetings.

In respect of discretionary bonus and equity-share based remuneration of Executive Directors and senior management, to the extent permitted by applicable laws and regulations, the Company may recover and adjust the previous remuneration provided within three years. The committee would review the facts and circumstances that led to the clawback and the costs and benefits of seeking recovery and would determine, in its discretion, the amount to be sought for recovery from such Executive Director or senior management. The Company may offset the recovery amount against current or future remuneration and through cancellation of unvested or vested equity-based remuneration.

Currently only the Executive Directors, the Co-CEOs and the CFO are currently regarded as members of the Group's senior management.

The Remuneration Committee would regularly review the implementation and effectiveness of the directors and senior management remuneration policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and would also discuss and consider any revisions that may be required.

During the financial year, the Remuneration Committee has conducted the review of the implementation and effectiveness of the directors and senior management remuneration policy, and concluded that the policy was implemented effectively.

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

Particulars regarding Directors' remuneration and the five highest paid individuals as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in notes 6 and 7 to the financial statements.

Training and Support for Directors

Directors should keep abreast of the latest developments in various areas, including laws and regulations, the Listing Rules, as well as industry update to discharge their duties and responsibilities for the benefit of the Company. Each newly appointed Director would receive an induction covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. The Company also provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Company is responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Directors. The Company continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management where appropriate, to ensure awareness of best corporate governance practices.

Directors have provided records of the training they received during the financial year, and they have participated in the following training:

Directors	Reading materials in relation to legal, regulatory & industry updates	Briefing and updates on business and operation	Training/ Seminars	Other professional developments
Executive Directors				
Mr. Ding Shizhong	✓	✓	✓	✓
Mr. Ding Shijia	✓	✓	✓	✓
Mr. Lai Shixian	✓	✓	✓	✓
Mr. Wu Yonghua	✓	✓	✓	✓
Mr. Zheng Jie	✓	✓	✓	✓
Mr. Bi Mingwei	✓	✓	✓	✓
Independent Non-Executive Directors				
Mr. Yiu Kin Wah Stephen	✓	✓	✓	✓
Mr. Lai Hin Wing Henry Stephen	✓	✓	✓	✓
Ms. Wang Jiaqian	✓	✓	✓	✓
Ms. Xia Lian	✓	✓	✓	✓

Board Committees

The Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Sustainability Committee (collectively the "Board Committees") with defined terms of reference. The terms of reference of the Board Committees are posted on the website of the Company (ir.anta.com) and the HKEXnews website of Hong Kong Exchange and Clearing Limited (www.hkexnews.hk).

Before a committee meeting starts, all members of the committee shall declare their interests (including the interests of their associates) in respect of the matters to be discussed and/or the resolutions to be approved during the meeting in accordance with the articles of association of the Company and/or the Listing Rules. In case a member of the committee (or his associate) has a material interest in a matter to be discussed and/or a resolution to be approved during a meeting, other members of the committee, for the purpose of avoidance of conflict of interests, shall consider and decide if the member shall abstain from voting in the resolutions and/or be absent from the meeting.

The Board Committees are provided with sufficient resources to perform their duties and are able to seek, at the Company's expenses, independent professional advice as necessary. The committees are able to invite relevant personnel within the Group to attend meetings, and to obtain any information that they require from any other committees and/or departments, if they consider necessary, in order to perform their duties. The committees may invite external advisers with relevant experience and expertise to participate and attend committee meetings as and when necessary, and they can review and approve the advisory fees and other terms of engagement of the external advisers.

Full details of the committees' work are disclosed in the relevant sections for each of the Board Committees.

Audit Committee

The Audit Committee is responsible for monitoring the integrity of the Group's financial statements, annual and interim reports and focus on the Group's financial reporting integrity, ensuring the compliance with the applicable accounting principles and practices for a balanced, clear and comprehensible assessment of the Group's performance, position and prospects, and ensuring the compliance with any applicable laws and the listing rules of the stock exchange on which the shares of the Company are listed. The committee maintains an appropriate relationship with the Company's external auditor, and makes recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal.

The Audit Committee meets regularly with the Company's external auditor to discuss the audit process and accounting issues. The committee meets with the external auditor without management members present at least once a year to discuss any issues arising from the audit and any other matters the external auditor may wish to raise. The external auditor may request for holding of meetings if they consider it necessary.

Also, to comply with the requirements under the CG Code in respect of the responsibilities for performing the corporate governance duties, the Board has delegated its responsibilities (with relevant authorities) to the Audit Committee.

The terms of reference of the Audit Committee are in line with the code provisions of the CG Code. The responsibilities of the Audit Committee comprise, but are not limited to, the following:

- making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and on any questions of its resignation or dismissal;
- approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- monitoring the engagements of external auditor to supply any non-audit services, and making recommendations on any related matters where action or improvement is needed;
- acting as the key representative body for overseeing the Company's relations with the external auditor;
- monitoring integrity of the Company's and the Group's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgements contained in them;
- considering any significant or unusual items that are, or may need to be, reflected in the report and accounts;
- giving due consideration to any matters that have been raised by the Group's staff responsible for the accounting and financial reporting function, compliance officer or external auditor;
- conducting an annual review of the effectiveness of the Group's processes for financial reporting and financial controls;
- ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditor's management letter (if any), any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

- ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- ensuring the appropriate arrangements are in place so that employees of the Group can, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters, and ensuring the Company would make fair and independent investigation of these matters and appropriate follow-up action;
- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and
- reviewing the Company's compliance with the CG Code and disclosure in its Corporate Governance Report.

During the financial year, the Audit Committee performed, considered and/or resolved the following matters:

- reviewing and considering the annual results of the Group for the year ended 31 December 2024 for the approval by the Board;
- reviewing and considering the interim results of the Group for the 6 months ended 30 June 2025 for the approval by the Board;
- approving the external auditor's scope, plan and fees of the annual audit and the interim review;
- meeting with the external auditor and discussing their major findings in the annual audit and the interim review;
- reviewing the reports prepared by the external auditor relating to the annual audit and the interim review;
- considering the effectiveness of the external auditor, giving due consideration to the quality and contents of their reports to the committee, feedback from management and compliance with relevant regulatory, professional requirements and their independence;
- considering the safeguard of external auditor's objectivity and independence in proposed engagement in respect of audit-related and permissible non-audit services;
- considering and approving non-audit services to be provided by the external auditor;
- considering recommendation of the re-appointment of external auditor for Shareholders' approval in AGM;
- meeting with external auditor in the absence of management to discuss matters relating to audit fees, issues arising from audit and other matters the auditor raised;
- reviewing the adequacy of the resources, staff qualification and experience, training programmes and budget of those relating to Group's accounting and financial reporting function for the financial year;
- determining and reviewing the Company's current corporate governance policy and practice;

- reviewing the Company's compliance with the CG Code and other legal and regulatory requirements; and

- reviewing the disclosure in the Corporate Governance Report.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the policy and structure for remuneration of all Directors and senior management of the Group and other matters relating to remuneration, for the purpose of motivating, retaining and attracting the best talent for the Group in order to maximise shareholder value. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that their remuneration and compensation are reasonable.

In carrying out its duties, the committee would: (i) ensure the packages are sufficient to attract, retain and motivate Directors and senior management to run the Company successfully without paying more than necessary; (ii) be sensitive to the wider scene, including pay and employment conditions elsewhere, especially when determining annual salary increases; (iii) ensure that the remuneration package of Executive Directors and senior management are designed to align their interest with those of Shareholders and to give them keen incentives to perform at the highest levels; and (iv) ensure that share options and share awards (if any) are offered in accordance with the Listing Rules.

Also, the committee considers all aspects of remuneration, including: (i) salaries paid by comparable listed companies, time commitment and responsibilities and employment conditions of other positions in the Group; (ii) appointment and termination terms for the Directors and the senior management to ensure they are fair; (iii) compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure they are reasonable and appropriate; (iv) corporate culture and other non-financial key performance indicators; and (v) whether the remuneration package for an Independent Non-Executive Director may affect his objectivity and independence.

The Remuneration Committee reviews and approves the remuneration proposals for all Executive Directors (including the Chairman), and seeks independent professional advice if necessary.

The terms of reference of the Remuneration Committee are in line with the code provisions of the CG Code. The responsibilities of the Remuneration Committee comprise, but are not limited to, the following:

- making recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policy;

- determining, with delegation from the Board, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- making recommendations to the Board on the remuneration of Non-Executive Directors (including Independent Non-Executive Directors);

- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and the Company's objectives approved by the Board from time to time;

- reviewing and approving compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms;

- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms;

- ensuring that no Director or any of his associates is involved in deciding his own remuneration; and
- reviewing and/or approving any remuneration matters relating to share schemes (including share option scheme and share award scheme) involving new or existing shares of the Company or its subsidiaries, and any other matters relating to share schemes under Chapter 17 of the Listing Rules.

During the financial year, the Remuneration Committee performed, considered and/or resolved the following matters:

- reviewing the existing policy and structure for remuneration of all Directors and senior management of the Group;
- assessing the performance and reviewing the remuneration packages of the Executive Directors and senior management for financial year 2024;
- approving the discretionary bonuses of Mr. Ding Shizhong and Mr. Bi Mingwei for financial year 2024;
- reviewing and approving the management's remuneration proposals for the financial year;
- reviewing and making recommendation to the Board on the remuneration of Non-Executive Directors (including Independent Non-Executive Directors);
- approving the remuneration packages of Mr. Ding Shizhong, Mr. Ding Shijia, Mr. Lai Shixian and Mr. Wu Yonghua in respect of the renewal of their service agreements as Executive Directors;
- making recommendation on the remuneration packages of Ms. Xia Lian in respect of the renewal of her letter of appointment as an Independent Non-Executive Director to the Board for approval; and
- approving the grants of an aggregate of 10,447,358 awarded shares to the Group's employees after considering such grants could achieve the purpose of the 2018 Share Award Scheme (2023 Revision).

Nomination Committee

The Nomination Committee is responsible for recommending suitable candidates to the Board for directorship, after considering the independence and competence of the nominees, to ensure that all nominations are fair and transparent. The committee evaluates and assesses the optimal composition of the Board, taking into account the Company's culture, strategies and objectives. In identifying suitable candidates, the Nomination Committee considers candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board (details of which are set out in the section entitled "Director Nomination Policy" above). The Nomination Committee also reviews the structure, size and composition of the Board (details of which are set out in the section entitled "Board Diversity Policy" above) and assesses the independence of the Independent Non-Executive Directors (details of which are set out in the section entitled "Independent Non-Executive Directors" above).

The terms of reference of the Nomination Committee are in line with the code provisions of the CG Code. The responsibilities of the Nomination Committee comprise, but are not limited to, the following:

- identifying and nominating individuals suitably qualified to become Board members and making recommendations to the Board on the selection of individuals nominated for directorships when it is necessary to increase the number of Directors or to fill the Board vacancy, and the assessment criteria is whether the candidate is able to assist the Board in effective performance of the responsibilities;

- reviewing the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- reviewing the implementation of the board diversity policy of the Company and the measurable objectives that the Board has set for implementing the policy, and the progress on achieving the objectives, regularly;

- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular Chairman and the CEO;

- assessing the independence of Independent Non-Executive Directors and reviewing the annual confirmations on their independence; and

- supporting the Company's regular evaluation of the Board's performance.

During the financial year, the Nomination Committee performed, considered and/or resolved the following matters:

- conducting the annual review on the structure, size and diversity of the Board;

- reviewing the existing director nomination policy and board diversity policy of the Company, and the implementations;

- assessing the independence of Independent Non-Executive Directors and review of the annual confirmations on their independence;

- reviewing the re-appointment of Directors who retired from office at the past AGM in accordance with the Company's articles of association and offered themselves for re-election;

- approving the renewal of Mr. Ding Shizhong, Mr. Ding Shijia, Mr. Lai Shixian and Mr. Wu Yonghua's service agreements as Executive Directors; and

- approving the renewal of Ms. Xia Lian's letter of appointment as an Independent Non-Executive Director.

Risk Management Committee

The Risk Management Committee, being delegated (with relevant authorities) by the Board, is responsible for assisting the Board (i) to evaluate and determine the nature and extent of the risks the Board is willing to take in achieving the Group's strategic objectives; (ii) to ensure that the Group has established and maintained appropriate and effective risk management and internal control systems; and (iii) to oversee management in the design, implementation and monitoring of the risk management and internal control systems.

The responsibilities of the Risk Management Committee comprise, but are not limited to, the following:

- overseeing the Group's risk management and internal control systems on an ongoing basis;

- conducting an annual review of the effectiveness of the Group's risk management and internal control systems;

- ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's, internal audit function during the annual review;

- discussing the risk management and internal control systems with management to ensure that management has performed its duty of establishing effective systems;

- considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

- ensuring co-ordination between the internal audit department and external auditor, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group, and reviewing and monitoring its effectiveness;

- reviewing the regular reports by the internal audit department, including any findings of substantial contract review and non-compliance or irregularity matters;

- advising the Board on the Group's risk management principle and other risk related matters (including corporate actions and suggested strategic transactions, such as business combinations, acquisitions and disposals, substantial investments, and notifiable transactions as defined under the Listing Rules);

- ensuring a whistleblowing policy and system for employees and those who deal with the Group (e.g. customers and suppliers) is in place to raise concerns, in confidence and under anonymity, with the committee about possible improprieties in any matter related to the Group; and

- ensuring that policy(ies) and system(s) are in place to (i) promote and support anti-corruption laws and regulations and to (ii) foster an anti-corruption culture within the Group.

During the financial year, the Risk Management Committee performed, considered and/or resolved the following matters:

- meeting regularly with the second line departments to oversee the Group's risk management and internal control systems;

- conducting the annual review of the effectiveness of the risk management and internal control systems for financial year 2024, including consideration of the adequacy of resources, staff qualifications and experience of the Group's internal audit function;

- approving the annual audit plan provided by the internal audit department;

- reviewing the quarterly reports from the internal audit department and assessing the findings of substantial contract review and non-compliance or irregularity matters (if any);

- reviewing the effectiveness of the Group's internal audit function;

- reviewing the results of the internal audit and internal control review by the internal audit department with regard to continuing connected transactions; and

- assessing the risks of certain transactions and making recommendation to the Board for approval.

The annual review of the effectiveness of the risk management and internal control systems for the financial year has been conducted, details of which are set out in the section entitled "(D) Risk Management and Internal Control" below.

Sustainability Committee

The Sustainability Committee, being delegated (with relevant authorities) by the Board, is responsible for assisting the Board (i) to conduct effective governance and oversight of ESG matters; (ii) to formulate and review the Group's strategic objectives for sustainable development; (iii) to lead and promote each department to improve its mindsets and operation initiatives in various business processes from the perspective of sustainability; (iv) to identify, assess and manage material ESG risks and issues; (v) to coordinate and standardise the collection of ESG related data and information to improve the quality of ESG information disclosure; and (vi) to equip the Board with knowledge of ESG issues through training sessions.

The responsibilities of the Sustainability Committee comprise, but are not limited to, the following:

- formulating the Group’s vision, strategy and management approach on sustainable development;
- reviewing and overseeing ESG operation, governance structure and policy, and ensuring continuous compliance with legal and regulatory requirements;
- defining the Group’s ESG objectives and relevant implementation rules and effectiveness, and regularly reviewing the progress of objectives accomplishment and reporting to the Board;
- identifying ESG risks and opportunities (including climate change related) and assessing their impacts on the Group, and reviewing whether the Group’s ESG risks are effectively managed and controlled;
- reviewing and assessing the appropriateness and effectiveness of the Group’s ESG governance and management structure, policies management approach, practices, procedures, strategies and measures, and updating and adjusting the same in a timely manner;
- reviewing the Group’s climate change related work, overseeing the identification, assessment, management and reporting process of climate change related risks and opportunities, and determining the related strategies and measures addressing climate change, so as to reduce the negative impacts on the climate during the Group’s business development;
- reviewing the Group’s relevant ESG policies and practices regularly, including but not limited to: supply chain management, chemical management, labor management (including human right), etc.;
- overseeing the communication process between the Group and stakeholders, and if required, receiving feedback on ESG work from the Group’s internal and external stakeholders, and providing improvement recommendations for the Group’s future ESG work;
- ensuring that the Company prepares ESG reports in accordance with the Listing Rules and other relevant laws and regulations, reviewing annual ESG reports and reporting to the Board;
- making recommendation to the Board to maintain the completeness of ESG reports;
- ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of those relating to the Group’s ESG performance and reporting;
- monitoring and verifying ESG-related staff training, budget and expenditure of the Group;
- monitoring, reviewing, and if required, reporting to the Board on international trends in legislation, regulation, and recommended best practices as regards to ESG, sustainability development, and ethical standards of corporate behaviour; and
- advising the Board the sufficiency of resources dedicated to ESG issues; and
- conducting an annual review of the Group’s ESG matter.

During the financial year, the Sustainability Committee performed, considered and/or resolved the following matters:

- formulating and approving the Group's initial vision, core value and strategy on sustainability;
- reviewing and considering the ESG report for financial year 2024 for the approval by the Board;

- discussing the latest ESG development on policy, governance and capital markets, and trend in ESG reporting disclosure;
- discussing the latest ESG rating of the Company and considering any improvement measures; and
- discussing the latest ESG regulatory requirement impacts to the Group, including climate change related matters.

Changes in Composition of Board Committees

Due to changes in the Group's management appointments, Mr. Yiu Wai Hung, the former chief executive officer of the Fashion Sports Group, ceased to be a member of the Sustainability Committee of the Company. Ms. Jiang Yan, the incumbent chief executive officer of the Fashion Sports Group, was appointed as a member of the Sustainability Committee. The foregoing changes in the composition of Sustainability Committee have taken effect from 15 June 2025.

Other than the changes set out above, there were no other changes in the composition of the Board Committees during the financial year.

Annual Evaluation of the Board and the Board Committees

The Company undertakes an annual internal evaluation of the effectiveness and performance of the Board and the Board Committees to enhance Directors' accountability and to achieve good corporate governance and Board effectiveness. In March 2026, the Board and all Board Committees underwent an annual evaluation (in the form of questionnaires) of their respective effectiveness and performance for the financial year. The questionnaires cover a broad range of topics including the Board and the Board Committees' compositions, meeting dynamics and meeting materials, culture and ethics, role and responsibilities, and relationships with management and other relevant parties.

The results of the evaluation show that the Board and all Board Committees are found to be operating effectively, there is nothing significantly affecting the Board or the Board Committees' performance and there is no material issue that required further discussion. Reporting of matters by all Board Committees to the Board is found to be clear and adequate. All Directors are satisfied that the Board and the Board Committees have the right mix of expertise, experience and skills. A summary of the evaluation result has been provided to the Board and the Board Committees for discussion.

Meetings

The Board meets regularly to discuss the overall strategy as well as the operational and financial performance of the Group. Board meetings are held at least four times a year at approximately quarterly intervals. Directors may participate either in person or through electronic means of communications in accordance with the articles of association of the Company. Further, they have independent access to the senior management in respect of operational issues.

The attendance of individual Directors (and non-Board members) at the Board and the Board Committees meetings for the financial year is set out below:

	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Risk Management Committee Meeting	Sustainability Committee Meeting
No. of meetings held for the year ended 31 December 2025	4	4	2	2	4	4
Executive Directors						
Mr. Ding Shizhong	4/4	–	–	–	–	–
Mr. Ding Shijia	4/4	–	–	–	–	–
Mr. Lai Shixian	4/4	–	–	–	–	4/4
Mr. Wu Yonghua	4/4	–	–	–	–	4/4
Mr. Zheng Jie	4/4	–	–	–	–	–
Mr. Bi Mingwei	4/4	–	–	–	4/4	–
Independent Non-Executive Directors						
Mr. Yiu Kin Wah Stephen	4/4	4/4	–	2/2	4/4	4/4
Mr. Lai Hin Wing Henry Stephen	4/4	4/4	2/2	2/2	4/4	4/4
Ms. Wang Jiaqian	4/4	4/4	2/2	2/2	4/4	4/4
Ms. Xia Lian	4/4	4/4	2/2	2/2	4/4	4/4
Non-Board members						
Mr. Yiu Wai Hung	–	–	–	–	–	1/1 (1)
Mr. Tsui Yeung	–	–	–	–	–	4/4
Ms. Jiang Yan	–	–	–	–	–	3/3 (2)

Notes:

(1) Mr. Yiu Wai Hung ceased to be a member of the Sustainability Committee with effect from 15 June 2025.

(2) Ms. Jiang Yan was appointed as a member of the Sustainability Committee with effect from 15 June 2025.

All Directors have the opportunity to include matters in the agenda for Board meetings. Sufficient notice of not less than 14 calendar days would be given for regular meetings to all Directors enabling them to attend, and reasonable notice would be given in case of other Board meetings.

Directors are required to have a thorough understanding of the issues being discussed at Board or committee meetings to enable them to contribute to discussions. The Company provides the Board and the Board Committees with adequate, complete and reliable information, in a timely manner, to enable them to make informed decisions. All Directors (and Board Committees members (if applicable)) are provided with relevant materials relating to the matters brought before the meetings at least three days in advance.

All Directors do not, in all circumstances, rely purely on information provided voluntarily by management. Where any Director requires more information than is volunteered by the Company, he can make further enquiries where necessary. The Board and individual Directors have separate and independent access to the Company's senior management. All Directors can retain independent professional advisors if necessary, at the Company's expenses. Where queries are raised by Directors, steps would be taken by the Company to respond as promptly and fully as possible.

The company secretary (or committee secretary (if applicable)) is responsible for preparing the agenda for each Board (and Board Committees) meeting and ensuring the procedures and all applicable laws, rules and regulations are followed. All Directors can seek assistance from the company secretary (or committee secretary (if applicable)). The company secretary (or committee secretary (if applicable)) is also responsible for preparing draft and final versions of Board and Board Committees meeting minutes, and would send to the Directors and the Board Committees members for comment (before sign-off) and for their records, within a reasonable time after the meetings. All Directors are entitled to have access to Board papers and related materials. These papers and related materials are in a form and quality sufficient to enable the Board to make informed decisions.

Conflict of Interest

If a substantial shareholder of the Company or a Director (or a Board Committee member (if applicable)) has a material conflict of interest in a transaction to be considered by the Board or the Board Committees, such transaction would be dealt with by a physical meeting rather than a written resolution, and the interested individual is required to declare such interest and to abstain from voting. The matter would be decided at the Board or the Board Committees meeting attended by Directors (or the Board Committees members (if applicable)) who have no material interest in the transaction.

Company Secretary

The company secretary of the Company is the key adviser to the Board on corporate governance and other regulatory compliance matters, and plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policies and procedures are followed. Any selection, appointment or dismissal of the company secretary would be approved by the Board. The company secretary is responsible for advising the Board through the Chairman on governance matters and facilitating induction and professional development of Directors. The company secretary reports to the Chairman. All Directors have access to the advice and services of the company secretary. The principal responsibilities of the company secretary include, but are not limited to, the following:

- assisting the Company develop and maintain a sound and effective corporate governance framework to ensure compliance and good corporate governance practices;

- keeping abreast of the developments in laws, rules and regulations that may affect the Group’s business and operations, and briefing the Board on these developments;

- ensuring that the Board members receive continuous training in relation to the Group’s business developments and any applicable laws and regulations; and

- providing compliance advice to the Board in the decision-making process, and ensuring full compliance.

Mr. Tse Kin Chung is the company secretary of the Company. He is a full time employee of the Group and has good knowledge of the Company’s affairs. During the financial year, Mr. Tse has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biographical details of Mr. Tse are set out in the section entitled “Directors, Company Secretary and Senior Management” in this annual report.

(B) Corporate Purpose, Strategy and Culture

The Board has established the Company's purpose, values and strategy, and ensures that these and the Company's corporate culture are aligned. All Directors act with integrity, lead by example, and promote the desired corporate culture.

Mission

To bring the Transcendent Sports Spirit into Everyone's Life.

- We keep pushing above our limits in pursuit of success in order to become better us and create value for the society.

- We never stop striving to build the world a better place and keep moving. The best part of sports is not winning but rather enjoying the benefits it has for our body and mind. Our staff exhibit this sportsmanship in both their personal and professional lives.

- As a multi-brand sportswear group, we understand the needs of consumers, provide products catering to those needs, and actively promote sports participation to help people live a wonderful life.

Vision

To be a World-leading Multi-brand Sportswear Group.

- We keep moving and aspire to become a world leader in terms of market share, brand value, technological innovation, social responsibility, and staff development.

Three Cores

Consumer-centric

We create value for consumers. This is not only the purpose and meaning behind the existence of a corporation, but also the responsibility and mission for everyone at ANTA Group.

Competitive Benchmarking

The concept of going beyond oneself should be reflected in the work attitude, job requirements and daily practices of everyone at ANTA Group.

Learning by Example

ANTA Group's entire management should serve as a role model to motivate and steer the team to victory.

Corporate Strategy

"Single-focus, Multi-brand, Globalisation"

- Single-focus:

  Produce quality footwear and apparel products with focus on the sportswear market and consumer value; each brand focuses on product categories that drive brand salience in order to establish leading positions in their respective market segments.

- Multi-brand:

  Leverage various brands to fulfill consumers' needs and create diversified values for consumers, as well as build a multi-brand matrix encompassing brand groups of Performance Sports, Fashion Sports and Outdoor Sports; strengthen group-level shared platforms to empower multi-brand development.

- Globalisation:

  Help Chinese brands to expand their reach globally and help global brands penetrate the China market; leverage on the extensive global network of ANTA Group and Amer Sports, to better meet the needs of global consumers; realise globalisation in terms of market position, brand portfolio, value chain composition and governance structure.

(C) Financial Reporting and External Auditor Related Matters

Financial Reporting

The Board aims to present a clear, balanced, comprehensible and understandable assessment of the Group's performance, position and prospects in the annual and interim reports to the Shareholders, and make appropriate disclosure and announcements in a timely manner. Before approval of any financial or other information, management would provide sufficient explanation and information to the Board to enable it to make an informed assessment. Also, management provides all Directors with regular updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties.

The Board acknowledges that it is responsible for the preparation of the financial statements of the Group. In the preparation of financial statements, IFRS Accounting Standards, HKFRS Accounting Standards, the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of the Listing Rules have been adopted, the appropriate accounting policies have been consistently used and applied, and reasonable judgements and estimates are properly made. The Board was not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Audit Committee reviewed this annual report, including the consolidated financial statements of the Group for the year ended 31 December 2025 and the annual results announcement with a recommendation to the Board for approval. The Audit Committee considered the following factors during the review:

- any changes in accounting policies and practices;
- major judgmental areas;
- significant adjustments resulting from audit;
- the going concern assumptions and any qualifications;
- compliance with accounting standards;
- compliance with the Listing Rules and legal requirements in relation to financial reporting; and
- fairness of the connected transactions and the continuing connected transactions, and making disclosure in accordance with the Listing Rules and the applicable financial reporting standards.

External Auditor and Audit Quality Evaluation

KPMG has been appointed as the Company's external auditor since 2004. KPMG has confirmed to the Audit Committee that they are independent with respect to acting as external auditor to the Company. The work scope and responsibilities of KPMG are stated in the section entitled "Independent Auditor's Report" in this annual report.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor.

An effective audit not only provides independent assurance on whether an entity's financial statements are free from material misstatements (i.e. give a true and fair view), but may also identify weaknesses in internal controls of the audited entity. The purpose of an audit is to enhance users' confidence in the credibility of financial statements, which contain reliable and relevant information for investors and other stakeholders to make informed decisions. While the primary responsibility for audit quality rests with external auditor, the Audit Committees, in the interests of investors and other external stakeholders, plays a pivotal role in monitoring how auditor enhance and maintain audit quality.

The Audit Committee underwent the annual evaluation of the Company's external auditor, KPMG, from an audit quality perspective for the financial year. The following factors of have been taken into account by the committee:

- governance and leadership;
- compliance with relevant ethical requirements (including but not limited to independence);
- industry knowledge and technical competence;
- engagement performance and resources;
- communication and interaction with the Audit Committee; and
- monitoring process.

Based on the evaluation results, the Audit Committee considered KPMG, as the Company's incumbent auditor, maintained audit quality that was sufficient and appropriate for the Company's audit engagement.

Auditor's Non-Audit Services Policy

The Company has adopted an auditor's non-audit services policy to set parameters for the Group's non-audit services engagements consistent with applicable laws, regulations and the Company's corporate governance principles. The policy is applicable to the Company's external auditor, including (i) any entity that is under common control, ownership or management with the audit firm; or (ii) any entity that a reasonable and informed third party having knowledge of all relevant circumstances would reasonably consider as part of the audit firm nationally or internationally.

In order to maintain the independence of the Company's external auditor, the engagement of the auditor in relation to non-audit services shall be subject to the approval by the Audit Committee. The Audit Committee may approve exceptions when it determines that such an exception is in the best interests of the Company and it is determined that such an exception does not impair the independence of the auditor.

Notwithstanding the foregoing, the following non-audit services are generally prohibited and generally will not be considered for exception from the policy:

- bookkeeping or other services that would affect the accounting records or the financial statements;
- financial information systems design and implementation;
- appraisal or valuation services, providing fairness opinions or preparing contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions or human resources;
- broker or dealer, investment adviser or investment banking services;
- legal services; and
- any other services that Hong Kong Stock Exchange, Securities and Futures Commission of Hong Kong or applicable regulator determines impermissible.

For the purpose of the Audit Committee's approval of any non-audit services to be provided by the Company's external auditor, the auditor shall provide a written statement to the effect that such non-audit services do not impair its independence.

When accessing the auditor's independence or objectivity in relation to non-audit services, the Audit Committee would consider:

- whether the skills and experience of the auditor make it a suitable supplier of non-audit services;
- whether there are safeguards in place to ensure that there is no threat (or any such threat will be reduced to an acceptable level) to the objectivity and independence of the audit because the auditor provides non-audit services;
- the nature of the non-audit services, the related fee levels and fee levels individually and in total relative to the audit firm; and
- the criteria for the compensation of the individuals performing the non-audit services.

The Audit Committee is responsible for monitoring the independence of the Company's external auditor to ensure true objectivity in the financial statements, reviewing scope of non-audit services and approving fees payable to the auditor. The committee shall report to the Board on any matters where action or improvement is needed in relation to non-audit services provided by the auditor.

The Audit Committee has reviewed the nature and the service charges of non-audit services performed by KPMG during the financial year and considered that these non-audit services have no adverse effect on the independence of the auditor.

The Audit Committee would regularly review the implementation and effectiveness of the auditor's non-audit services policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and will also discuss and consider any revisions that may be required.

During the financial year, the Audit Committee has conducted the review of the implementation and effectiveness of the auditor's non-audit services policy, and concluded that the policy was implemented effectively.

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

Auditor's Remuneration

The Audit Committee plays a pivotal role in approving the remuneration of auditors. The Audit Committee ensures audit fees are not at a level that compromises audit quality and considers key factors including the nature, size, and complexity of the audit as well as market competition in assessing the reasonableness of audit fees.

The Audit Committee would award such fees, commensurate with the demands of the engagement, as would ensure that sufficient resources with appropriate expertise and experience will be allotted to enable the audit to be performed in accordance with professional standards and applicable legal and regulatory requirements.

During the financial year, the fee payable to KPMG in respect of its audit services provided to the Group was RMB18,608,000 (2024: RMB13,625,000). The Audit Committee has assessed the reasonableness of the audit fee in following aspects:

- size and structure of the Group in terms of: (i) total assets, revenue and net income; (ii) number and relative significance of subsidiaries and associated entities; (iii) number of geographical locations where the Group conducts business; and (iv) lines of business operated by the Group;

- nature and complexity of the Group's businesses in terms of: (i) nature of the Group's principal activities; (ii) effectiveness of the Group's financial reporting and internal control over financial reporting; (iii) the extent of computer-aided audit tools are expected to be used and involvement of technology specialists; and (iv) the diversification of the Group's businesses in terms of number of business segments;

- breakdown of audit fees in terms of: (i) by seniority of staff members (i.e. the number of hours that the audit partner, audit managers, specialists, and other team members dedicated to the audit); (ii) by geographical locations of the Group's businesses (i.e. the amount of audit fees allocated by the audit firm to component auditors at each location); and (iii) by business segments of the Group (i.e. the amount of audit fees allocated by the audit firm to the audit of each business segment);

- other factors, in terms of: (i) audit fees charged by the audit firm for entities that operate in a similar industry; and (ii) fees paid by other listed entities of similar size and nature for audits of similar complexity.

The Audit Committee was aware that KPMG proposed the audit fees based on factors such as severity of responsibilities, complexity, work requirements, required working conditions and working hours, and professional knowledge and work experience of staff at all levels actually participating in the audit engagement.

The Audit Committee considered that, having taken into account the factors mentioned above, the audit fee of KPMG was reasonable, was within normal market level and not significantly lower than other firms, and was sufficient to enable the firm to perform the audit engagement in accordance with professional standards and applicable legal and regulatory requirements.

Fees for non-audit services for the financial year comprise service charges for the following:

	2025 RMB'000	2024 RMB'000
Review of interim results	**1,930**	1,860
Tax advisory and compliance (service rendered by other member firm(s))	**963**	1,953
Risk management and Internal control review (service rendered by other member firm(s))	**–**	600
Remuneration management and internal control advisory (service rendered by other member firm(s))	**–**	980
Other non-audit services	**–**	630
Total	**2,893**	6,023

Reappointment of Incumbent Auditor

The Audit Committee is responsible for evaluating the incumbent auditor for reappointment where appropriate. The committee would not recommend reappointment by default.

To discharge the duties of independent oversight of the external auditor effectively, the Audit Committee would evaluate the quality of the audit of the incumbent auditor on an ongoing basis by observing and interacting with the auditor during the past audit engagements.

The Audit Committee meets with the auditor regularly to discuss matters relating to financial reporting and other related issues of the Group. Through the meetings, the committee assesses the ongoing performance of the auditor against the quality commitment it made and the subsequent reappointments.

The Audit Committee underwent an annual assessment of the Company's incumbent auditor reappointment for the purpose of recommendation to the Board. The following factors have been taken into account by the committee:

- audit effectiveness – handling of key audit issues;
- audit effectiveness – timely completion of audit work;
- relationship between the auditor and management of the Group;
- interaction with the Audit Committee; and
- other considerations.

Based on the assessment results, the Audit Committee recommended the reappointment of KPMG to the Board, and the Board would propose a resolution of reappointment of the Company's incumbent auditor at the forthcoming AGM.

(D) Risk Management and Internal Control

Enterprise Risk Management

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Risk Management Committee. The Risk Management Committee (on behalf of the Board) oversees management in the design, implementation and monitoring of the risk management and internal control systems. For further details of enterprise risk management, please refer to the "Risk Management Report" set out on pages 119 to 125 of this annual report.

Internal Audit Function

The Group's internal audit function is performed by our internal audit department on an going basis. The department plays an important part in the assessment of the effectiveness of the risk management and internal control systems of the Group and reports directly to the Risk Management Committee on a regular basis.

The internal audit department conducts audit on material controls, compliance with policies and procedures of the Group at both operational and corporate levels, and reviews and comments the related internal control effectiveness. Plans and tools for corrective actions and control improvements would be identified and communicated with operations management to address any issues, non-compliance or deficiencies identified. The department further monitors the implementation of its recommendations by the operations management and reports the outcome to the Risk Management Committee. The internal audit department is also responsible for substantial contract review to identify risk behind and provide recommendation to the operation management.

The internal audit department attends regular the Risk Management Committee meetings and reports their work. Significant findings (including any findings of substantial contract review and non-compliance or irregularity matters) can be reported directly and freely to the Risk Management Committee. The Risk Management Committee ensures sufficient resource (including annual budget and staffing) are allocated to the internal audit department for effective fulfilment of work objectives and responsibilities, and provides all necessary support.

During the financial year, the internal audit department completed various audit plans approved by the Risk Management Committee in advance and reported quarterly to the Risk Management Committee on the results, for which the performance was unanimously recognised, such that the Group could be further improved in terms of compliance, internal control, risk response and management.

The Risk Management Committee has conducted a review of the internal audit function of the Group for the financial year, and considered the internal audit function was effective.

Annual Review of Effectiveness of Risk Management and Internal Control Systems

The Board and the Risk Management Committee oversee the Group's risk management and internal control systems on an ongoing basis, and conduct annual review of the effectiveness of the Group's risk management and internal control systems. The annual review covers all material controls, including financial, operational and compliance controls for the financial year.

The Risk Management Committee conducted the annual review of effectiveness of risk management and internal control systems for the financial year and has considered the following:

- the changes, since the last annual review, in the nature and extent of significant risks, and the Group's ability to respond to changes in its business and the external environment;

- the scope and quality of management's ongoing monitoring of risks and internal control systems;

- the work of the internal audit function;
- the extent and frequency of communication of monitoring results to the Board (or the Board Committees) for the purposes of assessing the adequacy and the effectiveness of the Group's risk management and internal control systems;
- the adequacy of resource, staff qualification and experience, training programmes and budget of those relating to Group's internal audit function;
- significant control failures or weaknesses identified during the review of the risk management and internal control systems (if any);
- in respect of any failures or weaknesses identified, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Group's financial performance or condition, and any remedial measures taken or proposed to address such control failings or weaknesses;
- the effectiveness of the Group's processes for Listing Rules compliance; and
- the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, and financial reporting functions, as well as those relating to the Group's ESG performance and reporting.

The Risk Management Committee (on behalf of the Board) has received a confirmation from management on the effectiveness of risk management and internal control systems for the financial year.

Based on the effectiveness confirmation provided by the management and the regular reports of the internal audit department, the Risk Management Committee considered: (i) the Group was able to respond to the significant risks identified and any changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and internal control systems were appropriate for the financial year; (iii) internal audit function for the financial year was effective with satisfactory performance and quality; (iv) the resource, staff qualification and experience, training programmes and budget of those relating to Group's internal audit function for the financial year were adequate; (v) there were no significant control failures or weaknesses identified during the financial year, or that were previously reported but remain unresolved; and (vi) the Group's processes for Listing Rules compliance for the financial year were appropriate and effective; and therefore concluded that the risk management and internal control systems of the Group for the financial year were effective and adequate.

Based on the above, the Board therefore confirmed that the Group's risk management and internal control systems are appropriate and effective for dealing with identified risks, safeguarding the Group's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of its financial reports and achieving compliance with applicable laws and regulations. There is no significant change during the financial year in (i) the Group's assessment of risks (including ESG risks) and (ii) the risk management and internal control systems.

Whistleblowing Policy

The Group is committed to achieving and maintaining the high probity standards and ethical business practices and encouraging reporting of concerns of actual or suspected misconduct or malpractice by any employees and/or external parties in any matter related to the Group. The Company has adopted a whistleblowing policy to create a system for the employees and other persons or entities who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Risk Management Committee (designated by the Board with relevant authorities) about possible improprieties relating to the Group. The identity of the whistleblower would be treated with the strictest confidence.

The whistleblowing system established under the policy is intended:

- to cultivate a culture of openness and transparency in the Group;
- to maintain internal corporate justice;
- to encourage employees and other persons or entities dealing with the Group to raise concerns about possible improprieties relating to the Group and to provide them with reporting channels for such purposes; and
- to enable the Company to detect and deter or remedy a misconduct or malpractice in the Group before serious damage is caused.

The whistleblowing policy is applicable to all employees of the Group at all levels and to other persons or entities who deal with the Group (e.g. customers and suppliers). Whistleblowers may choose to report a misconduct to the designated ethics officers (being the Chairman and the chairman of the Risk Management Committee) or the Group's internal audit department.

When making a report, although the whistleblower may be unable to provide conclusive proof or evidence, the report of misconduct made under the whistleblowing policy shall include full disclosure of any relevant or material information to the extent possible.

The Company is committed to exerting its best effort to keep all reports by whistleblower confidential and privileged to the fullest extent permitted by law, and handle the reports in a timely manner. Any person making a genuine and appropriate report in good faith under the policy will be assured of fair treatment, and should not be subject to any unwarranted disciplinary action or unfair dismissal as a result of making such report. The Company strictly prohibits any retaliation and will make the best effort to take reasonable measures in order to protect whistleblowers from retaliation. Persons who victimise or retaliate against those who have genuinely raised concerns in good faith under the policy will be subject to disciplinary actions, and the identity of such person may be disclosed to internal or external investigators, or relevant law enforcement agencies or governmental, judicial or regulatory bodies for appropriate action without notifying such person to the extent permitted by law.

Should circumstances arise in which the Company is required to disclose the whistleblower's identity, the Company will, to the extent permitted by law, endeavour to inform the whistleblower that his identity is likely to be disclosed, and the Company will endeavour to protect the reasonable interest of the whistleblower.

All reports must be made in good faith. Persons making a report on any misconduct under the whistleblowing policy should exercise due care in ensuring accuracy of the information they report to the ethics officers or the internal audit department.

The Group reserves the right to take appropriate actions against any person who knowingly or irresponsibly makes false allegations or malicious allegations, including but not limited to disclosing the identity of such person to internal or external investigators, or relevant law enforcement agencies or governmental, judicial or regulatory bodies for appropriate action without notifying such person to the extent permissible by law. The Group also reserves its right to take any actions against such person to recover any loss or damages resulted from the false report. Employees who make a false report may be subject to disciplinary actions, including dismissal, where appropriate.

The Risk Management Committee would regularly review the implementation and effectiveness of the whistleblowing policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and will also discuss and consider any revisions that may be required.

During the financial year, the Risk Management Committee has conducted the review of the implementation and effectiveness of the whistleblowing policy, and concluded that the policy was implemented effectively.

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

Anti-corruption Policy

The Company is committed to pursuing ethical and anti-corruption business practices with a high standard of integrity and zero tolerance to corruption. To this end, the Company has adopted an anti-corruption policy to complement all applicable anti-corruption laws and regulations and to achieve the Company's desired anti-corruption culture.

The Group (including any Directors and employees) should comply with the relevant anti-corruption laws and regulations in the PRC (including the Supervision Law of the PRC), Hong Kong SAR and other countries or regions as applicable. The Group prohibits all forms of political contributions that contravene the legal requirements of the countries or regions as applicable. The Group strictly prohibits charitable donations from being used for bribery or corruption, and ensures that charitable donations and sponsorships are compliant, legal and ethical.

The anti-corruption policy is applicable to all Directors (including the Independent Non-Executive Directors), all employees of the Group at all levels, external parties having business dealings with the Group (including suppliers, services providers, business partners, etc.) and persons acting in an agency or fiduciary capacity on behalf of the Group (e.g. agents, consultants and contractors of the Group).

Directors and employees of the Group shall uphold at all times the Group's core value of integrity, honesty, fairness, impartiality and ethical business practices.

Directors and employees of the Group should not accept any advantage from any person, company or organisation having business dealings with the Group, whether or not any undue favour is involved. They may only accept (but not solicit) an advantage when such advantage is offered on a voluntary basis and such advantage is disclosed to and approved by the Group. If a Director or an employee is unsure as to whether the acceptance of an advantage could (i) affect the proper discharge of his duties or (ii) place such Director or employee under an obligation to act against the Group's interests, he should always decline to accept the advantage.

Directors and employees of the Group shall avoid any conflict of interest or potential conflict of interest with the Group, and should declare any conflict of interest or potential conflict of interest as appropriate.

Directors and employees of the Group shall not give any advantage to any person, company or organisation having business dealings with the Group for inappropriate advantage or any other illegitimate purpose.

Directors and employees of the Group shall not, in their personal capacity or acting in an agency or fiduciary capacity on behalf of the Group, provide any form of facilitation payments to any individual or entity.

Any breach of the anti-corruption policy should be reported to the Company through reporting channels under the whistleblowing policy of the Company, whether it is known who may be responsible for the breach or how it may have occurred. The Company takes reports of corruption seriously, and may conduct investigations pursuant to the whistleblowing policy of the Company if necessary. Material incidents relating to breaches of the anti-corruption policy shall be brought to the attention of the Board by the Risk Management Committee.

The Risk Management Committee would regularly review the implementation and effectiveness of the anti-corruption policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and would also discuss and consider any revisions that may be required.

During the financial year, the Risk Management Committee has conducted the review of the implementation and effectiveness of the anti-corruption policy, and concluded that the policy was implemented effectively.

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

For the review of our anti-corruption performance for the financial year, please refer to the Company's *Environmental, Social and Governance Report 2025*.

Inside Information Management Policy

With respect to inside information (as defined under the SFO), the Company has adopted an inside information management policy in accordance with Part XIVA of the SFO, the Listing Rules, the *Guidelines on Disclosure of Inside Information* promulgated by the Securities and Futures Commission of Hong Kong in June 2012 and other relevant laws and regulations and based on the actual situation of the Company, in order to strengthen the management of the Company's information disclosure and ensure an orderly market as well as the truthfulness, accuracy, completeness and timeliness of information disclosure of the Company, to protect the legitimate rights and interests of the Company, its shareholders, creditors and other stakeholders.

The Company complies with the following fundamental principles for information disclosure:

- Principle of truthfulness:

  The matters summarised in the information disclosed shall be consistent with the facts;

- Principle of accuracy:

  The contents of the information disclosed shall be consistent with the facts and shall be presented in a clear and balanced way, which requires equal disclosure of both positive and negative facts;

- Principle of completeness:

  The information disclosed shall not be misleading and contain any omissions;

- Principle of timeliness:

  Information shall be disclosed within the time specified by the relevant laws and regulations;

- Principle of fairness:

  Holders of the Company's securities shall be treated fairly and equally, and the Directors shall act in the interests of all the Shareholders. Inside information that has not been publicly available shall be kept strictly confidential, and shall be disclosed to the public at the time of announcement in the manner required by the relevant laws and regulations.

In accordance with the inside information management policy, except for the relevant personnel who are responsible for information disclosure according to the laws, all other personnel of the Group shall have the absolute duty to keep inside information (prior to the publication of the relevant announcement by the Company on the Hong Kong Stock Exchange) and the relevant Board meetings content and documents confidential. Directors, senior management and other persons of the Group are not allowed to disclose any inside information to the public without authorisation of the Board.

The Company would disclose the information to the public as soon as reasonably practical after any inside information has come to its knowledge, unless such information falls within any of the "Safe Harbours" as provided in the SFO. The provisions apply only if the Company has taken reasonable precautions for preserving the confidentiality of the information and the confidentiality of the information is preserved.

When the Board is aware that it is difficult to keep undisclosed inside information confidential or it has already been leaked, or that there have been unusual fluctuations in the price or trading volume of the Company's securities, the Company would immediately contact the Hong Kong Stock Exchange and make disclosure of such inside information (either by a full announcement or a temporary announcement). In such case, the Company would make an application to suspend trading in securities until publication of announcement.

The Company would disclose inside information to the market as a whole through the publication-submission system of the Hong Kong Stock Exchange so that all market players have equal and simultaneous access to the same information. The Company may disclose inside information in the form of both an announcement and a press release (but not simply in the form of a press release), provided that the contents of both are consistent and that the press release does not contain inside information that is not covered in the announcement.

The Board would regularly review the implementation and effectiveness of the inside information management policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and will also discuss and consider any revisions that may be required.

During the financial year, the Board has conducted the review of the implementation and effectiveness the inside information management policy, and concluded that the policy was implemented effectively.

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

(E) Sustainability and ESG Related Matters

The Company appreciates the great importance of sustainability. By adhering to improving internal sustainability governance, and strengthening the management and control of corporate development's impact on the environment and society, the Company strive to continue to create value for our stakeholders. The Company established a top-down ESG governance structure to promote the Group's overall sustainability efforts from governance level. The Board has overall responsibility for the Company's ESG strategy and reporting, and oversees the overall ESG governance of the Company. The Board has established the Sustainability Committee and has delegated its responsibilities (with relevant authorities) of sustainability and ESG related matters. The committee is responsible for assisting the Board (i) to conduct effective governance and oversight of ESG matters; (ii) to formulate and review the Group's strategic objectives for sustainable development; (iii) to lead and promote each department to improve its mindsets and operation initiatives in various business processes from the perspective of sustainability; (iv) to identify, assess and manage material ESG risks; (v) to coordinate and standardise the collection of ESG related data and information to improve the quality of ESG information disclosure; and (vi) to equip the Board with knowledge of ESG issues through training sessions. The Sustainability Committee would identify the proper order of priority as to ESG issues to drive the Company's ESG governance efforts.

Sustainability Vision, Core Values and Strategies

The Sustainability Committee has formulated the Group's initial sustainability vision, core values and strategies. The details are as follows:

Sustainability Vision

To become a leading multi-brand sportswear group in the world

Sustainability Core Values

Mutualism with Consumers, Mutualism with Employees, Mutualism with Partners, Mutualism with the Society, Mutualism with the Environment

Sustainability Strategies

Mutualism with Consumers

- Establish a define and solid consumer ESG mindset, enabling consumers to realise circular consumption.

Mutualism with Employees

- Adhere to the three core cultural propositions – "Consumer-oriented, Benchmarking with High Standard, Leaders as Role Model" – and continue to maintain our industry-leading employment standards and work environment;
- Establish an industry-leading, efficient and attractive compensation system and invest more in the long-term employee incentive scheme;
- Step up the cultivation of young talents and attract young talents to work in the Group;
- Provide employees with a broad career platform and improve the multi-tiered structure of global talent pool;

- Increase the proportion of female executives (director level and above); and
- Offer employment opportunities to the disabled and the underprivileged.

Mutualism with Partners

- Empower suppliers and improve supplier governance capabilities;
- Enhance supply chain transparency; and
- Optimise the supplier management policies and system.

Mutualism with the Society

- One medical aid project;
- One China sports development project;
- One sports education project;
- One ecological protection project; and
- One poverty alleviation project.

Mutualism with the Environment

- One overall goal: to achieve carbon neutrality by 2050;
- Three “Zero” by 2030: to achieve net zero carbon emissions in self-owned operating facilities, zero use of virgin plastic in self-owned operating facilities, and zero-landfill of self-generated production waste;
- Five “50%” by 2030: to increase the proportion of sustainable products to 50%, apply 50% sustainable raw materials, replace 50% of strategic partners’ energy consumption with renewable energy, replace 50% of fuel used for transportation in our self-owned operating facilities with clean fuels, and use sustainable packaging for 50% of products.

Annual Review of Sustainability and ESG Matters

The Sustainability Committee conducted an annual review of the Group’s sustainability and ESG matters for the financial year and considered the following:

- the adequacy of resource, staff qualification and experience, training programmes and budget of those relating to Group’s ESG performance and reporting;
- the changes, since the last annual review, in the nature and extent of significant ESG risks (if any); and
- the scope and quality of management’s ongoing monitoring of ESG risks.

The Sustainability Committee concluded that: (i) the Group was able to respond to the significant ESG risks identified and any changes in its business and the external environment; (ii) the resource, staff qualification and experience, training programmes and budget of those relating to Group’s ESG performance and reporting for the financial year were adequate; and (iii) the scope and quality of management’s ongoing monitoring of ESG risks were appropriate for the financial year.

For further details of the Group’s sustainability and ESG matters, please refer to the Company’s *Environmental, Social and Governance Report 2025*.

(F) Shareholders' Rights, Communications with Shareholders and Investor Relations

Shareholders Information

The Company analyses its shareholding structure on a regular basis, including a review of the register of institutional and retail investors, to keep track of changes in shareholdings by type of investors. A shareholding register analysis conducted as at 31 December 2025 revealed the shareholding structure as follows:

Shareholders by Domicile

	% of Total Issued Shares
Hong Kong SAR	58.76%
North America	11.17%
Chinese Mainland	8.52%
United Kingdom	5.65%
Singapore	2.59%
Europe (ex-United Kingdom)	2.40%
Rest of the World	10.91%
Total	100.00%

The public float capitalisation as at 31 December 2025 was RMB89,621 million, representing 43.77% of the market capitalisation of the Company.

Shareholders' Rights

Enquiries to the Board

The Company values feedback from Shareholders on its efforts to promote transparency and foster investor relationships. Shareholders are provided with contact details of the Company, such as telephone hotline, fax number, email address and postal address, in order to enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board through these means. In addition, Shareholders can contact Computershare Hong Kong Investor Services Limited, the Hong Kong SAR branch share registrar and transfer office of the Company, if they have any enquiries about their Shares and dividends. The contact details of the Company are set out in the section entitled "Investor Information" in this annual report.

General Meetings

General meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board. An extraordinary general meeting may be convened for approval of a matter as required under the articles of association of the Company, the Listing Rules or other relevant rules and regulations.

For each substantially separate issue at a general meeting, a separate resolution would be proposed by the chairman of that meeting. "Bundling" resolutions would be avoided unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

In respect of any AGM, the Chairman would attend the AGM and also invite the chairmen of the Board Committees to attend. In their absence, another member of the committee or failing this his duly appointed delegate will be invited to attend the AGM. These persons will be available to answer relevant questions at the AGM. The chairman of the independent director committee (if any) would also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. The Company's management would ensure the external auditor attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

General meeting proceedings are reviewed from time to time to ensure that the Company follows best corporate governance practices. In accordance with the articles of association of the Company, notice of AGM would be distributed to all Shareholders no less than twenty-one clear days prior to the AGM and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. The notice of all other general meetings would be sent no less than fourteen clear days prior to the meeting. The chairman of a general meeting would exercise his power under the articles of association of the Company to put each proposed resolution to the vote by way of a poll.

The procedures for demanding and conducting a poll would be explained and questions from Shareholders on voting by poll would be answered at the meeting. Voting results would be posted on the websites of the Company and Hong Kong Stock Exchange on the day of the general meeting.

The 2025 AGM was a hybrid meeting. In addition to the traditional physical attendance at the AGM, Shareholders had the option of attending, participating and voting at the AGM through an online platform. Shareholders participating in the AGM using the online platform were also counted towards the quorum under the articles of association of the Company and they were able to cast their votes and submit questions through the online platform. Votes cast through the online platform were irrevocable once the voting session at the AGM ended.

The physical meeting of 2025 AGM was held at ANTA Operations Center, No. 99, Jiayi Road, Guanyinshan, Xiamen, Fujian Province, China on 7 May 2025. The Company reminded all Shareholders that physical attendance in person at the AGM was not necessary for the purpose of exercising voting rights. As an alternative, besides through the online platform, Shareholders might also appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM by using form of proxy with voting instructions inserted instead of attending the AGM in person.

All of the Directors attended the 2025 AGM to gain and develop a balanced understanding of the views of the Shareholders. The attendance record of the Directors at the AGM is set out below:

	AGM
Executive Directors	
Mr. Ding Shizhong	1/1
Mr. Ding Shijia	1/1
Mr. Lai Shixian	1/1
Mr. Wu Yonghua	1/1
Mr. Zheng Jie	1/1
Mr. Bi Mingwei	1/1
Independent Non-Executive Directors	
Mr. Yiu Kin Wah Stephen	1/1
Mr. Lai Hin Wing Henry Stephen	1/1
Ms. Wang Jiaqian	1/1
Ms. Xia Lian	1/1

The matters proposed to be passed by ordinary resolutions of the Company at the 2025 AGM were, including but not limited to, as follows:

- approval of audited consolidated financial statements of the Company for the year ended 31 December 2024;
- declaration of a final dividend of HK118 cents per ordinary shares of the Company in respect of the year ended 31 December 2024;
- re-election and re-appointment of Mr. Ding Shijia, Mr. Bi Mingwei, Mr. Lai Hin Wing Henry Stephen and Ms. Wang Jiaqian as Directors;

- re-appointment of KPMG as the Company's auditor; and
- approval of Issue Mandate, Repurchase Mandate and Extension Mandate (as defined in the circular of the Company dated 31 March 2025).

At the AGM, all resolutions were voted by way of poll. Computershare Hong Kong Investor Services Limited, the Company's Hong Kong SAR branch share registrar and transfer office, acted as the scrutineer for the vote-taking at the AGM. For ordinary resolutions, more than 50% of the votes were cast in favour of each of the resolutions, the resolutions were duly passed as ordinary resolutions of the Company. The Company announced the results of the poll on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Listing Rules on the same date.

No other general meeting was held during the financial year.

Convening Extraordinary General Meeting(s) and Putting Forward Proposals at General Meetings

Shareholders holding not less than one-tenth of the paid up capital of the Company can make a written requisition to the Board or the company secretary to convene an extraordinary general meeting and to add resolutions to the meeting agenda of such meeting pursuant to article 58 of the Company's articles of association. The written requisition must state the objects of the meeting and the resolutions proposed, and must be signed by the relevant Shareholders and deposited at the Hong Kong SAR principal office of the Company, which is presently situated at 16/F, Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong SAR. The requisition may consist of several documents in like form and may include the text of a resolution that may properly be moved and is intended to be moved at the extraordinary general meeting.

Such extraordinary general meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may convene an extraordinary general meeting in form of a physical meeting, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board would be reimbursed to the requisitionists by the Company.

Procedure for Shareholders to Propose a Person for Election as Director

Pursuant to article 85 of the Company's articles of association, if a Shareholder wishes to propose a person (other than a retiring Director or a person recommended by the Board) for election as a Director at a general meeting and such Shareholder (other than the person to be proposed) is duly qualified to attend and vote at such general meeting, such Shareholder (other than the person to be proposed), should lodge a written notice signed by him to articulate his intention to propose such person for election and a written notice signed by the person to be proposed of his willingness to be elected at the Hong Kong SAR principal office of the Company, which is presently situated at 16/F, Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong SAR, or at the Company's Hong Kong SAR branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong SAR. The notices should be given within the period commencing on the day after despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting and such period shall be at least seven days.

Constitutional Documents

During the financial year, there were no changes in any of the Company's constitutional documents. The constitutional documents of the Company were published on the Company's website (ir.anta.com) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

Dividend Policy

The Company has adopted a dividend policy to enable the Shareholders to participate in the Company's profit and allow the Company to retain adequate reserves for future growth. Through a sustainable dividend policy, the Board endeavours to strike a balance between meeting Shareholders' expectations and maintaining prudent capital management. Under the policy, if the Group records positive net profits and subject to the maintenance of the Group's normal operations, the Company may declare and pay dividends to the Shareholders.

In proposing any dividend pay-out, the Company would consider various factors including:

- the Group's actual and expected financial performance;
- retained earnings and distributable reserves of the Company and each of the members of the Group;
- the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the Group's expected working capital requirement and investment demand, and future expansion plans and prospects;
- general economic and financial conditions, business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- any other factors that the Board deems appropriate.

The dividend policy and the declaration and/or payment of future dividends under the policy are subject to the Board's continuing determination that the dividend policy and the declaration and/or payment of dividends would be in the best interests of the Group and Shareholders, and are in compliance with all applicable laws and regulations. Any declaration and payment of dividends shall be approved and paid in accordance with all applicable laws and regulations, and the memorandum and articles of association of the Company (as amended from time to time). Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board. There is no assurance that dividends will be paid in any particular amount for any given period. The dividend policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

The Board would regularly review the implementation and effectiveness of the dividend policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and will also discuss and consider any revisions that may be required.

The Board confirms that all dividend decisions made by the Board were made in accordance with the Company's dividend policy.

During the financial year, the Company declared a final dividend of HK118 cents per ordinary share in respect of the year ended 31 December 2024 and an interim dividend of HK137 cents per ordinary share in respect of the year ended 31 December 2025. There is no material variation in the dividend rate compared to that for the previous corresponding period.

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

Shareholders' Communication Policy

The Board has adopted a shareholders' communication policy which aims to set out the communication framework and channels available to the Shareholders and other stakeholders of the Company with the objective of ensuring that the Shareholders, both individual and institutional, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and business plans, material business developments and corporate governance), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

The Board maintains an on-going dialogue with Shareholders and the investment community. Information is communicated to Shareholders and the investment community mainly through the following channels: Company's financial reports (interim and annual reports), ESG reports, formal meetings (including general meetings) that may be convened, publication of its announcements, corporate communication documents and other corporate publications on the Company's investor relations website and the website of the Hong Kong Stock Exchange. The head of investor relations department of the Company has access to the Board and at all times ensures effective and timely dissemination of information to Shareholders and the investment community to solicit and understand their views. In addition, the Company ensures that shareholders are given sufficient advance notice of shareholders meetings and provide sufficient information to enable shareholders to familiarise themselves with the detailed procedures for conducting a poll, and arranges to address questions from shareholders in the shareholders meetings.

The Company also recognises the importance of safeguarding Shareholders' privacy and would not disclose Shareholders' information without their consent, unless required by the relevant laws and regulations.

The Company has also followed the communication methodologies under the shareholders' communication policy as follows:

Shareholders' Enquiries

- Shareholders may direct their questions about their shareholdings to the Company's share registrars;
- Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available; and
- Shareholders and the investment community are provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make any query in respect of the Company.

Corporate Communications

- corporate communication documents (including but not limited to annual report, interim report, ESG report, notice of meeting, circular and proxy form) would be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communication documents (in hard copy or through electronic means); and

- Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.

Corporate Website and Webcasts

- information on the Company's investor relations website (ir.anta.com) would be updated on a regular and timely basis;

- information released by the Company on the website of Hong Kong Stock Exchange would also be posted on the Company's investor relations website as soon as possible thereafter. Such information includes, but is not limited to, financial statements, results announcements, ESG reports, Shareholder circulars, notices of general meetings and related explanatory documents;

- presentation materials provided in conjunction with the Company's annual and interim results announcement and other investor relations activities would be made available on the Company's investor relations website as soon as practicable after their release;

- investor relations related press releases issued by the Company would be made available on the Company's investor relations website as soon as practicable after their releases; and

- replay of webcasts of the Company's annual and interim results briefings would be made available on the Company's investor relations website as soon as practicable after the event.

Shareholders' Meetings

- Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings;

- the process of the Company's general meeting would be monitored and reviewed on a regular basis, and, if necessary, changes would be made to ensure that Shareholders' needs are best served; and

- Board members, in particular, the chairmen of the Board Committees or their delegates and external auditor would, where appropriate, attend AGMs to answer Shareholders' questions.

Investment Market Communications

- investor/analyst briefings and group/one-on-one meetings, investor conferences, non-deal roadshows (both domestic and international), media interviews, investor days, marketing activities and specialist industry forums would be available when and if appropriate, in order to facilitate communication between the Company, Shareholders and the investment community; and

- The Company's directors and employees who have contacts or dialogues with investors, analysts, media or other external parties are required to comply with the disclosure obligations and requirements under the Company's information disclosure policy.

The Board would annually review the implementation and effectiveness of the shareholders' communication policy to ensure that the policy remains relevant to the Company's needs and reflects both the current regulatory requirements and good corporate governance practice, and would also discuss and consider any revisions that may be required.

Based on the Company's shareholders engagement works carried out during the financial year (details of which are set out in the part headed "Investor Relations" of this section), the Board has conducted the annual review of the implementation and effectiveness of the shareholders' communication policy, and concluded that the policy was implemented effectively during the financial year.

For further details of the policy, please refer to the full text of the policy which is published on the Company's website (ir.anta.com).

Investor Relations

The Company believes that it is essential to maintain effective communication with the investment community in a timely manner through various media. The Company's investor relations department attaches importance to the provision of relevant public information to investors and analysts to enable them to make appropriate valuation of the Company's shares or any securities issued by the Group. Through investor/analyst briefings, group/one-on-one meetings, investor conferences, non-deal roadshows and other events, institutional investors and analysts can interact with the Chairman and other senior executives for updates on the development of the Group's strategic initiatives and operations.

During the financial year, the following investor relations activities were conducted for the institutional investors and analysts in Chinese Mainland, Hong Kong SAR and overseas countries:

- investor/analyst briefings;
- group/one-on-one meetings;
- investor conferences;
- non-deal roadshows; and
- store visits.

During the financial year, over 310 investor relations activities were conducted. Most of the investor relations activities were conducted via webcast/teleconferencing/videoconferencing. Investment community views are communicated regularly to the Board, including rating and target price of the Shares and summaries of questions and feedback from investors and analysts. During the financial year, investors' major areas of interest included:

- the Group's operational updates and risk management strategies;
- competition environment of the Chinese sportswear market;
- the Group's merger and acquisition strategies;
- the Group's capital allocation and shareholder return policy;
- business strategies of ANTA, FILA and other brands; and
- latest developments regarding online business of all the brands.

For share information, important shareholders' dates in the coming financial year and investor relation contact, please refer to the section entitled "Investors Information" in this annual report.

By order of the Board

Ding Shizhong
Chairman

Hong Kong SAR, 25 March 2026

Risk Management Report

This Risk Management Report summaries the enterprise risk management framework of the Group, and the major risks identified for the financial year with the countermeasures.

Enterprise Risk Management Framework

With reference to the globally recognised framework of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"), in conjunction with our development strategy, business operations, and corporate culture, the Group has developed its own enterprise risk management framework.

Risk Strategy and Culture

The Board is responsible for determining the nature and extent of risks that it is willing to take in achieving the Group's strategic objectives. By strengthening the risk identification in complex environments and the dynamic tracking and adjustment of strategic objectives, reasonable assurance is provided to the Group in achieving its goals.

Management has established a risk control mode applicable to the Group as the center of strategic decision-making. Each brand and business unit decodes its strategic objectives and measures based on the Group's corporate strategy of "single-focus, multi-brand, and globalisation" and finally implements the strategies.

Risk Appetite

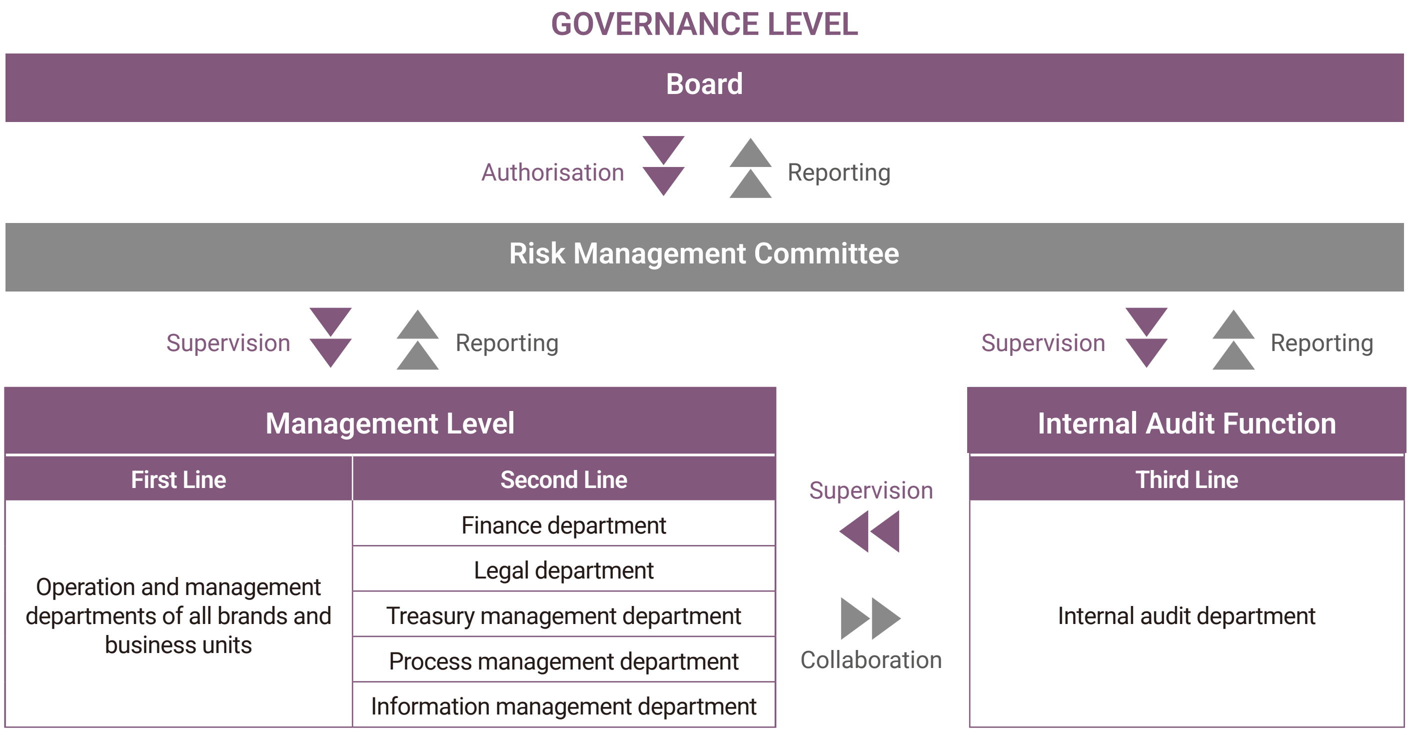
The Group's risk appetite represents the nature and extent of the risks the Group is willing to undertake in pursuit of its strategic and business objectives. The Group takes only reasonable risks that fit its strategy and capability, be understood and managed, and do not expose the Group to:

- Losses impacting the financial viability and strategy execution of the Group;
- Breaches of external regulations leading to fines or loss of critical operational assets;
- Damage to the Group's reputation and brand; and
- Severe environmental incidents.

The Group has established risk prioritisation focuses that align with its risk appetite, assessing each identified risk based on a spectrum of consequences and likelihoods. During the review and screening process, the Group takes into account both financial and non-financial impacts and identifies major risks for the financial year.

Risk Governance

The Group has established a clear organisational structure for risk governance and defined risk management responsibilities at all levels. Through risk-based decision making and resource allocation, management takes actions (including risk management) to ensure the implementation of risk management and internal control systems and promote sustainable development of our businesses.



The major responsibilities of each level are summarised below:

Governance Level

Board

- determining the Group's business strategy and objectives, and evaluating and determining the nature and extent of the risks the Board is willing to take in achieving the Group's strategic objectives;
- ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems; and
- overseeing management in the design, implementation and monitoring of risk management and internal control systems.

Risk Management Committee

- assisting the Board in carrying out its responsibilities of risk management and internal control;
- overseeing the Group's risk management and internal control systems on an ongoing basis;
- reviewing the effectiveness of the Group's risk management and internal control systems at least once a year, and such review should cover all material controls including financial, operational and compliance control;
- ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's internal audit function; and
- considering major findings on risk management and internal control matters, and reporting and making recommendations to the Board.

Management Level

First Line – Operation and management departments of all brands and business units

First Line contains operation and management departments of all brands and business units, which take direct and primary responsibility for risk management within the scope of their responsibilities. The departments carry out daily risk control works according to internal requirements, conduct regular self-inspection and report risk events to Second Line departments, to support and cooperate with those departments in risk monitoring and evaluation.

Second Line – Various functional departments coordinated by finance department

Second Line, coordinated by finance department, engages with legal department, treasury management department, process management department, information management department, and other functional departments, focuses on risk control in relevant professional aspects, provides support to First Line based on the actual operating conditions of the Group, organises, coordinates, and supervises the risk management work of each department.

Internal Audit Function

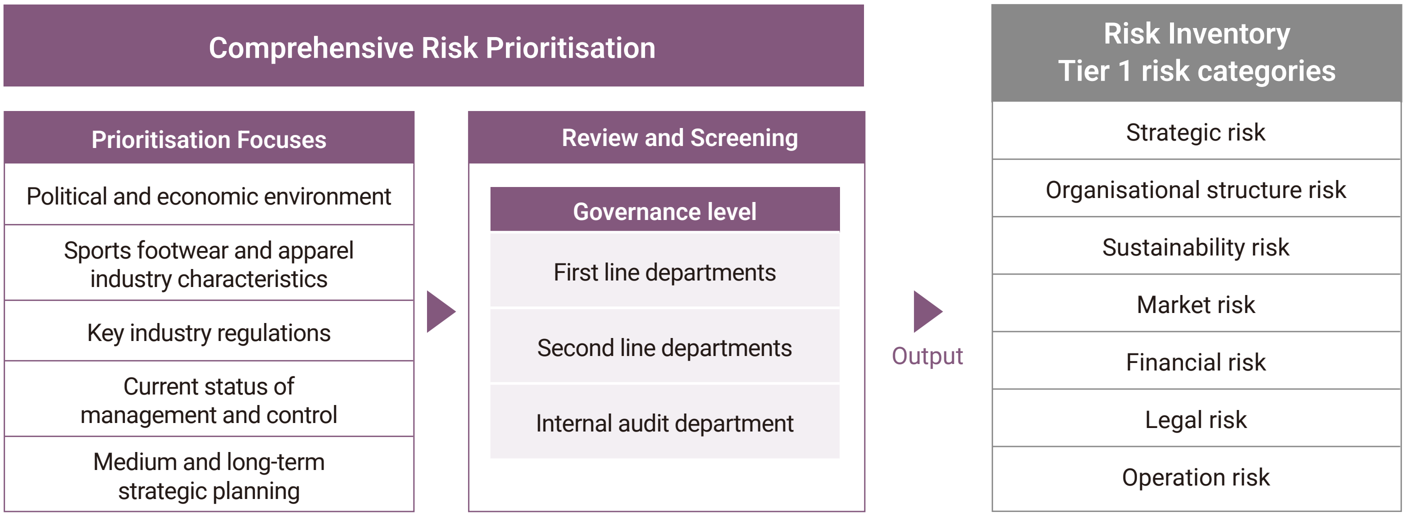
Third Line – Internal Audit Department

The internal audit department is independent of management and responsible to the governance level (the Risk Management Committee). It supervises and evaluates the risk management system, control procedures and activities of various risks and their effects, provides independent and objective confirmation and recommendations for the adequacy and effectiveness of risk management, and promotes and facilitates the continuous improvements of the risk management and internal control systems.

Risk Identification

Management fully identifies the risks that may have potential impact on the business and operations, and then governance level, first line departments, second line departments and the internal audit department review and screen those risks. Focusing on the Group's long-term strategic objectives and actual business conditions, management builds a comprehensive risk inventory for further risk assessment and core risks screening.

RISK IDENTIFICATION METHODOLOGY



Risk Assessment

Management has established risk assessment methods and standards, and conducts a comprehensive risk assessment at least once a year. Considering the business impact and the occurrence possibility of risks, management assesses the risk inventory identified and focuses on medium and high level risks, followed by dynamic analysis on major risks and effective measures. Specific studies will be carried out when necessary for root cause analysis on specific risks. Management devotes resources to risk response, mitigation and avoidance. Finally a risk assessment report is formulated and submitted to the Risk Management Committee for review.

Risk Control and Response

Based on the risk assessment results, management assesses the risk response and prioritises the mitigation. Considering the prioritisation assessment and balancing the benefits and costs of risk management, management determines risk management measures and internal control procedures to prevent, avoid or reduce risks.

Major risks for the financial year

Risk category	Risk topic	Description	Countermeasures
Strategic risk	Economic environment risk	• The sportswear industry is vulnerable to volatile economic cycles. If volatile economic cycle persists and leads to continued sluggish consumer demand, it would have an adverse impact on the Group's operations.	• The Group conducts researches from time to time to reasonably determine appropriate development objectives and strategies, coping with volatile economic cycles; • Management adopts "dynamic management" approach in response to unexpected negative factors; • The Group pursuits insights into changes in consumer needs and provides personalised products, in order to enhance consumer's satisfaction.
Strategic risk	Globalisation risk	• When expanding overseas, enterprises should comply with the laws and regulations, technical standards, and other policies of the import and export countries, including tax policies, foreign exchange policies, and financial policies. Any breach may cause an adverse impact on the Group's operations. • In the process of global expansion, the Group may be hindered by its failure to obtain sufficient and accurate understanding of the local characteristics.	• The Group strictly abides by all applicable regulations and standards, in order to ensure legal compliance of our operations and all of our products; • The Group obtains sufficient and accurate understanding through conducting researches on the culture and characteristics of new local markets, and builds a team comprising local talents and headquarters talents which could complement and learn from each other, supporting the globalisation strategy on the basis of full integration of the team.

Risk category	Risk topic	Description	Countermeasures
Market risk	Risk of changes in consumer structure and consumption behaviour	• In terms of current consumption trend, the core consumer base is shifting toward the new-generation groups; the potential of female market is being unleashed; the demand for outdoor sports products is growing rapidly; and changes in the consumer structure and consumption behaviour are having a significant impact on enterprises. If the Group fails to fully consider changes in market demand and adjust its marketing layout in a timely manner, it would have an adverse impact on the operations.	• The Group has established a consumer management team and mechanism to continuously study and understand consumer needs, and empower the business development of the branding, marketing, product departments, enabling the Group to fulfil consumer needs in all aspects.
Market risk	Competition risk	• Increasingly tensed competition in the domestic sportswear industry as reflected by the expanding scale and continuous concentration of the industry, and the rapid expansion of international clothing brands across China. The nature of this competition has shifted from a focus on quantity and price to new attributes such as state-of-the-art technology and value-added products. Although the Group has maintained the leading position in the China sportswear market, it is acknowledged that further intensified market competition may impact future revenue and profitability to a certain degree.	• The Group has established a strategy management team at headquarters level to dynamically analyse industry competition and provide strategy support for various brands and business units; • The Group has formulated innovation strategy, and its brands will further invest in various business areas, build various technology and supporting platforms, and provide high value-added products and high-quality services and experiences to the markets and consumers, enabling the Group to maintain its leading position and competitive advantages in terms of branding, products and retailing, etc..

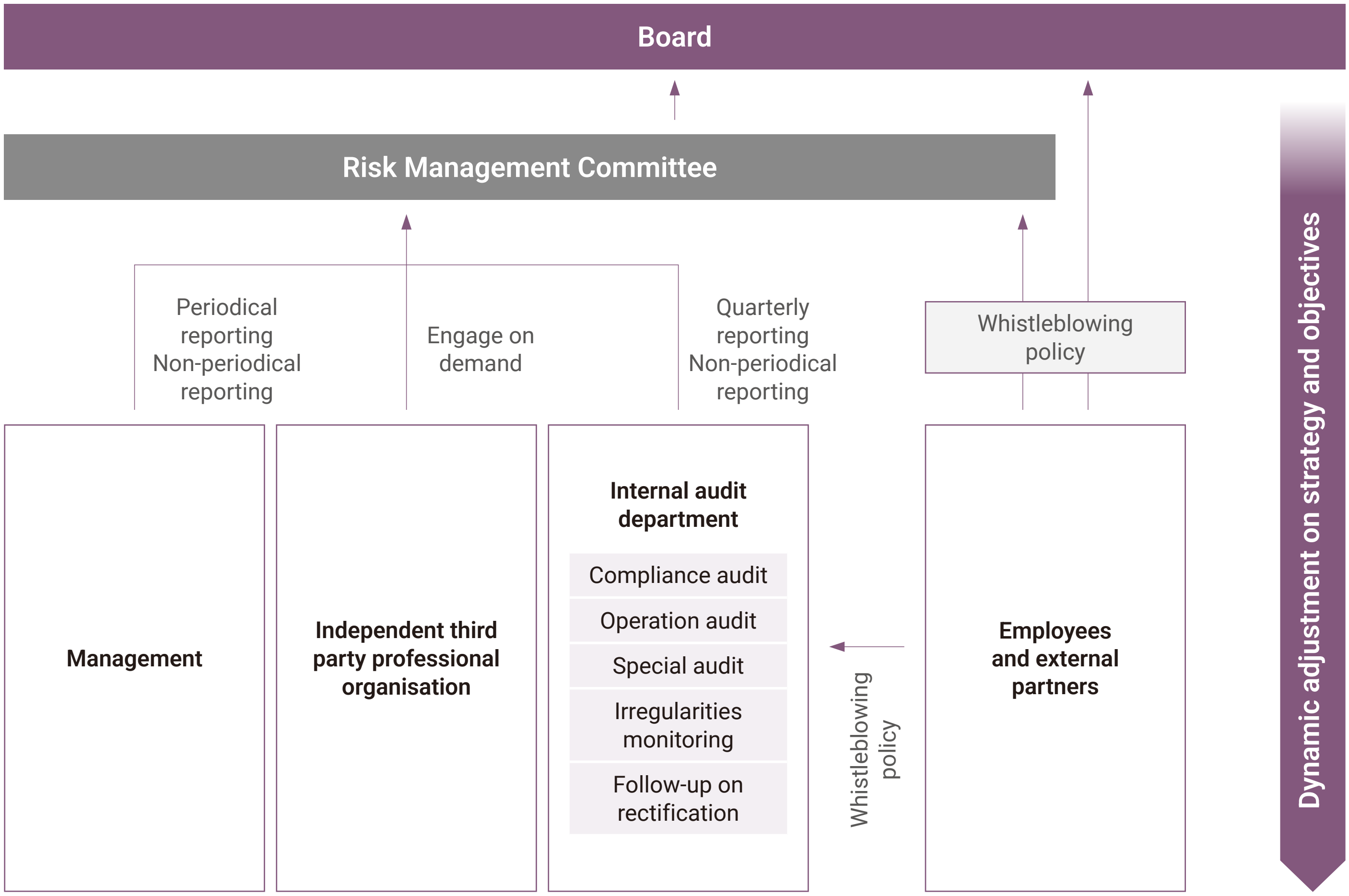
Risk Management Report

Risk category	Risk topic	Description	Countermeasures
Operational risk	Consumer experience enhancement risk	• The market has entered into an era of experienced economy, and personalisation of consumer needs and diversification of retail scenarios making consumer experience a key factor on brand and product selection. Consumer experience enhancement is conducive to better strengthening brand loyalty. If the Group fails to deliver an all-rounded consumer experience through various touchpoints, it would have an adverse impact on brand development.	• The Group has established a consumer management team and mechanism to better understand consumer needs, analyse and integrate the consumer big data obtained from its business processes, so as to empower business development; • The Group's high-end brands focus on consumer experience enhancement projects, strive to strengthen their connections with consumers and the brand salience.
Operational risk	Product innovation and R&D risks	• The Group focuses on the branded sportswear business, and consumers have certain level of demand on product function and style. Consumer preferences for fabrics and clothing styles change at a rapid pace, and our product development ability to adapt to these preferences would affect the sales performance of our products.	• The Group continuously increases its investments in R&D, expands the product development team of various brands, establishes various overseas design centres, and attracts outstanding talents in related fields. Meanwhile, the Group provides appropriate regular trainings to the teams, so as to continuously improve the team's awareness and capability in product innovation and R&D.

Risk Monitoring and Reporting

The Group conducts risk control to achieve its strategic objectives. In the course of operation, governance level and all departments continuously monitor the implementation of strategies, and regularly oversee the related risk development and assess the Group's risk-bearing ability. In case of significant development, timely reporting would be made and risk management policies and internal control procedures would be updated.

Under the organisational structure of risk governance, the Group has established a good communication and feedback channel in which all departments and staff could report the risk monitoring results to the Board and the Risk Management Committee, ensuring appropriate internal control procedures are in place. In particular, the Risk Management Committee, on behalf of the Board, reviews the effectiveness of the Group's risk management and internal control systems annually, and follows up the risks identified in previous years.



Directors, Company Secretary and Senior Management

Executive Directors

Mr. Ding Shizhong (丁世忠), aged 55, is the Board Chairman and an Executive Director of the Company. He plays a core leadership role in the Group's corporate strategy, talent build-up, corporate culture, corporate governance and business oversight, and directly oversees the Group's mergers and acquisitions initiatives. He is the co-founder of the Group and has dedicated to leading the Group to expand and promote the domestic and overseas businesses. Mr. Ding is the chair of the board of directors of Amer Sports, Inc. (NYSE: AS), which is listed on the New York Stock Exchange. In recent years, he has been awarded honors by various sectors of society, including China's Top 50 Most Influential Business Leaders in 2023 by Fortune China, 100 Best-Performing CEOs in China by Harvard Business Review, and the Philanthropist of the Year in 2022 by China Charity Ranking. He is currently a vice chairman of All-China Federation of Industry and Commerce, a board member of Samaranch Foundation and a member of the Chinese Olympic Committee. Mr. Ding is the younger brother of Mr. Ding Shijia and the brother-in-law of Mr. Lai Shixian, both being the Company's Executive Directors. He is also a director of Anta International Group Holdings Limited, a substantial shareholder of the Company.

Mr. Ding Shijia (丁世家), aged 61, is the Board Deputy Chairman and an Executive Director of the Company. He oversees the Group's manufacturing operation. He is the co-founder of the Group and has over 30 years of experience in the sporting goods industry in China. In 2002 and 2004, he was awarded the title of Eminent Young Entrepreneur of Quanzhou. Mr. Ding is the elder brother of Mr. Ding Shizhong and the brother-in-law of Mr. Lai Shixian, both being the Company's Executive Directors. He is also a director of Anta International Group Holdings Limited, a substantial shareholder of the Company.

Mr. Lai Shixian (賴世賢), aged 51, is an Executive Director and one of the Co-CEOs of the Company. He is in charge of ANTA brand, all other brands except FILA brand, group procurement and a number of the Group's functions including human resources, legal, investor relations and administration. He joined the Group in March 2003 and has over 20 years of experience in administrative and financial management. Mr. Lai holds an EMBA degree from China Europe International Business School. Mr. Lai is the brother-in law of Mr. Ding Shizhong and Mr. Ding Shijia, both being the Company's Executive Directors. He is also a director of Anta International Group Holdings Limited, a substantial shareholder of the Company. Mr. Lai is an independent non-executive director of China Lilang Limited (stock code: 1234), a company listed on the Hong Kong Stock Exchange.

Mr. Wu Yonghua (吳永華), aged 55, is an Executive Director and one of the Co-CEOs of the Company. He is in charge of FILA brand, the Group's overseas businesses, including Southeast Asia international business, and a number of the Group's functions, including strategy, digitalisation, technological innovation, quality management, corporate culture and public relations. He joined the Group in October 2003 and has over 20 years of experience in sales, marketing and brand operations in China market.

Mr. Zheng Jie (鄭捷), aged 57, is an Executive Director of the Company. He is primarily responsible for Amer Sports related business. Mr. Zheng is the chief executive officer and a director of Amer Sports, Inc. (NYSE: AS), which is listed on the New York Stock Exchange. He joined the Group in October 2008 and has over 20 years of experience in the field of marketing management, including over 8 years in the China division of an international sportswear brand as the sales vice president and the general manager. Mr. Zheng holds a bachelor's degree in management science from Fudan University in Shanghai.

Mr. Bi Mingwei (畢明偉), aged 53, is an Executive Director and the CFO of the Company. He is primarily responsible for the Group's financial management functions and a number of middle-and-back-office functions including business process management and logistics management. He joined the Group in May 2007 and has over 20 years of experience in financial management and the sportswear industry. Mr. Bi is a director of Amer Sports, Inc. (NYSE: AS), which is listed on the New York Stock Exchange. Mr. Bi holds a bachelor's degree of accounting from the University of International Business and Economics in China and is a non-practicing member of the Chinese Institute of Certified Public Accountants.

Independent Non-Executive Directors

Mr. Yiu Kin Wah Stephen *JP* (姚建華), aged 65, is an Independent Non-Executive Director of the Company and joined the Board in June 2018. He holds a professional diploma in accountancy from The Hong Kong Polytechnic University and a master's degree in business administration from the University of Warwick in the United Kingdom. Mr. Yiu is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is currently a member of the Public Service Commission of the Hong Kong Special Administrative Region, a board member of the Airport Authority Hong Kong, the chairman of the Insurance Authority, a member of the Exchange Fund Advisory Committee, a director of Hong Kong Academy of Finance and the treasurer and a council member of The Hong Kong University of Science and Technology. Mr. Yiu is an independent non-executive director of China Mobile Limited (stock code: 941), which is listed on the Hong Kong Stock Exchange, and an independent director of Amer Sports, Inc. (NYSE: AS), which is listed on the New York Stock Exchange. Mr. Yiu served at KPMG, a global accounting firm, with his last position as the chairman and chief executive officer of KPMG China and Hong Kong as well as a member of the executive committee and the board of KPMG International and KPMG Asia Pacific. He was an independent non-executive director of Hong Kong Exchanges and Clearing Limited (stock code: 388), which is listed on the Hong Kong Stock Exchange, from April 2017 to April 2023.

Mr. Lai Hin Wing Henry Stephen (賴顯榮), aged 69, is an Independent Non-Executive Director of the Company and joined the Board in November 2020. He received a bachelor's degree in law from The University of Hong Kong and was admitted as a solicitor in Hong Kong SAR, England and Wales and the State of Victoria, Australia. He is currently a partner and co-chairman of Messrs. P. C. Woo & Co., a firm of solicitors and notaries in Hong Kong SAR, and has been practicing in the legal field for more than 40 years. Mr. Lai is a Notary Public and a China Appointed Attesting Officer in Hong Kong SAR. He is currently the past chairman, and an honorary council member, fellow member and the Corporate Governance Policies Committee chairman of The Hong Kong Institute of Directors, a member of the Consents Committee of the Law Society of Hong Kong, a member of the Association of China-Appointed Attesting Officers Limited Disciplinary Tribunal Panel and a member of the Board of Governors of The Hang Seng University of Hong Kong. Mr. Lai is an independent non-executive director of China Resources Beer (Holdings) Company Limited (stock code: 291), which is listed on the Hong Kong Stock Exchange. He was a non-executive director of China Medical & HealthCare Group Limited (stock code: 383) from November 2020 to October 2023, a non-executive director of Winfull Group Holdings Limited (stock code: 183) from December 2011 to December 2025, and an independent non-executive director of Cloudbreak Pharma Inc. (stock code: 2592) from March 2025 to December 2025, which all are listed on the Hong Kong Stock Exchange.

Ms. Wang Jiaqian (王佳茜), aged 47, is an Independent Non-Executive Director of the Company and joined the Board in July 2021. She holds a bachelor's degree in English from the Nanjing University and a master's degree in finance from the Peking University in China. She is currently a director of the North Asia President's Office, in charge of strategy, planning, insights, and external partnerships of Chanel Limited. Ms. Wang was employed by Boston Consulting Group, a global management consulting firm, from September 2010 to June 2019 with her last position as Managing Director and Global Partner. She has over 15 years of experience in strategy and business consulting in retail and consumer products sector.

Ms. Xia Lian (夏蓮), aged 47, is an Independent Non-Executive Director of the Company and joined the Board in July 2022. She holds a bachelor's degree in marketing from the Peking University in China and a master's degree in executive master in change from European Institute of Business Administration (INSEAD). She is currently an executive director and the general manager of Vista Education Technology (Shenzhen) Co., Ltd.* (遠見教育科技（深圳）有限公司), and has over 20 years of experience in business administration and business consultancy. Ms. Xia was employed by Cheung Kong Graduate School of Business from April 2007 to August 2020 with her last position as an assistant dean. Ms. Xia is an independent non-executive director of Luye Pharma Group Ltd. (stock code: 2186), a company listed on the Hong Kong Stock Exchange, and an independent director of Shanying International Holding Co., Ltd.* (山鷹國際控股股份公司) (stock code: 600567), a company listed on the Shanghai Stock Exchange.

* *The English translation of the company names is for reference only. The official names of these companies are in Chinese.*

Company Secretary

Mr. Tse Kin Chung (謝建聰), aged 45, is the company secretary of the Company and a vice president of the Group, primarily responsible for financial management and compliance matters. He joined the Group in October 2007 and has over 20 years of experience in the field of auditing and financial management. He holds a bachelor's degree in accountancy from The Hong Kong Polytechnic University. He is also a member of the Hong Kong Institute of Certified Public Accountants.

Senior Management

Various businesses of the Group are respectively under the direct responsibility of the Executive Directors, as named above.

Only the Executive Directors, the Co-CEOs and the CFO are regarded as members of the Group's senior management.

Independent Auditor’s Report

to the shareholders of ANTA Sports Products Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of ANTA Sports Products Limited (“the Company”) and its subsidiaries (together “the Group”) set out on pages 133 to 219, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (“the Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Valuation of inventories

Refer to note 17 to the consolidated financial statements on page 157 and the accounting policy (L) on page 197.

The key audit matter	How the matter was addressed in our audit
The Group adopts direct to consumer business model for the ANTA brand for certain regions in Chinese Mainland. Together with direct retail business model for FILA and all other brands in Chinese Mainland and other territories, a significant level of inventory is maintained to support the Group's overall operations. Inventories are stated at cost or net realisable value, whichever is lower. In the event that net realisable value falls below cost, the difference is taken as write-down of inventories. Management applies judgement in determining the net realisable value of inventories. Net realisable value is determined by management based upon a detailed analysis of the ageing profile of the inventories, with reference to the current marketability and latest selling prices of the respective inventories and the current retail market conditions existing at the end of the reporting period. We identified the valuation of inventories as a key audit matter as significant management judgement is involved in determining the net realisable value of inventories.	Our audit procedures to assess the valuation of inventories included the following: • performing a retrospective review by comparing the carrying values of inventories as at 31 December 2024 with sales prices achieved during the reporting period to assess the reliability of management's judgement and whether there is any indication of management bias; • evaluating the historical accuracy of management's assessment of net realisable value of inventories by examining, on a sample basis, the sales and utilisation during the current reporting period; • inquiring of the management about any expected changes in plans for markdowns or disposals of off-season inventories and comparing, on a sample basis, the carrying value of inventories to actual prices for sales transactions subsequent to the end of reporting period; • evaluating the reasonableness of the parameters adopted in the Group's policy on the net realisable value calculation by comparing the net realisable value with selling price achieved subsequent to the end of reporting period; • assessing, on a sample basis, whether items in the inventory ageing report were classified within the appropriate ageing bracket by comparing the individual items selected with the underlying records which indicated the product season of the item; and • assessing whether the net realisable value of inventories and the subsequent write-down of inventories (if any) at the end of reporting period were calculated in a manner consistent with the Group's policy by recalculating based on percentages and other parameters adopted and considering the application of the Group's policy with reference to the requirements of the prevailing accounting standards.

Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the audit committee of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Liu Hin Pan (practicing certificate number P06120).

KPMG

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

25 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	2025 RMB'million	2024 RMB'million
Revenue	1(a)	**80,219**	70,826
Cost of sales		**(30,485)**	(26,794)
Gross profit		**49,734**	44,032
Other net income	2	**2,999**	2,408
Selling and distribution expenses		**(28,456)**	(25,647)
Administrative expenses		**(5,186)**	(4,198)
Profit from operations		**19,091**	16,595
Net finance income	3	**1,151**	1,388
Share of net profit of associates	15	**1,203**	198
Gain arising from equity dilution under the Amer Sports Listing		**–**	1,579
Gain arising from equity dilution under the Amer Sports Placing	15	**–**	2,090
Gain arising from repurchase and cancellation of 2025 Convertible Bonds	20(c)(i)	**1**	34
Profit before taxation	4	**21,446**	21,884
Taxation	5	**(5,784)**	(4,895)
PROFIT FOR THE YEAR		**15,662**	16,989
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**(2,894)**	1,387
Share of other comprehensive income of a joint venture		**–**	138
Share of other comprehensive income/(loss) of associates	15	**841**	(556)
Items that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling)		**174**	66
Share of other comprehensive income of a joint venture		**–**	44
Share of other comprehensive income of associates	15	**22**	9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**13,805**	18,077
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the Company		**13,588**	15,596
Non-controlling interests		**2,074**	1,393
PROFIT FOR THE YEAR		**15,662**	16,989
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity shareholders of the Company		**11,738**	16,680
Non-controlling interests		**2,067**	1,397
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**13,805**	18,077
		RMB	RMB
Earnings per share	8		
– Basic		**4.89**	5.55
– Diluted		**4.80**	5.41

The notes, material accounting policy information and principal subsidiaries on pages 139 to 219 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 27.

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	**2025 RMB'million**	2024 RMB'million
Non-current assets			
Property, plant and equipment	10	**5,366**	4,687
Right-of-use assets	11	**10,926**	9,826
Construction in progress	12	**2,532**	1,465
Other non-current assets	13	**842**	991
Intangible assets	14	**4,253**	2,034
Investments in associates	15	**16,453**	14,669
Other investments	16	**4,428**	3,164
Pledged deposits	19	**53**	122
Fixed deposits held at banks with maturity over three months	19	**17,853**	21,542
Deferred tax assets	24(b)	**1,933**	1,633
Total non-current assets		**64,639**	60,133
Current assets			
Inventories	17	**12,152**	10,760
Trade receivables	18	**4,616**	4,463
Other current assets	18	**3,744**	2,762
Amounts due from related parties	30(b)	**109**	81
Other investments	16	**1,920**	3,869
Pledged deposits	19	**659**	120
Fixed deposits held at banks with maturity over three months	19	**24,275**	19,037
Cash and cash equivalents	19	**12,181**	11,390
Total current assets		**59,656**	52,482
Total assets		**124,295**	112,615

	Note	2025 RMB'million	2024 RMB'million
Current liabilities			
Borrowings	20	**11,532**	8,583
Trade payables	21	**4,158**	4,332
Other current liabilities	21	**10,224**	9,017
Lease liabilities		**3,687**	3,179
Amounts due to related parties	30(b)	**59**	96
Current taxation	24(a)	**3,698**	3,386
Total current liabilities		**33,358**	28,593
Net current assets		**26,298**	23,889
Total assets less current liabilities		**90,937**	84,022
Non-current liabilities			
Borrowings	20	**11,770**	12,233
Other non-current liabilities		**3**	–
Lease liabilities		**4,775**	4,125
Deferred tax liabilities	24(b)	**1,984**	925
Total non-current liabilities		**18,532**	17,283
Total liabilities		**51,890**	45,876
Net assets		**72,405**	66,739
Equity			
Share capital	25	**269**	271
Reserves	26	**65,513**	61,458
Total equity attributable to equity shareholders of the Company		**65,782**	61,729
Non-controlling interests		**6,623**	5,010
Total liabilities and equity		**124,295**	112,615

The notes, material accounting policy information and principal subsidiaries on pages 139 to 219 form part of these financial statements.

Ding Shizhong
Chairman and Executive Director

Lai Shixian
Executive Director and Co-Chief Executive Officer

Hong Kong SAR, 25 March 2026

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

		Attributable to equity shareholders of the Company				
	Note	Share capital RMB'million	Reserves RMB'million	Total RMB'million	Non-controlling interests RMB'million	Total equity RMB'million
Balances as at 1 January 2024		272	51,188	51,460	4,550	56,010
Changes in equity for 2024:						
– Profit for the year		–	15,596	15,596	1,393	16,989
– Other comprehensive income for the year		–	1,084	1,084	4	1,088
Total comprehensive income for the year		–	16,680	16,680	1,397	18,077
Dividends approved in respect of the previous year	27(b)	–	(3,044)	(3,044)	–	(3,044)
Dividends declared in respect of the current year	27(a)	–	(3,028)	(3,028)	–	(3,028)
Repurchase and cancellation of shares	26(g)	(1)	(1,209)	(1,210)	–	(1,210)
Shares purchased under share award scheme	23(b)	–	(1,007)	(1,007)	–	(1,007)
Equity-settled share-based payment transactions	26(f)	–	275	275	–	275
Repurchase and cancellation of 2025 Convertible Bonds		–	(135)	(135)	–	(135)
Issuance of 2029 Convertible Bonds	20(c)(ii)	–	1,657	1,657	–	1,657
Share of other reserves of a joint venture		–	2	2	–	2
Share of other reserves of an associate	15	–	248	248	–	248
Reclassification of relevant reserves arising from equity dilution under the Amer Sports Listing		–	(127)	(127)	–	(127)
Reclassification of relevant reserves arising from equity dilution under the Amer Sports Placing	15	–	(67)	(67)	–	(67)
Capital contribution by non-controlling interests of subsidiaries		–	–	–	65	65
Capital reduction by non-controlling interests of a subsidiary		–	–	–	(23)	(23)
Acquisition of partial interests in a subsidiary		–	25	25	(22)	3
Dividends to non-controlling interests of subsidiaries		–	–	–	(957)	(957)
Balances as at 31 December 2024 and 1 January 2025		**271**	**61,458**	**61,729**	**5,010**	**66,739**
Changes in equity for 2025:						
– Profit for the year		**–**	**13,588**	**13,588**	**2,074**	**15,662**
– Other comprehensive loss for the year		**–**	**(1,850)**	**(1,850)**	**(7)**	**(1,857)**
Total comprehensive income for the year		**–**	**11,738**	**11,738**	**2,067**	**13,805**
Dividends approved in respect of the previous year	27(b)	**–**	**(3,043)**	**(3,043)**	**–**	**(3,043)**
Dividends declared in respect of the current year	27(a)	**–**	**(3,542)**	**(3,542)**	**–**	**(3,542)**
Repurchase and cancellation of shares	26(g)	**(2)**	**(1,584)**	**(1,586)**	**–**	**(1,586)**
Equity-settled share-based payment transactions	26(f)	**–**	**324**	**324**	**–**	**324**
Share of other reserves of associates	15	**–**	**163**	**163**	**–**	**163**
Capital contribution by non-controlling interests of subsidiaries		**–**	**–**	**–**	**48**	**48**
Capital contribution by non-controlling interests and dilution of interests in a subsidiary	31	**–**	**–**	**–**	**604**	**604**
Capital reduction by non-controlling interests of subsidiaries		**–**	**–**	**–**	**(11)**	**(11)**
Acquisition of partial interests in a subsidiary		**–**	**(1)**	**(1)**	**(7)**	**(8)**
Dividends to non-controlling interests of subsidiaries		**–**	**–**	**–**	**(1,088)**	**(1,088)**
Balances as at 31 December 2025		**269**	**65,513**	**65,782**	**6,623**	**72,405**

The notes, material accounting policy information and principal subsidiaries on pages 139 to 219 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 RMB'million	2024 RMB'million
Operating activities			
Profit before taxation		**21,446**	21,884
Adjustments for:			
– Depreciation of property, plant and equipment	10	**1,371**	1,023
– Depreciation of right-of-use assets	11	**4,787**	4,305
– Amortisation of intangible assets	14	**177**	143
– Dividend income	2	**(3)**	(5)
– Interest expenses	3	**833**	626
– Interest income	3	**(1,730)**	(1,846)
– Change in fair value of financial assets measured at fair value through profit or loss ("FVTPL")	3	**(157)**	(88)
– Net loss on disposal of property, plant and equipment	2	**11**	46
– Net gain on disposal of right-of-use assets	2	**(34)**	(45)
– Impairment loss of trade receivables	4(b)	**24**	26
– Write-down/(reversal of write-down) of inventories	17(b)	**274**	(132)
– Share of net profit of associates	15	**(1,203)**	(198)
– Equity-settled share-based payment transactions	4(a)	**324**	275
– Gain arising from equity dilution under the Amer Sports Listing		**–**	(1,579)
– Gain arising from equity dilution under the Amer Sports Placing		**–**	(2,090)
– Gain arising from repurchase and cancellation of 2025 Convertible Bonds	20(c)(i)	**(1)**	(34)
– Net foreign exchange gain		**(97)**	(80)
– Unrealised gain from transactions with an associate	15	**3**	10
Changes in working capital			
– Increase in inventories		**(1,164)**	(3,410)
– Increase in trade receivables and other current assets		**(656)**	(362)
– Increase in amounts due from related parties		**(29)**	(24)
– Increase in other non-current assets		**(119)**	(81)
– Increase in trade payables and other current liabilities		**639**	1,590
– (Decrease)/increase in amounts due to related parties		**(39)**	64
Cash generated from operations		**24,657**	20,018
Income tax paid		**(5,242)**	(4,532)
Interest received		**1,581**	1,255
Net cash generated from operating activities		**20,996**	16,741
Investing activities			
Payments for purchase of property, plant and equipment		**(1,208)**	(1,412)
Payments for construction in progress		**(1,297)**	(846)
Payments for purchase of intangible assets		**(145)**	(133)
Payments for obtaining land use rights of leasehold land		**(66)**	(1,069)
Payment for the Amer Sports Cornerstone Investment		**–**	(1,595)
Net proceeds from/(payments for) other investments		**497**	(3,388)
Net placements of pledged deposits		**(298)**	(232)
Placements of fixed deposits held at banks with maturity over three months		**(24,392)**	(33,433)
Uplift of fixed deposits held at banks with maturity over three months		**22,401**	27,228
Payments for acquisition of subsidiaries, net of cash acquired	31	**(2,170)**	(38)
Payments for investments in associates		**(367)**	–
Other cash flows (used in)/derived from investing activities		**(1)**	54
Net cash used in investing activities		**(7,046)**	(14,864)

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 December 2025

	Note	2025 RMB'million	2024 RMB'million
Financing activities			
Drawdowns of new bank loans	19(b)	**335**	2,210
Repayments of bank loans	19(b)	**(1,641)**	(3,331)
Payments of interest expense on bank loans	19(b)	**(53)**	(188)
Net proceeds from bills payable (financing in nature)	19(b)	**3,306**	4,600
Repayments of medium term notes	19(b)	**(500)**	–
Payments of interest expense on medium term notes	19(b)	**(14)**	(14)
Payments of repurchase of 2025 Convertible Bonds	19(b)	**(427)**	(7,499)
(Payments for)/net proceeds from issuance of 2029 Convertible Bonds	19(b)	**(33)**	11,667
Payments of lease liabilities	19(b)	**(4,700)**	(4,275)
Payments for repurchase of shares	26(g)	**(1,952)**	(844)
Payments for shares purchased under share award scheme	23(b)	**–**	(1,007)
Dividends paid to equity shareholders of the Company	27	**(6,585)**	(6,072)
Capital contribution by non-controlling interests of subsidiaries		**48**	65
Capital contribution by non-controlling interests and dilution of interests in a subsidiary	31	**285**	–
Capital reduction by non-controlling interest of subsidiaries		**(11)**	(23)
Dividends paid to non-controlling interests of subsidiaries		**(1,088)**	(957)
Payments for acquisition of partial interests in a subsidiary		**(86)**	(93)
Net cash used in financing activities		**(13,116)**	(5,761)
Net increase/(decrease) in cash and cash equivalents		**834**	(3,884)
Cash and cash equivalents as at 1 January		**11,390**	15,228
Effect of foreign exchange rate changes		**(43)**	46
Cash and cash equivalents as at 31 December	19(a)	**12,181**	11,390

The notes, material accounting policy information and principal subsidiaries on pages 139 to 219 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1. Revenue and Segment Reporting

(a) Revenue

The principal activities of the Group are R&D, design, manufacturing, marketing, and sales of professional sports products including footwear, apparel and accessories. The Group also has investments in associates, the principal activities of which are as detailed in note 15.

The Group's (other than the associates) revenue, expenses, results, assets and liabilities are predominantly attributable to a single geographical region, which is China. Therefore, no analysis by geographical regions is presented.

Revenue represents the sales value of goods sold less returns, discounts, rebates and value added tax. Disaggregation of revenue from contracts with customers by product categories is as follows:

	2025 RMB'million	2024 RMB'million
Footwear	**31,499**	29,202
Apparel	**45,814**	39,385
Accessories	**2,906**	2,239
	80,219	70,826

For the year ended 31 December 2025, there was no customer with whom transactions have exceeded 10% of the Group's revenue (2024: Nil).

The Group has applied practical expedient in paragraph 121 of IFRS/HKFRS 15, *Revenue from Contracts with Customers* to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the end of reporting period as the performance obligation is part of a contract that has an original expected duration of one year or less.

(Expressed in Renminbi unless otherwise indicated)

1. Revenue and Segment Reporting (Continued)

(b) Segment reporting

The CEO and senior management team are the Group's chief operating decision-makers (the "CODMs"). The CODMs review the Group's internal reports periodically in order to assess performance and allocate resources from a brand perspective. Consistent with the way in which information is reported internally to the CODMs, the Group has presented two reportable segments of ANTA brand and FILA brand, respectively. Other than the two reportable segments, all other operating segments have been aggregated and presented as "all other brands". The segment information for the reporting period is as follows:

	ANTA brand RMB'million	FILA brand RMB'million	All other brands RMB'million	Headquarters and unallocated items RMB'million	Total RMB'million
For the year ended 31 December 2025					
Revenue					
– Revenue from external customers	34,754	28,469	16,996	–	80,219
Gross profit	18,621	18,916	12,197	–	49,734
Results	7,211	7,418	4,736	(274)	19,091
– Net finance income	–	–	–	1,151	1,151
– Share of net profit of associates	–	–	–	1,203	1,203
– Gain arising from repurchase and cancellation of 2025 Convertible Bonds	–	–	–	1	1
Profit before taxation	7,211	7,418	4,736	2,081	21,446
As at 31 December 2025					
Assets					
– Investments in associates	–	–	–	16,453	16,453
– Other investments	–	–	–	6,348	6,348
– Deferred tax assets	–	–	–	1,933	1,933
– Cash and cash equivalents, fixed deposits held at banks and pledged deposits	20,181	1,082	7,641	26,117	55,021
– Other assets	13,982	10,017	11,356	9,281	44,636
Reconciliation:					
– Elimination of internal borrowings	–	–	–	(96)	(96)
Total assets	34,163	11,099	18,997	60,036	124,295
Liabilities					
– Borrowings	–	–	–	23,302	23,302
– Current taxation	–	–	–	3,698	3,698
– Deferred tax liabilities	–	–	–	1,984	1,984
– Other liabilities	9,554	6,441	5,773	1,234	23,002
Reconciliation:					
– Elimination of internal borrowings	(35)	–	(61)	–	(96)
Total liabilities	9,519	6,441	5,712	30,218	51,890

1. Revenue and Segment Reporting (Continued)

(b) Segment reporting (Continued)

	ANTA brand RMB'million	FILA brand RMB'million	All other brands RMB'million	Headquarters and unallocated items RMB'million	Total RMB'million
For the year ended 31 December 2024					
Revenue					
– Revenue from external customers	33,522	26,626	10,678	–	70,826
Gross profit	18,274	18,051	7,707	–	44,032
Results	7,035	6,738	3,050	(228)	16,595
– Net finance income	–	–	–	1,388	1,388
– Share of profit of an associate	–	–	–	198	198
– Gain arising from equity dilution under the Amer Sports Listing	–	–	–	1,579	1,579
– Gain arising from equity dilution under the Amer Sports Placing	–	–	–	2,090	2,090
– Gain arising from repurchase and cancellation of 2025 Convertible Bonds	–	–	–	34	34
Profit before taxation	7,035	6,738	3,050	5,061	21,884
As at 31 December 2024					
Assets					
– Investment in an associate	–	–	–	14,669	14,669
– Other investments	–	–	–	7,033	7,033
– Deferred tax assets	–	–	–	1,633	1,633
– Cash and cash equivalents, fixed deposits held at banks and pledged deposits	17,758	3,045	4,141	27,267	52,211
– Other assets	13,270	10,362	5,781	7,717	37,130
Reconciliation:					
– Elimination of internal borrowings	–	–	–	(61)	(61)
Total assets	31,028	13,407	9,922	58,258	112,615
Liabilities					
– Borrowings	–	–	–	20,816	20,816
– Current taxation	–	–	–	3,386	3,386
– Deferred tax liabilities	–	–	–	925	925
– Other liabilities	8,765	6,961	3,291	1,793	20,810
Reconciliation:					
– Elimination of internal borrowings	–	–	(61)	–	(61)
Total liabilities	8,765	6,961	3,230	26,920	45,876

For reconciliation purpose, "Headquarters and unallocated items" is also presented in the segment information.

(Expressed in Renminbi unless otherwise indicated)

2. Other Net Income

	2025 RMB'million	2024 RMB'million
Subsidies	**2,780**	2,224
Net loss on disposal of property, plant and equipment	**(11)**	(46)
Net gain on disposal of right-of-use assets	**34**	45
Dividend income from equity investments	**3**	5
Income on original equipment manufacturer ("OEM") business	**308**	149
Costs on OEM business	**(245)**	(118)
Others	**130**	149
	2,999	2,408

3. Net Finance Income

	2025 RMB'million	2024 RMB'million
Total interest income on financial assets measured at amortised cost	**1,730**	1,846
Net gain on forward foreign exchange contracts	**–**	62
Change in fair value of financial assets measured at FVTPL	**157**	88
Other net foreign exchange gain	**182**	18
	2,069	2,014
Interest expense on lease liabilities	**(334)**	(331)
Total interest expense on other financial liabilities measured at amortised cost	**(510)**	(310)
Less: interest expenses capitalised into properties under development[(i)]	**11**	15
Net loss on forward foreign exchange contracts	**(85)**	–
	(918)	(626)
Net finance income	**1,151**	1,388

(i) The borrowing costs have been capitalised at rates ranging from 1.50%–2.80% per annum (2024: 2.80%).

4. Profit Before Taxation

Profit before taxation is arrived at after charging:

		2025 RMB'million	2024 RMB'million
(a)	**Staff costs[(i) & (ii)]:**		
	Salaries, wages and other benefits	**10,352**	8,882
	Contributions to defined contribution retirement plans	**1,566**	1,334
	Equity-settled share-based payment transactions (note 26(f))	**324**	275
		12,242	10,491
(b)	**Other items:**		
	Cost of inventories[(i)] (note 17(b))	**30,485**	26,794
	Research and development costs[(i) & (ii)]	**2,198**	1,991
	Subcontracting charges[(i)]	**412**	395
	Depreciation[(i)]		
	– Property, plant and equipment (note 10)	**1,371**	1,023
	– Right-of-use assets (note 11)	**4,787**	4,305
	Amortisation of intangible assets (note 14)	**177**	143
	Impairment loss of trade receivables (note 18)	**24**	26
	Variable lease payments not included in the measurement of lease liabilities	**3,793**	3,413
	Auditor's remuneration	**21**	16

(i) Cost of inventories includes research and development costs, subcontracting charges, staff costs and depreciation, total amounting to RMB3,795 million (2024: RMB3,528 million).

(ii) Research and development costs include staff costs of employees in the research and development department, of which RMB860 million (2024: RMB761 million) are included in the staff costs as disclosed above.

(Expressed in Renminbi unless otherwise indicated)

5. Taxation in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 RMB'million	2024 RMB'million
Current tax		
PRC Corporate Income Tax and income taxes of other tax jurisdictions	**5,104**	4,453
Deferred tax		
Dividends withholding tax	**857**	731
Origination and reversal of other temporary differences	**(177)**	(289)
Subtotal	**680**	442
Total	**5,784**	4,895

(i) In accordance with the relevant PRC Corporate Income Tax laws, implementation regulations and guidance notes, certain subsidiaries in Chinese Mainland are entitled to tax concessions whereby the profits of these subsidiaries are taxed at a preferential income tax rate. Taxation of the Group's other subsidiaries in Chinese Mainland are calculated using the applicable income tax rates of 25%.

(ii) Taxation for subsidiaries in other tax jurisdictions amounting to RMB39 million (2024: RMB3 million) was charged at the appropriate current rates under the relevant taxation rulings.

(iii) According to the PRC Corporate Income Tax Law and its implementation regulations, dividends receivable by non-Chinese Mainland corporate residents from Chinese Mainland enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. In addition, under the Arrangement between the Chinese Mainland and the Hong Kong SAR for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from Chinese Mainland if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the Chinese Mainland company. Deferred tax liabilities have been provided for based on the expected dividends to be distributed from these subsidiaries in the foreseeable future in respect of the profits generated since 1 January 2008.

Dividends withholding tax represents tax charged by tax authority on dividends distributed by the Group's subsidiaries in Chinese Mainland during the reporting period.

(iv) The Organisation for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two Tax Legislation") to implement the Pillar Two model rules on a globally agreed common approach. The Group is within the scope of the OECD Pillar Two model rules as the Group's consolidated annual revenue has exceeded EUR750 million.

Pillar Two Tax Legislation has enacted or substantially enacted in several tax jurisdictions in which the Company and its subsidiaries operate and has come into effect from 1 January 2024. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS/HKAS 12. Under the Pillar Two Tax Legislation, if the constituent entities in one tax jurisdiction fail to satisfy any safe harbour rules and the Global Anti-Base Erosion (GloBE) effective tax rate is lower than the minimum rate of 15%, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate per tax jurisdiction and the minimum rate of 15%.

Since the major operations of the Group are in Chinese Mainland, based on the information currently available, the impact of these rules on the Group's income tax position is not material.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 RMB'million	2024 RMB'million
Profit before taxation	**21,446**	21,884
Less: Share of profit of associates and any one-off gain or loss related to the investments in associates	**(1,203)**	(3,867)
	20,243	18,017
Notional tax on profit before taxation, calculated at the applicable rates in the tax jurisdictions concerned	**4,974**	4,441
Tax effect of non-deductible expenses	**237**	2
Tax effect of non-taxable income	**(360)**	(221)
Tax effect of unused tax losses not recognised	**189**	72
Withholding tax on profits retained by Chinese Mainland subsidiaries (note 5(a)(iii))	**857**	731
Effect of tax concessions (note 5(a)(i))	**(113)**	(130)
Actual tax expense	**5,784**	4,895

6. Directors' Emoluments

Details of directors' emoluments of the Company are set out below:

	Fees RMB'000	Basic salaries, allowances and other benefits RMB'000	Contributions to retirement benefit scheme RMB'000	Discretionary bonuses RMB'000	Equity-settled share-based payment transaction [i] RMB'000	Total RMB'000
Year ended 31 December 2025						
Executive Directors						
Mr. Ding Shizhong	**–**	**1,080**	**101**	**532**	**–**	**1,713**
Mr. Ding Shijia	**–**	**1,000**	**101**	**–**	**–**	**1,101**
Mr. Lai Shixian	**–**	**1,500**	**101**	**–**	**15,781**	**17,382**
Mr. Wu Yonghua	**–**	**2,000**	**101**	**–**	**15,781**	**17,882**
Mr. Zheng Jie	**–**	**931**	**17**	**–**	**–**	**948**
Mr. Bi Mingwei	**–**	**4,835**	**110**	**2,169**	**4,837**	**11,951**
	–	**11,346**	**531**	**2,701**	**36,399**	**50,977**
Independent Non-Executive Directors						
Mr. Yiu Kin Wah Stephen	**1,117**	**–**	**–**	**–**	**–**	**1,117**
Mr. Lai Hin Wing Henry Stephen	**559**	**–**	**–**	**–**	**–**	**559**
Ms. Wang Jiaqian	**559**	**–**	**–**	**–**	**–**	**559**
Ms. Xia Lian	**545**	**–**	**–**	**–**	**–**	**545**
	2,780	**–**	**–**	**–**	**–**	**2,780**
Total	**2,780**	**11,346**	**531**	**2,701**	**36,399**	**53,757**
Year ended 31 December 2024						
Executive Directors						
Mr. Ding Shizhong	–	1,080	98	532	–	1,710
Mr. Ding Shijia	–	1,000	98	–	–	1,098
Mr. Lai Shixian	–	1,500	98	–	1,463	3,061
Mr. Wu Yonghua	–	2,000	98	–	–	2,098
Mr. Zheng Jie	–	934	–	–	–	934
Mr. Bi Mingwei	–	4,834	108	2,121	3,202	10,265
	–	11,348	500	2,653	4,665	19,166
Independent Non-Executive Directors						
Mr. Yiu Kin Wah Stephen	1,121	–	–	–	–	1,121
Mr. Lai Hin Wing Henry Stephen	560	–	–	–	–	560
Ms. Wang Jiaqian	560	–	–	–	–	560
Ms. Xia Lian	546	–	–	–	–	546
	2,787	–	–	–	–	2,787
Total	2,787	11,348	500	2,653	4,665	21,953

(i) These amounts represent the estimated value of awarded shares granted to the director(s) under a share award scheme of the Company (note 23(b)). The value of these awarded shares is measured according to the Group's accounting policy (T)(ii) for share-based payment transactions.

6. Directors' Emoluments (Continued)

During the reporting period, no amount was paid or payable by the Company to the directors or any of the 5 highest paid individuals set out in note 7 as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the reporting period.

7. Individuals with Highest Emoluments

Of the 5 individuals with the highest emoluments, 3 individuals (2024: 1 individual) are also directors of the Company whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the remaining 2 individuals (2024: 4 individuals) are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	**11,700**	13,817
Discretionary bonuses	**4,833**	5,685
Equity-settled share-based payment transactions(i)	**11,824**	15,934
Contributions to retirement benefit scheme	**284**	386
	28,641	35,822

(i) These amounts represent the estimated value of awarded shares granted to the individual(s) under a share award scheme of the Company (note 23(b)). The value of these awarded shares is measured according to the Group's accounting policy (T)(ii) for share-based payment transactions.

The 2 individuals (2024: 4 individuals) are neither senior management nor director of the Company. The emoluments of the 2 individuals (2024: 4 individuals) with the highest emoluments are within the following bands:

	Number of individuals	
	2025	2024
RMB7,500,001 to RMB8,000,000	**–**	1
RMB9,000,001 to RMB9,500,000	**–**	2
RMB9,500,001 to RMB10,000,000	**–**	1
RMB12,000,001 to RMB12,500,000	**1**	–
RMB16,500,001 to RMB17,000,000	**1**	–

8. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue during the reporting period.

Profit attributable to equity shareholders of the Company

	2025 RMB'million	2024 RMB'million
Profit attributable to equity shareholders of the Company	**13,588**	15,596

Weighted average number of ordinary shares

	2025 '000 Shares	2024 '000 Shares
Issued ordinary shares as at 1 January	**2,823,224**	2,832,624
Effect of shares held under share award scheme	**(31,684)**	(25,160)
Effect of shares vested under share award scheme	**3,697**	1,846
Effect of repurchase and cancellation of shares	**(14,805)**	(933)
Weighted average number of ordinary shares as at 31 December	**2,780,432**	2,808,377

(b) Diluted earnings per share

The calculation of the diluted earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares, as adjusted for the effects of all dilutive potential ordinary shares.

Profit attributable to equity shareholders of the Company (diluted)

	2025 RMB'million	2024 RMB'million
Profit attributable to equity shareholders of the Company	**13,588**	15,596
Adjustment for interest on convertible bonds, net of tax	**357**	127
Profit attributable to equity shareholders of the Company (diluted)	**13,945**	15,723

Weighted average number of ordinary shares (diluted)

	2025 '000 Shares	2024 '000 Shares
Weighted average number of ordinary shares as at 31 December	**2,780,432**	2,808,377
Effect of awarded shares under share award scheme	**4,337**	6,530
Effect of conversion of:		
– 2025 Convertible Bonds	**93**	82,789
– 2029 Convertible Bonds	**119,134**	8,353
Weighted average number of ordinary shares (diluted) as at 31 December	**2,903,996**	2,906,049

(Expressed in Renminbi unless otherwise indicated)

9. Company-Level Statement of Financial Position

	Note	**2025 RMB'million**	2024 RMB'million
Non-current assets			
Investments in subsidiaries[(i)]		**10,950**	11,452
Other investments		**1,287**	–
Total non-current assets		**12,237**	11,452
Current assets			
Other receivables		**35**	–
Amounts due from subsidiaries		**30,843**	32,660
Fixed deposits held at banks with maturity over three months		**–**	192
Cash and cash equivalents		**175**	725
Total current assets		**31,053**	33,577
Total assets		**43,290**	45,029
Current liabilities			
Borrowings		**–**	506
Amounts due to subsidiaries		**557**	600
Other payables		**2**	372
Total current liabilities		**559**	1,478
Net current assets		**30,494**	32,099
Net assets		**42,731**	43,551
Equity			
Share capital	25	**269**	271
Reserves	26	**42,462**	43,280
Total equity		**42,731**	43,551
Total liabilities and equity		**43,290**	45,029

(i) The investments in subsidiaries represent cost of unlisted shares of the subsidiaries directly held by the Company. Details of the Group's principal subsidiaries as at 31 December 2025 are shown on pages 206 to 219.

10. Property, Plant and Equipment

	Buildings RMB'million	Plant and machinery RMB'million	Furniture and fixtures RMB'million	Retail outlets leasehold improvements RMB'million	Motor vehicles RMB'million	Total RMB'million
Cost:						
As at 1 January 2024	3,800	611	947	2,046	76	7,480
Additions	–	41	84	986	5	1,116
Transfer from construction in progress (note 12)	4	278	227	3	5	517
Disposals	(153)	(24)	(140)	(153)	(2)	(472)
As at 31 December 2024 and 1 January 2025	**3,651**	**906**	**1,118**	**2,882**	**84**	**8,641**
Additions	**–**	**44**	**77**	**1,079**	**4**	**1,204**
Acquisition of subsidiaries	**438**	**6**	**68**	**–**	**–**	**512**
Transfer from construction in progress (note 12)	**151**	**95**	**116**	**–**	**2**	**364**
Disposals	**(16)**	**(27)**	**(81)**	**(174)**	**(4)**	**(302)**
Foreign currency translation differences	**–**	**–**	**–**	**(4)**	**–**	**(4)**
As at 31 December 2025	**4,224**	**1,024**	**1,298**	**3,783**	**86**	**10,415**
Accumulated depreciation:						
As at 1 January 2024	953	271	588	1,478	47	3,337
Charge for the year (note 4)	166	61	144	645	7	1,023
Written back on disposals	(102)	(19)	(131)	(153)	(1)	(406)
As at 31 December 2024 and 1 January 2025	**1,017**	**313**	**601**	**1,970**	**53**	**3,954**
Charge for the year (note 4)	**197**	**80**	**203**	**883**	**8**	**1,371**
Written back on disposals	**(2)**	**(22)**	**(76)**	**(170)**	**(4)**	**(274)**
Foreign currency translation differences	**–**	**(1)**	**2**	**(3)**	**–**	**(2)**
As at 31 December 2025	**1,212**	**370**	**730**	**2,680**	**57**	**5,049**
Net book value:						
As at 31 December 2025	**3,012**	**654**	**568**	**1,103**	**29**	**5,366**
As at 31 December 2024	2,634	593	517	912	31	4,687

Most of the Group's buildings and plant and machinery are located in Chinese Mainland.

(Expressed in Renminbi unless otherwise indicated)

11. Right-of-Use Assets

	Leasehold land RMB'million	Properties leased for own use RMB'million	Total RMB'million
Net book value:			
As at 1 January 2024	1,403	6,682	8,085
Additions	1,054	5,323	6,377
Depreciation charge for the year (note 4)	(36)	(4,269)	(4,305)
Disposals	–	(331)	(331)
As at 31 December 2024 and 1 January 2025	**2,421**	**7,405**	**9,826**
Additions	**66**	**5,745**	**5,811**
Acquisition of subsidiaries	**–**	**392**	**392**
Depreciation charge for the year (note 4)	**(61)**	**(4,726)**	**(4,787)**
Disposals	**–**	**(308)**	**(308)**
Foreign currency translation differences	**–**	**(8)**	**(8)**
As at 31 December 2025	**2,426**	**8,500**	**10,926**

Details of the maturity analysis of lease liabilities are set out in note 28(b).

(a) Leasehold land

The Group has obtained land use rights of leasehold land for properties held for own use in Chinese Mainland.

(b) Properties leased for own use

The Group has obtained the right to use properties as its offices, warehouses and retail stores through tenancy agreements. The leases typically run for an initial period of 1 to 5 years. Total cash outflow for the leases in the reporting period was RMB8,538 million (2024: RMB7,649 million).

12. Construction in Progress

	2025 RMB'million	2024 RMB'million
As at 1 January	**1,465**	822
Additions	**1,426**	1,160
Acquisition of subsidiaries	**5**	–
Transfer to property, plant and equipment (note 10)	**(364)**	(517)
As at 31 December	**2,532**	1,465

Construction in progress mainly represents buildings under construction and plant and equipment pending for installation in Chinese Mainland.

13. Other Non-Current Assets

	2025 RMB'million	2024 RMB'million
Long-term rental deposits	**778**	608
Prepayments for obtaining land use rights of leasehold land	**18**	18
Prepayments for acquisition of other non-current assets	**46**	365
	842	991

14. Intangible Assets

	Patents and trademarks RMB'million	Computer software RMB'million	Goodwill RMB'million	Total RMB'million
Cost:				
As at 1 January 2024	1,853	444	405	2,702
Additions	–	90	–	90
Disposal	–	(20)	–	(20)
As at 31 December 2024 and 1 January 2025	**1,853**	**514**	**405**	**2,772**
Additions	**–**	**171**	**–**	**171**
Acquisition of subsidiaries	**1,949**	**–**	**269**	**2,218**
Disposal	**–**	**(10)**	**–**	**(10)**
Foreign currency translation differences	**7**	**–**	**–**	**7**
As at 31 December 2025	**3,809**	**675**	**674**	**5,158**
Accumulated amortisation:				
As at 1 January 2024	316	297	–	613
Charge for the year (note 4)	52	91	–	143
Disposal	–	(18)	–	(18)
As at 31 December 2024 and 1 January 2025	**368**	**370**	**–**	**738**
Charge for the year (note 4)	**72**	**105**	**–**	**177**
Disposal	**–**	**(10)**	**–**	**(10)**
As at 31 December 2025	**440**	**465**	**–**	**905**
Net book value:				
As at 31 December 2025	**3,369**	**210**	**674**	**4,253**
As at 31 December 2024	1,485	144	405	2,034

The amortisation charge for the year is mainly included in administrative expenses of profit or loss.

Notes to the Financial Statements

(Expressed in Renminbi unless otherwise indicated)

15. Investments in Associates

	2025 RMB'million	2024 RMB'million
Investment in Amer Sports, Inc.	**16,275**	14,669
Investments in individually immaterial associates	**178**	–
Total	**16,453**	14,669

(a) Investment in Amer Sports, Inc.

Name of the associate	Place of incorporation/business	Proportion of interest held	Proportion of voting rights held
Amer Sports, Inc.	Cayman Islands/Worldwide	39.37%	41.78%

Movement of investment in Amer Sports, Inc.

	2025 RMB'million	2024 RMB'million
As at 1 January	**14,669**	–
Transfer from investment in a joint venture	**–**	12,549
After Amer Sports Listing:		
– Additions	**173**	–
– Share of profit	**1,219**	198
– Share of other comprehensive income/(loss)	**863**	(547)
– Share of other reserves	**163**	248
– Foreign currency translation differences	**(809)**	208
– Adjustment of unrealised gain	**(3)**	(10)
Impact of the Amer Sports Placing:		
– Share of net proceeds from Amer Sports Placing	**–**	3,131
– Share of equity dilution	**–**	(1,108)
As at 31 December	**16,275**	14,669

Amer Sports Oy ("Amer Sports") was a wholly-owned subsidiary of Amer Sports, Inc. and a sporting goods company with internationally recognised brands including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, etc.

15. Investments in Associates (Continued)

(a) Investment in Amer Sports, Inc. (Continued)

On 1 February 2024, the Company was informed by Amer Sports, Inc. that its initial public offering for the listing of its ordinary shares on the New York Stock Exchange ("Amer Sports Listing") was completed. Under the Amer Sports Listing, 105,000,000 ordinary shares were initially offered by Amer Sports, Inc. at the final offer price of USD13.00 per share, which included a total of 16,923,076 ordinary shares of Amer Sports, Inc. with an aggregated investment amount of USD220 million (equivalent to RMB1,595 million) subscribed by the Group as a cornerstone investor under the Amer Sports Listing ("Amer Sports Cornerstone Investment"). An additional 15,750,000 ordinary shares were subsequently issued by Amer Sports, Inc. pursuant to the exercise of an over-allotment option granted to the underwriters ("Issuance of Over-Allotment Option").

On 4 December 2024, the Company was informed by Amer Sports, Inc. that the public offering of its ordinary shares on the New York Stock Exchange ("Amer Sports Placing") was completed. Under the Amer Sports Placing, a total of 46,920,000 ordinary shares were offered by Amer Sports, Inc. at the final offer price of USD23.00 per share.

With the Amer Sports Listing, Amer Sports Cornerstone Investment, the post-listing reorganisation at the shareholder level of Amer Sports, Inc. on 9 February 2024, Issuance of Over-Allotment Option and Amer Sports Placing, the Group held 39.37% of the total issued shares of Amer Sports, Inc. and accounted for Amer Sports, Inc. as an investment in an associate using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards.

As at 31 December 2025, based on the number of ordinary shares held by the Group and the quoted market closing price of USD37.35 per ordinary share (2024: USD27.96 per ordinary share), the fair value of the investment in Amer Sports, Inc. was USD8,201 million (2024: USD6,121 million), equivalent to RMB58,124 million (2024: RMB45,508 million).

Summarised consolidated financial information of Amer Sports, Inc., based on the latest available information to the Company and following the accounting policies adopted by the Group, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

	2025 RMB'million	2024 RMB'million
Non-current assets	**47,913**	44,141
Current assets	**23,416**	17,839
Current liabilities	**(15,658)**	(11,557)
Non-current liabilities	**(14,417)**	(13,186)
Non-controlling interests	**(134)**	(68)
Equity attributable to equity shareholders	**41,120**	37,169

(Expressed in Renminbi unless otherwise indicated)

15. Investments in Associates (Continued)

(a) Investment in Amer Sports, Inc. (Continued)

	2025 RMB'million	2024 RMB'million
Revenue	**47,685**	37,752
Post-tax profit	**3,198**	571
Other comprehensive income/(loss)	**2,187**	(622)
Total comprehensive income/(loss)	**5,385**	(51)

Reconciliation to the Group's investment in Amer Sports, Inc.	2025 RMB'million	2024 RMB'million
Amer Sports, Inc.'s net assets	**41,254**	37,237
Less: non-controlling interests	**(134)**	(68)
Amer Sports, Inc.'s net assets attributable to equity shareholders	**41,120**	37,169
Group's effective interest	**39.37%**	39.54%
Group's share of Amer Sports, Inc.'s net assets attributable to equity shareholders	**16,189**	14,697
Goodwill	**125**	–
Other adjustments[(i)]	**(39)**	(28)
Carrying amount of investment in Amer Sports, Inc.	**16,275**	14,669

(i) The other adjustments comprise adjustments of unrealised gain of sales of goods of OEM business of RMB13 million (2024: RMB10 million) and purchase of finished goods of RMB26 million (2024: RMB18 million).

(b) Investments in individually immaterial associates

	2025 RMB'million
Aggregate amounts of the Group's share of individually immaterial associates:	
Post-tax loss	**(16)**
Net assets	**178**

16. Other Investments

	2025 RMB'million	2024 RMB'million
Current		
Financial instruments measured		
at FVTPL:		
– Derivative financial instruments	**25**	29
– Unlisted debt securities	**1,512**	3,033
at amortised cost:		
– Unlisted debt securities	**383**	807
	1,920	3,869
Non-current		
Financial instruments measured		
at FVTPL:		
– Derivative financial instruments	**–**	23
– Unlisted debt securities	**894**	389
at amortised cost:		
– Unlisted debt securities	**720**	744
	1,614	1,156
Total of the above	**3,534**	5,025
Non-current		
Equity instruments designated at FVOCI (non-recycling):		
– Unlisted equity investments[(i)]	**121**	122
– Listed equity investments[(ii)]	**1,287**	–
– Listed perpetual bonds (equity investment in nature)[(iii)]	**1,406**	1,886
	2,814	2,008
Total	**6,348**	7,033

(i) The Group designated certain unlisted equity investments at FVOCI (non-recycling), these investments are held for strategic purposes. Dividends with amount of RMB3 million were received on these investments during the reporting period (2024: RMB5 million).

(ii) The Group designated certain listed equity investments at FVOCI (non-recycling), these investments are held for strategic purposes. No dividend was received on these investments during the reporting period (2024:Nil).

(iii) The Group designated certain listed perpetual bonds (equity investment in nature) issued by big 4 domestic banks at FVOCI (non-recycling), as the investments are not held for trading purposes and are intended to be held for medium to long-term.

(Expressed in Renminbi unless otherwise indicated)

16. Other Investments (Continued)

The movements of the above unlisted equity investments are as follows:

	2025 RMB'million	2024 RMB'million
At 1 January	**122**	99
Total unrealised (losses)/gains recognised in other comprehensive income/(loss)	**(1)**	23
At 31 December	**121**	122

As at the end of the reporting period, the breakdown of financial instruments measured at FVTPL and at amortised cost are as follows:

	2025 RMB'million	2024 RMB'million
Placed with big 4 domestic banks and other reputable and sizeable domestic shareholding commercial banks (and their subsidiaries)	**925**	719
Placed with highly reputable and sizeable foreign-owned banks	**2,609**	4,306
	3,534	5,025

Big 4 domestic banks comprise Industrial and Commercial Bank of China Limited, Agricultural Bank of China Limited, Bank of China Limited and China Construction Bank Corporation.

Other reputable and sizeable domestic shareholding commercial banks are those that possess an investment-grade rating, as determined by external credit rating agencies (if available).

17. Inventories

(a) Inventories in the consolidated statement of financial position comprise:

	2025 RMB'million	2024 RMB'million
Raw materials	**298**	280
Work in progress	**260**	259
Finished goods	**11,594**	10,221
	12,152	10,760

(b) The analysis of the amount of inventories recognised as an expense and charged to profit or loss is as follows:

	2025 RMB'million	2024 RMB'million
Carrying amount of inventories sold	**30,211**	26,926
Write-down/(reversal of write-down) of inventories	**274**	(132)
	30,485	26,794

18. Trade Receivables and Other Current Assets

	2025 RMB'million	2024 RMB'million
Trade receivables	**4,692**	4,515
Less: loss allowance	**(76)**	(52)
	4,616	4,463
Other current assets:		
Other assets in relation to refunds[(i)]	**247**	143
Advance payments to suppliers	**1,006**	910
Deposits and other prepayments	**994**	783
VAT deductible	**529**	486
Others	**968**	440
	3,744	2,762

(i) The Group recognises other assets in relation to refunds, measured with reference to the former carrying amount of the products. Costs to recover the products are not material and the product returned are usually in a saleable condition.

All of the trade receivables and other receivables (net of loss allowance) are expected to be recovered or recognised as expenses within one year.

(Expressed in Renminbi unless otherwise indicated)

18. Trade Receivables and Other Current Assets (Continued)

An ageing analysis of the trade receivables, based on the invoice date, is as follows:

	2025 RMB'million	2024 RMB'million
Current	**4,607**	4,432
Less than 3 months past due	**56**	39
Past due over 3 months	**29**	44
	4,692	4,515

The movement in the loss allowance account for trade receivables during the reporting period is as follows:

	2025 RMB'million	2024 RMB'million
As at 1 January	**52**	26
Impairment loss recognised (note 4)	**24**	26
As at 31 December	**76**	52

The Group normally grants a credit period of 30 to 90 days to its debtors. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 28(a).

19. Cash and Cash Equivalents, Fixed Deposits Held at Banks, Pledged Deposits and Other Cash Flow Information

(a) Cash and cash equivalents, fixed deposits held at banks and pledged deposits comprise:

	2025 RMB'million	2024 RMB'million
Fixed deposits with banks within three months to maturity when placed	**7,772**	6,122
Cash at bank and in hand	**3,909**	2,867
Short-term investments[(i)]	**500**	2,401
Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows	**12,181**	11,390
Fixed deposits with banks with more than three months to maturity when placed		
– Current portion	**24,275**	19,037
– Non-current portion	**17,853**	21,542
Pledged deposits[(ii)]		
– Current portion	**659**	120
– Non-current portion	**53**	122
Total[(iii)]	**55,021**	52,211

(i) The short-term investments comprise national debt reverse repurchase products, being highly liquid debt securities with fixed maturities (within three months from subscription date) and determinable returns, and subject to insignificant risk of changes in value.

(ii) As at 31 December 2025, certain bank deposits have been pledged as security mainly for forward foreign exchange contracts.

(iii) As at 31 December 2025, the balances, deposits and short-term investments that were placed with banks and financial institutions in Chinese Mainland amounted to RMB33,667 million (2024: RMB29,374 million). Remittance of funds out of Chinese Mainland is subject to applicable laws and regulations of foreign exchange control.

As at the end of the reporting period, all balances, deposits and short-term investments were placed with highly reputable and sizeable banks and financial institutions without significant credit risk. The breakdown by placement banks/financial institutions is as follows:

	2025 RMB'million	2024 RMB'million
Big 4 domestic banks and other reputable and sizeable domestic shareholding commercial banks (and their subsidiaries)	**47,755**	41,899
Reputable domestic non-bank financial institutions	**500**	2,401
Highly reputable and sizeable foreign-owned banks	**6,766**	7,911
	55,021	52,211

The breakdown by currencies is as follows:

	2025 RMB'million	2024 RMB'million
Renminbi	**31,428**	27,693
United States Dollars	**19,545**	18,278
Hong Kong Dollars	**2,495**	1,458
Euros	**1,433**	4,642
Others	**120**	140
	55,021	52,211

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(Expressed in Renminbi unless otherwise indicated)

19. Cash and Cash Equivalents, Fixed Deposits Held at Banks, Pledged Deposits and Other Cash Flow Information (Continued)

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans RMB'million	Bills payable (financing in nature) RMB'million	Convertible bonds RMB'million	Medium term notes RMB'million	Lease liabilities RMB'million	Total RMB'million
As at 1 January 2025	**2,431**	**7,500**	**10,379**	**506**	**7,304**	**28,120**
Changes from financing cash flows:						
Drawdowns of new bank loans	335	–	–	–	–	335
Repayments	(1,641)	–	–	(500)	–	(2,141)
Payments of interest expense	(53)	–	–	(14)	–	(67)
Proceeds from bills payable	–	18,406	–	–	–	18,406
Repayments of bills payable	–	(15,100)	–	–	–	(15,100)
Payments of repurchase of 2025 Convertible Bonds	–	–	(427)	–	–	(427)
Payments for issuance of 2029 Convertible Bonds	–	–	(33)	–	–	(33)
Payments of lease liabilities	–	–	–	–	(4,700)	(4,700)
Total changes from financing cash flows	(1,359)	3,306	(460)	(514)	(4,700)	(3,727)
Other changes:						
Increase in lease liabilities from entering into new leases	–	–	–	–	5,539	5,539
Interest expenses	51	94	357	8	334	844
Gain arising from repurchase and cancellation of 2025 Convertible Bonds	–	–	(1)	–	–	(1)
Equity component of 2025 Convertible Bonds	–	–	2	–	–	2
Acquisition of subsidiaries	205	–	–	–	338	543
Foreign currency translation differences	–	–	764	–	(11)	753
Others	–	–	33	–	(342)	(309)
Total other changes	256	94	1,155	8	5,858	7,371
As at 31 December 2025	**1,328**	**10,900**	**11,074**	**–**	**8,462**	**31,764**

19. Cash and Cash Equivalents, Fixed Deposits Held at Banks, Pledged Deposits and Other Cash Flow Information (Continued)

(b) Reconciliation of liabilities arising from financing activities: (Continued)

	Bank loans RMB'million	Bills payable (financing in nature) RMB'million	Convertible bonds RMB'million	Medium term notes RMB'million	Lease liabilities RMB'million	Total RMB'million
As at 1 January 2024	3,573	2,900	7,965	506	6,525	21,469
Changes from financing cash flows:						
Drawdowns of new bank loans	2,210	–	–	–	–	2,210
Repayments	(3,331)	–	–	–	–	(3,331)
Payments of interest expense	(188)	–	–	(14)	–	(202)
Proceeds from bills payable	–	10,000	–	–	–	10,000
Repayments of bills payable	–	(5,400)	–	–	–	(5,400)
Payments of repurchase of 2025 Convertible Bonds	–	–	(7,499)	–	–	(7,499)
Net proceeds from issuance of 2029 Convertible Bonds	–	–	11,667	–	–	11,667
Payments of lease liabilities	–	–	–	–	(4,275)	(4,275)
Total changes from financing cash flows	(1,309)	4,600	4,168	(14)	(4,275)	3,170
Other changes:						
Increase in lease liabilities from entering into new leases	–	–	–	–	5,098	5,098
Interest expenses	98	71	127	14	331	641
Gain arising from repurchase and cancellation of 2025 Convertible Bonds	–	–	(34)	–	–	(34)
Equity component of 2025 Convertible Bonds	–	–	135	–	–	135
Equity component of 2029 Convertible Bonds	–	–	(1,657)	–	–	(1,657)
Foreign currency translation differences	69	–	(292)	–	12	(211)
Others	–	(71)	(33)	–	(387)	(491)
Total other changes	167	–	(1,754)	14	5,054	3,481
As at 31 December 2024	2,431	7,500	10,379	506	7,304	28,120

20. Borrowings

	Note	2025 RMB'million	2024 RMB'million
Current			
Bank loans	(a)	**632**	152
Bills payable (financing in nature)	(b)	**10,900**	7,500
Convertible bonds	(c)	**–**	425
Medium term notes		**–**	506
		11,532	8,583
Non-Current			
Bank loans	(a)	**696**	2,279
Convertible bonds	(c)	**11,074**	9,954
		11,770	12,233
		23,302	20,816

(a) Bank loans

All bank loans were unsecured, denominated in Renminbi and measured at amortised cost.

(b) Bills payable (financing in nature)

Bills payable (financing in nature) were bills of exchange which were denominated in Renminbi, measured at amortised cost and repayable within one year.

(c) Convertible Bonds

(i) 2025 Convertible Bonds

On 5 February 2020, the Group completed the issuance of EUR1.0 billion zero coupon convertible bonds due on 5 February 2025 and the convertible bonds are listed on the Singapore Stock Exchange ("2025 Convertible bonds").

In December 2024, the 2025 Convertible Bonds with an aggregated principal amount of EUR945.5 million (equivalent to RMB7,208 million) were repurchased and cancelled.

In January 2025, the remaining outstanding principal amount of the 2025 Convertible Bonds of EUR54.5 million (equivalent to RMB427 million) were repurchased and cancelled. The difference between the fair value and the carrying amount of the liability component repurchased and cancelled of EUR0.1 million (equivalent to RMB1 million) is recognised in profit or loss. The equity component recognised at initial recognition, and the remainder between the aggregated principal amount at its repurchase price of 100.0% and the fair value of the liability component repurchased and cancelled were reclassified to and recognised in retained profits.

20. Borrowings (Continued)

(c) Convertible Bonds (Continued)

(ii) 2029 Convertible Bonds

On 5 December 2024, the Group completed the issuance of EUR1.5 billion zero coupon convertible bonds due on 5 December 2029 and the convertible bonds are listed on the Singapore Stock Exchange ("2029 Convertible Bonds").

Each 2029 Convertible Bond could, at the option of the holder, be convertible on or after the date which is 41 days after 5 December 2024 up to the date falling 10 days prior to 5 December 2029 into fully paid ordinary Shares. The number of Shares to be issued shall be determined by dividing the principal amount of the 2029 Convertible Bonds to be converted (translated into Hong Kong dollars at the pre-determined fixed rate of HKD8.1541 = EUR1.00 under the terms and conditions of the 2029 Convertible Bonds) by the conversion price in effect on the relevant conversion date.

The outstanding principal amount of the 2029 Convertible Bonds is repayable by the Group upon the maturity of the 2029 Convertible Bonds on 5 December 2029, if not previously redeemed, converted or purchased and cancelled. On 5 December 2027 (the "Optional Put Date"), the holder of each 2029 Convertible Bond will have the right at such holder's option, to require the Group to redeem all or some only of such holder's 2029 Convertible Bonds on the Optional Put Date at the principal amount. The 2029 Convertible Bonds may be redeemed, on giving not less than 30 nor more than 60 days' notice to the bondholders, in whole but not in part, at its option of the Group, at their principal amount on the date specified in the optional redemption notice, if prior to the date the relevant optional redemption notice is given, conversion rights have been exercised and/or purchased (and corresponding cancellations) and/or redemptions effected in respect of 90% or more in aggregate principal amount of the 2029 Convertible Bonds originally issued.

At initial recognition, the liability component is measured at fair value based on the principal payments, discounted at the prevailing market rate of interest for similar non-convertible instruments. The remainder of the proceeds is allocated to the conversion option as the equity component. Transaction costs associated with the issuance of the 2029 Convertible Bonds are allocated to the liability and equity components in proportion to the allocation of proceeds. The liability component is subsequently carried at amortised cost calculated using the effective interest method.

As at 31 December 2025, the total outstanding principal amount of the 2029 Convertible Bonds was EUR1,500 million (equivalent to RMB12,605 million). There had not been any exercise of conversion right of the 2029 Convertible Bonds and no redemption right had been exercised by the bondholders or the Group during the reporting period.

Based on the applicable conversion price of HKD101.13 on that date and assuming full conversion of the 2029 Convertible Bonds, the convertible bonds would be convertible into 120,944,823 conversion shares.

(Expressed in Renminbi unless otherwise indicated)

21. Trade Payables and Other Current Liabilities

	2025 RMB'million	2024 RMB'million
Trade payables	**4,158**	4,332
Other current liabilities:		
Refund liabilities[(i)]	**755**	388
Contract liabilities[(ii)]	**1,220**	1,134
Construction costs payables	**920**	802
VAT and other taxes payables	**908**	834
Accruals	**2,977**	2,630
Others	**3,444**	3,229
	10,224	9,017

(i) The Group recognises a refund liability for the consideration received or receivable of which the Group does not expect to be entitled.

(ii) Revenue that was included in the contract liability balance at the beginning of the reporting period amounting to RMB1,006 million (2024: RMB1,019 million) was recognised in the reporting period.

All of the trade payables and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

An ageing analysis of the trade payables, based on the invoice date, is as follows:

	2025 RMB'million	2024 RMB'million
Within 3 months	**4,104**	4,319
3 months to 6 months	**24**	2
Over 6 months	**30**	11
	4,158	4,332

22. Employee Retirement Benefits

Defined contribution retirement plans

The Chinese Mainland subsidiaries of the Group participate in defined contribution retirement benefit schemes (the "Schemes") organised by the municipal and provincial government authorities whereby the Group is required to make contributions to the Schemes at the applicable rates of the eligible employees' salaries. The local government authority is responsible for the entire pension obligations payable to retired employees.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

23. Equity-Settled Share-Based Payment Transactions

(a) Share option scheme

2023 Share Option Scheme

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting dated 10 May 2023, the Company adopted a share option scheme ("2023 Share Option Scheme"). The 2023 Share Option Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 10 May 2023.

Pursuant to the 2023 Share Option Scheme, the Board shall be entitled at any time at its absolute discretion to select any eligible participant for participation in the 2023 Share Option Scheme as a selected participant and to offer the grant of an option to any selected participant to subscribe at the exercise price for such number of Shares as the Board may determine. Upon exercise of the option and payment of the exercise price by the relevant grantee, the Board shall allot and issue new Shares to the grantee.

No options were granted, exercised, lapsed or cancelled under the 2023 Share Option Scheme during the reporting period. As at 31 December 2025, there were no outstanding options under the 2023 Share Option Scheme.

(b) Share award scheme

2018 Share Award Scheme and 2018 Share Award Scheme (2023 Revision)

The Company adopted a share award scheme ("2018 Share Award Scheme") on 19 October 2018 by a resolution passed by the Board. The 2018 Share Award Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 19 October 2018.

To bring the Company's 2018 Share Award Scheme in line with the new requirements of Chapter 17 of the Listing Rules, on 21 March 2023, the Company amended the 2018 Share Award Scheme such that, from 10 May 2023, only grant of awards involving existing Shares may be made thereunder and no further grant of awards involving new Shares may be made under the revised 2018 Share Award Scheme ("2018 Share Award Scheme (2023 Revision)").

23. Equity-Settled Share-Based Payment Transactions (Continued)

(b) Share award scheme (Continued)

2018 Share Award Scheme and 2018 Share Award Scheme (2023 Revision) (Continued)

Pursuant to the 2018 Share Award Scheme (2023 Revision), the Board may from time to time cause sufficient funds to be paid to the trustee (being appointed for the purpose of the 2018 Share Award Scheme (2023 Revision) and being independent of and not connected with the Company) for purchase of Shares on or off the Hong Kong Stock Exchange. Once purchased, the Shares are to be held by the trustee for the benefit of the grantees and the eligible participants (as applicable). Upon vesting, the trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the trustee for the benefit of the grantees or the eligible participants (as applicable) under the relevant trust on and subject to the terms and conditions of the 2018 Share Award Scheme (2023 Revision) and the related trust deed.

The terms and conditions of the grants of awarded shares are as follows:

	Number of awarded shares '000	Vesting conditions
Awarded Shares granted to directors:		
– on 5 November 2019	1,000	0.5 years to 4.5 years from the date of grant
– on 24 May 2024	100	1 year to 3 years from the date of grant
– on 4 June 2025	1,900	1 year to 3 years from the date of grant
Awarded Shares granted to employees:		
– on 5 November 2019	10,170	0.5 years to 4.5 years from the date of grant
– on 2 November 2020	890	0.5 years to 4.5 years from the date of grant
– on 1 November 2021	849	0.5 years to 4.5 years from the date of grant
– on 4 April 2022	10,295	3 years to 5 years from the date of grant
– on 1 November 2022	226	0.5 years to 4.5 years from the date of grant
– on 1 November 2023	402	0.5 years to 4.5 years from the date of grant
– on 24 May 2024	3,541	1 year to 3 years from the date of grant
– on 12 November 2024	31	0.5 years to 4.5 years from the date of grant
– on 4 June 2025	8,547	1 year to 3 years from the date of grant
Total awarded Shares	**37,951**	

The fair value per awarded Share granted on 4 June 2025 was HKD95.60, which was measured based on the market price of the Company's Shares at closing. No expected dividends were incorporated into the measurement of fair value.

During the reporting period, no Shares (2024: 13,281,800 Shares) were purchased on the Hong Kong Stock Exchange, and no new Shares (2024: Nil) were subscribed, by the trustee of the 2018 Share Award Scheme (2023 Revision). Total consideration paid for the said purchases during the reporting period, including all relevant expenses, were nil (2024: RMB1,007 million).

As at 31 December 2025, the trustee of the 2018 Share Award Scheme (2023 Revision) held a total of 26,153,713 Shares (31 December 2024: 31,684,421 Shares).

23. Equity-Settled Share-Based Payment Transactions (Continued)

(b) Share award scheme (Continued)

2018 Share Award Scheme and 2018 Share Award Scheme (2023 Revision) (Continued)

During the reporting period, 5,530,708 awarded Shares (2024: 2,769,681) with a total amount of RMB74 million (2024: RMB162 million) were vested, resulting in the transfer out of RMB449 million (2024: RMB203 million) from the share-based compensation reserve, with the difference of RMB375 million (2024: RMB41 million) credited to share premium account. 1,678,798 awarded Shares were lapsed during the reporting period (2024: 926,496).

As at 31 December 2025, the total number of awarded Shares granted but not vested (subject to certain vesting conditions) under 2018 Share Award Scheme (2023 Revision) was 15,204,253 (2024: 11,966,401).

2023 Share Award Scheme

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting dated 10 May 2023, the Company adopted a share award scheme ("2023 Share Award Scheme") pursuant to which only grant of awards involving new Shares may be made. The 2023 Share Award Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 10 May 2023.

Pursuant to the 2023 Share Award Scheme, the Board may from time to time cause sufficient funds to be paid to the trustee (being appointed for the purpose of the 2023 Share Award Scheme and being independent of and not connected with the Company) for subscription of Shares at their nominal value. Once subscribed, the Shares are to be held by the trustee for the benefit of the grantees and the eligible participants (as applicable). Upon vesting, the trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the trustee for the benefit of the grantees or the eligible participants (as applicable) under the relevant trust on and subject to the terms and conditions of the 2023 Share Award Scheme and the related trust deed.

During the reporting period, no new Shares were subscribed by the trustee of the 2023 Share Award Scheme (2024: Nil).

As at 31 December 2025, no Shares were held by the trustee of the 2023 Share Award Scheme (2024: Nil).

No awarded Shares were granted, vested, lapsed or cancelled under the 2023 Share Award Scheme during the reporting period (2024: Nil). As at 31 December 2025, there were no unvested awarded Shares under the 2023 Share Award Scheme (2024: Nil).

(Expressed in Renminbi unless otherwise indicated)

24. Taxation in the Consolidated Statement of Financial Position

(a) Current taxation in the consolidated statement of financial position

Current taxation in the consolidated statement of financial position represents provisions for PRC Corporate Income Tax of RMB3,656 million (2024: RMB3,378 million) and income taxes in other tax jurisdictions of RMB42 million (2024: RMB8 million).

(b) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the reporting period are as follows:

	Dividend withholding tax RMB'million	Right-of-use assets RMB'million	Other deferred tax liabilities RMB'million	Accruals RMB'million	Lease liabilities RMB'million	Other deferred tax assets RMB'million	Total RMB'million
As at 1 January 2024	753	1,484	102	(393)	(1,604)	(854)	(512)
Charged/(credited) to profit or loss	731	115	(23)	(11)	(143)	(227)	442
Released upon distribution of dividends	(638)	–	–	–	–	–	(638)
As at 31 December 2024 and 1 January 2025	**846**	**1,599**	**79**	**(404)**	**(1,747)**	**(1,081)**	**(708)**
Charged/(credited) to profit or loss	**857**	**311**	**23**	**15**	**(308)**	**(218)**	**680**
Released upon distribution of dividends	**(419)**	**–**	**–**	**–**	**–**	**–**	**(419)**
Acquisition of subsidiaries	**–**	**–**	**596**	**–**	**–**	**(101)**	**495**
Foreign currency translation differences	**–**	**–**	**2**	**–**	**–**	**1**	**3**
As at 31 December 2025	**1,284**	**1,910**	**700**	**(389)**	**(2,055)**	**(1,399)**	**51**

(ii) Reconciliation to the consolidated statement of financial position

	2025 RMB'million	2024 RMB'million
Amount recognised in the consolidated statement of financial position:		
– Deferred tax assets	**(1,933)**	(1,633)
– Deferred tax liabilities	**1,984**	925
	51	(708)

(c) Deferred tax assets not recognised

As at 31 December 2025, certain subsidiaries of the Group have not recognised deferred tax assets in respect of cumulative tax losses carried forward of RMB1,339 million (2024: RMB834 million) of which RMB769 million (2024: RMB592 million) will expire within 5 years under the current tax legislation. These cumulative tax losses have not been recognised as a deferred tax asset as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

24. Taxation in the Consolidated Statement of Financial Position (Continued)

(d) Deferred tax liabilities not recognised

As at 31 December 2025, temporary differences relating to the undistributed profits of certain subsidiaries of the Group in Chinese Mainland amounted to RMB15,172 million (2024: RMB14,621 million). Deferred tax liabilities of RMB755 million (2024: RMB727 million) have not been recognised in respect of the withholding tax that would be payable on the distribution of these retained profits, as the Company controls the dividend policy of these subsidiaries in Chinese Mainland and the Company has determined that these profits are not likely to be distributed in the foreseeable future.

25. Share Capital

	Par value HKD	Number of Shares '000	Nominal value of ordinary shares HKD'million
Authorised:			
Ordinary shares			
As at 31 December 2024 and 2025	**0.10**	**5,000,000**	**500**

Movements in the Company's issued share capital are as follows:

	Par value	Number of Shares	Nominal value of ordinary shares	
	HKD	'000	HKD'million	RMB'million
Issued and fully paid:				
As at 1 January 2024	0.10	2,832,624	283	272
Repurchase and cancellation of shares (note 26(g))	0.10	(9,400)	(1)	(1)
As at 31 December 2024 and 1 January 2025	**0.10**	**2,823,224**	**282**	**271**
Repurchase and cancellation of shares (note 26(g))	**0.10**	**(26,571)**	**(2)**	**(2)**
As at 31 December 2025	**0.10**	**2,796,653**	**280**	**269**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes to the Financial Statements

(Expressed in Renminbi unless otherwise indicated)

26. Reserves

The Group

	Note	Shares held for share award scheme RMB'million Note 23(b)	Share premium RMB'million Note 26(a)	Capital reserve RMB'million Note 26(b)	Statutory reserve RMB'million Note 26(c)	Fair value reserve (non-recycling) RMB'million Note 26(d)	Exchange reserve RMB'million Note 26(e)	Share-based compensation reserve RMB'million Note 26(f)	Shares proposed for cancellation RMB'million Note 26(g)	Convertible bonds related reserve RMB'million	Share of reserves of a joint venture/ associates RMB'million	Retained profits RMB'million	Total RMB'million
Balances as at 1 January 2024		(630)	15,188	176	2,021	4	535	536	-	463	(14)	32,909	51,188
Changes in equity for 2024:													
– Profit for the year		-	-	-	-	-	-	-	-	-	-	15,596	15,596
– Other comprehensive income/(loss) for the year		-	-	-	-	66	1,383	-	-	-	(365)	-	1,084
Total comprehensive income for the year		-	-	-	-	66	1,383	-	-	-	(365)	15,596	16,680
Dividends approved in respect of the previous year	27(b)	-	-	-	-	-	-	-	-	-	-	(3,044)	(3,044)
Dividends declared in respect of the current year	27(a)	-	-	-	-	-	-	-	-	-	-	(3,028)	(3,028)
Repurchase and cancellation of shares	26(g)	-	-	-	-	-	-	-	(519)	-	-	(690)	(1,209)
Share purchased under share award scheme	23(b)	(1,007)	-	-	-	-	-	-	-	-	-	-	(1,007)
Equity-settled share-based payment transactions	26(f)	-	-	-	-	-	-	275	-	-	-	-	275
Vesting of awarded shares of share award scheme	23(b)	162	41	-	-	-	-	(203)	-	-	-	-	-
Repurchase and cancellation of 2025 Convertible Bonds	20(c)(i)	-	-	-	-	-	-	-	-	(437)	-	302	(135)
Issuance of 2029 Convertible Bonds	20(c)(ii)	-	-	-	-	-	-	-	-	1,657	-	-	1,657
Share of other reserves of a joint venture		-	-	-	-	-	-	-	-	-	2	-	2
Share of other reserves of an associate	15	-	-	-	-	-	-	-	-	-	248	-	248
Reclassification of relevant reserves arising from equity dilution under the Amer Sports Listing		-	-	-	-	-	(120)	-	-	-	(30)	23	(127)
Reclassification of relevant reserves arising from equity dilution under the Amer Sports Placing	15	-	-	-	-	-	(59)	-	-	-	(15)	7	(67)
Reclassification of exchange reserve		-	-	-	-	-	3	-	-	-	-	(3)	-
Appropriation to statutory reserve	26(c)	-	-	-	124	-	-	-	-	-	-	(124)	-
Acquisition of partial interests in a subsidiary		-	-	-	-	-	-	-	-	-	-	25	25
Balances as at 31 December 2024 and 1 January 2025		**(1,475)**	**15,229**	**176**	**2,145**	**70**	**1,742**	**608**	**(519)**	**1,683**	**(174)**	**41,973**	**61,458**
Changes in equity for 2025:													
– Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13,588**	**13,588**
– Other comprehensive income/(loss) for the year		**-**	**-**	**-**	**-**	**174**	**(2,887)**	**-**	**-**	**-**	**863**	**-**	**(1,850)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**174**	**(2,887)**	**-**	**-**	**-**	**863**	**13,588**	**11,738**
Dividends approved in respect of the previous year	27(b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,043)**	**(3,043)**
Dividends declared in respect of the current year	27(a)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,542)**	**(3,542)**
Repurchase and cancellation of shares	26(g)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**519**	**-**	**-**	**(2,103)**	**(1,584)**
Equity-settled share-based payment transactions	26(f)	**-**	**-**	**-**	**-**	**-**	**-**	**324**	**-**	**-**	**-**	**-**	**324**
Vesting of awarded shares of share award scheme	23(b)	**74**	**375**	**-**	**-**	**-**	**-**	**(449)**	**-**	**-**	**-**	**-**	**-**
Repurchase and cancellation of 2025 Convertible Bonds	20(c)(i)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(26)**	**-**	**26**	**-**
Share of other reserves of associates	15	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**163**	**-**	**163**
Appropriation to statutory reserve	26(c)	**-**	**-**	**-**	**137**	**-**	**-**	**-**	**-**	**-**	**-**	**(137)**	**-**
Acquisition of partial interests in a subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Disposal of equity investments measured at FVOCI		**-**	**-**	**-**	**-**	**(7)**	**-**	**-**	**-**	**-**	**-**	**7**	**-**
Balances as at 31 December 2025		**(1,401)**	**15,604**	**176**	**2,282**	**237**	**(1,145)**	**483**	**-**	**1,657**	**852**	**46,768**	**65,513**

26. Reserves (Continued)

The Company

	Note	Shares held for share award scheme RMB'million Note 23(b)	Share premium RMB'million Note 26(a)	Fair value reserve (non-recycling) RMB'million Note 26(d)	Exchange reserve RMB'million Note 26(e)	Share-based compensation reserve RMB'million Note 26(f)	Shares proposed for cancellation RMB'million Note 26(g)	Convertible bonds related reserve RMB'million	Retained profits RMB'million	Total reserves RMB'million
Balances as at 1 January 2024		(630)	15,188	–	501	536	–	463	19,878	35,936
Changes in equity for 2024:										
– Profit for the year		–	–	–	–	–	–	–	13,120	13,120
– Other comprehensive income for the year		–	–	–	715	–	–	–	–	715
Total comprehensive income for the year		–	–	–	715	–	–	–	13,120	13,835
Dividends approved in respect of the previous year	27(b)	–	–	–	–	–	–	–	(3,044)	(3,044)
Dividends declared in respect of the current year	27(a)	–	–	–	–	–	–	–	(3,028)	(3,028)
Repurchase and cancellation of shares	26(g)	–	–	–	–	–	(519)	–	(690)	(1,209)
Shares purchased under share award scheme	23(b)	(1,007)	–	–	–	–	–	–	–	(1,007)
Equity-settled share-based payment transactions	26(f)	–	–	–	–	275	–	–	–	275
Vesting of awarded shares of share award scheme	23(b)	162	41	–	–	(203)	–	–	–	–
Repurchase and cancellation of 2025 Convertible Bonds	20(c)(i)	–	–	–	–	–	–	(437)	302	(135)
Issuance of 2029 Convertible Bonds	20(c)(ii)	–	–	–	–	–	–	1,657	–	1,657
Balances as at 31 December 2024 and 1 January 2025		**(1,475)**	**15,229**	**–**	**1,216**	**608**	**(519)**	**1,683**	**26,538**	**43,280**
Changes in equity for 2025:										
– Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**8,102**	**8,102**
– Other comprehensive income/(loss) for the year		**–**	**–**	**141**	**(1,216)**	**–**	**–**	**–**	**–**	**(1,075)**
Total comprehensive income for the year		**–**	**–**	**141**	**(1,216)**	**–**	**–**	**–**	**8,102**	**7,027**
Dividends approved in respect of the previous year	27(b)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,043)**	**(3,043)**
Dividends declared in respect of the current year	27(a)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,542)**	**(3,542)**
Repurchase and cancellation of shares	26(g)	**–**	**–**	**–**	**–**	**–**	**519**	**–**	**(2,103)**	**(1,584)**
Equity-settled share-based payment transactions	26(f)	**–**	**–**	**–**	**–**	**324**	**–**	**–**	**–**	**324**
Vesting of awarded shares of share award scheme	23(b)	**74**	**375**	**–**	**–**	**(449)**	**–**	**–**	**–**	**–**
Repurchase and cancellation of 2025 Convertible Bonds	20(c)(i)	**–**	**–**	**–**	**–**	**–**	**–**	**(26)**	**26**	**–**
Balances as at 31 December 2025		**(1,401)**	**15,604**	**141**	**–**	**483**	**–**	**1,657**	**25,978**	**42,462**

26. Reserves (Continued)

(a) Share premium and distributability of reserves

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

The aggregate amount of distributable reserves, comprising share premium and retained profits, of the Company as at 31 December 2025 was HKD45,977 million (2024: HKD45,918 million), equivalent to RMB41,582 million (2024: RMB41,767 million).

(b) Capital reserve

Pursuant to the reorganisation of the Group prior to the listing of the Company on the Main Board of the Hong Kong Stock Exchange, Anta Enterprise Group Limited ("Anta Enterprise") entered into a deed of assignment with the controlling shareholders of the Company whereby advances from the controlling shareholders to ANTA Investment Limited (formerly known as Anda International Investment Limited) totalling HKD144 million (equivalent to RMB141 million) were assigned to Anta Enterprise at a consideration of HKD1.0. This assignment of debt was reflected as a reduction in the advances from the controlling shareholders and a corresponding increase in the capital reserve during 2007.

On 26 July 2017, the non-controlling shareholders of Full Prospect Sports Limited ("Full Prospect"), a subsidiary of the Group, requested to convert all its class B shares of Full Prospect to ordinary shares in accordance with the articles of Full Prospect. The long-term payable to non-controlling interests related to the class B shares was therefore derecognised. Such derecognition was reflected as a corresponding increase in capital reserve (amounting to RMB35 million) and non-controlling interest.

(c) Statutory reserve

Pursuant to applicable PRC regulations, Chinese Mainland subsidiaries are required to appropriate 10% of their profit after tax (after offsetting prior years' losses) to the reserve until such reserve reaches 50% of the registered capital. The transfer to the reserve must be made before distribution of dividends to shareholders. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase paid-in capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(d) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity instruments designated at FVOCI under IFRS/HKFRS 9, *Financial Instruments* that are held at the end of the reporting period.

(e) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Group entities presented in other currencies to Renminbi.

(f) Share-based compensation reserve

Share-based compensation reserve represents the fair value of employee services in respect of exercisable share options and awarded shares granted to certain directors of the Company and employees of the Group.

(g) Shares proposed for cancellation

During the reporting period, the Company repurchased 19,664,200 (2024: 16,306,000) of its own ordinary shares on the Hong Kong Stock Exchange. The shares were repurchased at prices ranging from HKD74.25 to HKD95.90 per share (2024: HKD73.55 to HKD80.00 per share), with a weighted average price of HKD85.67 per share (2024: HKD78.28 per share). All shares repurchased have been cancelled during the reporting period (2024: 6,906,000 Shares not yet cancelled).

26. Reserves (Continued)

(h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure in the light of changes in economic conditions so as to maintain a sound capital position. Total capital is defined as the total equity attributable to equity shareholders of the Company in the consolidated statement of financial position.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

27. Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the current financial year

	2025 **RMB'million**	2024 RMB'million
Interim dividend declared and paid of HK137 cents per ordinary share (2024: HK118 cents per ordinary share)	**3,542**	3,028
Final dividend recommended after the end of the reporting period of HK108 cents per ordinary share (2024: HK118 cents per ordinary share)	**2,657**	3,043
	6,199	6,071

The final dividend recommended after the end of the reporting period has not been recognised as liabilities as at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year

	2025 **RMB'million**	2024 RMB'million
Final dividend in respect of the year ended 31 December 2024, approved and paid during the financial year, of HK118 cents per ordinary share (2023: HK115 cents per ordinary share)	**3,043**	3,044

28. Financial Risk Management and Fair Values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables.

The Group's exposure to credit risk arising from listed and unlisted debt securities measured at amortised cost, derivative financial instruments, pledged deposits, bank deposits and cash and cash equivalents are limited because the counterparties are either highly reputable and sizeable banks and financial institutions for which the Group considers to have low credit risk. The Group's exposure to credit risk arising from refundable rental deposits are considered to be low, given all rental arrangements were entered with landlords without significant credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. The Group does not provide any guarantees which would expose the Group to credit risk.

In respect of trade receivables, the Group has established a credit risk management policy under which individual credit evaluations are performed on all debtors requiring credit over a certain amount. These evaluations focus on the debtor's past history of making payments when due and current ability to pay, and take into account information specific to the debtor as well as pertaining to the economic environment in which the debtor operates. Normally, the Group does not obtain collateral from debtors.

The Group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each debtor rather than the industry or country in which the debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual debtors. At the end of the reporting period, 7% (2024: 7%) and 22% (2024: 21%) of the total trade receivables were due from the Group's largest debtor and the five largest debtors respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"), which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different debtor segments, the loss allowance based on past due status is not further distinguished between the Group's different debtor bases.

28. Financial Risk Management and Fair Values (Continued)

(a) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	2025					
	Expected loss rate	Gross carrying amount excluding specific debtor(s) RMB'million	Loss allowance excluding specific debtor(s) RMB'million	Gross carrying amount of specific debtor(s) RMB'million	Loss allowance of specific debtor(s) RMB'million	Total loss allowance RMB'million
Current	**0.64%**	**4,607**	**(30)**	**–**	**–**	**(30)**
Less than 3 months past due	**51.51%**	**55**	**(29)**	**1**	**(1)**	**(30)**
Past due over 3 months	**62.48%**	**18**	**(11)**	**11**	**(5)**	**(16)**
		4,680	**(70)**	**12**	**(6)**	**(76)**

	2024					
	Expected loss rate	Gross carrying amount excluding specific debtor(s) RMB'million	Loss allowance excluding specific debtor(s) RMB'million	Gross carrying amount of specific debtor(s) RMB'million	Loss allowance of specific debtor(s) RMB'million	Total loss allowance RMB'million
Current	0.31%	4,432	(14)	–	–	(14)
Less than 3 months past due	30.28%	39	(12)	–	–	(12)
Past due over 3 months	49.86%	36	(18)	8	(8)	(26)
		4,507	(44)	8	(8)	(52)

The Group keeps assessing the expected loss rates based on the Group's historical credit loss experience over the past years, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period over the expected lives of the receivables.

(b) Liquidity risk

The Group's policy is to actively and regularly monitor its liquidity requirements and its compliance with lending covenants, and its relationship with finance providers, to ensure that it maintains sufficient reserves of cash and readily realisable short-term investments of cash surplus and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long-term.

(Expressed in Renminbi unless otherwise indicated)

28. Financial Risk Management and Fair Values (Continued)

(b) Liquidity risk (Continued)

The following table details the remaining contractual maturities as at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial instruments, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the date the Group is contractually required to pay, or if the counterparty has the choice of when the amount should be paid (irrespective of the fulfilment of covenants), the earliest date the Group can be required to pay:

	Contractual undiscounted cash outflows					Carrying amount on consolidated statement of financial position
	Within 1 year or on demand RMB'million	More than 1 year but less than 2 years RMB'million	More than 2 years but less than 5 years RMB'million	More than 5 years RMB'million	Total RMB'million	RMB'million
As at 31 December 2025						
Non-derivative financial liabilities:						
Bank loans	**651**	**606**	**97**	**–**	**1,354**	**1,328**
Bills payable (financing in nature)	**10,900**	**–**	**–**	**–**	**10,900**	**10,900**
Convertible bonds[(i)]	**–**	**12,605**	**–**	**–**	**12,605**	**11,074**
Trade payables	**4,158**	**–**	**–**	**–**	**4,158**	**4,158**
Other payables	**9,469**	**–**	**–**	**3**	**9,472**	**9,472**
Lease liabilities	**3,852**	**2,486**	**2,325**	**312**	**8,975**	**8,462**
Amounts due to related parties	**59**	**–**	**–**	**–**	**59**	**59**
	29,089	**15,697**	**2,422**	**315**	**47,523**	**45,453**
Derivative financial instruments:						
Forward foreign exchange contracts						
– outflow	**(2,673)**	**–**	**–**	**–**	**(2,673)**	**N/A**
– inflow	**2,649**	**–**	**–**	**–**	**2,649**	**N/A**
As at 31 December 2024						
Non-derivative financial liabilities:						
Bank loans	207	1,219	1,098	–	2,524	2,431
Bills payable (financing in nature)	7,500	–	–	–	7,500	7,500
Convertible bonds	425	–	11,710	–	12,135	10,379
Medium term notes	513	–	–	–	513	506
Trade payables	4,332	–	–	–	4,332	4,332
Other payables	8,629	–	–	–	8,629	8,629
Lease liabilities	3,425	2,169	2,021	214	7,829	7,304
Amounts due to related parties	96	–	–	–	96	96
	25,127	3,388	14,829	214	43,558	41,177
Derivative financial instruments:						
Forward foreign exchange contracts						
– outflow	(614)	(467)	–	–	(1,081)	N/A
– inflow	646	499	–	–	1,145	N/A

(i) As set out in note 20(c)(ii), the holder of each 2029 Convertible Bond will have the right at such holder's option to require the Group to redeem all or some only of such holder's convertible bonds on 5 December 2027 at their principal amount. Accordingly, the contractual undiscounted cash outflow due to the redemption of the convertible bonds by the holder's put option was more than 1 year but less than 2 years at the end of the reporting period.

28. Financial Risk Management and Fair Values (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arose primarily from floating rate bank loans. All of the bank deposits and borrowings of the Group are fixed rate instruments and are insensitive to any change in market interest rates, other than repricing risk at maturity.

The Group actively and regularly monitors the interest rate fluctuation to ensure that its net exposure is kept to an acceptable level.

Interest rate profile

The following table details the interest rate profile of the Group's bank loans as at the end of the reporting period:

	2025		2024	
	Effective interest rate	**RMB'million**	Effective interest rate	RMB'million
Fixed rate portion:				
Bank loans	**2.11%**	**30**	2.45%–2.60%	640
Variable rate portion:				
Bank loans	**1.50%–2.20%**	**1,298**	2.10%–2.60%	1,791
Total		**1,328**		2,431
Fixed rate portion as a percentage of total bank loans		**2%**		26%

28. Financial Risk Management and Fair Values (Continued)

(d) Currency risk

The Group is exposed to currency risk primarily through contractual obligations, bank deposits, borrowings and other investments that are denominated in a foreign currency i.e. a currency other than the functional currency of the operations to which the transactions relate.

The Group actively and regularly monitors foreign exchange rate fluctuations to ensure that its net exposure is kept to an acceptable level.

(i) Exposure to currency risk

The following table details the Group's major exposure as at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded in below table.

	Exposure to foreign currencies (expressed in Renminbi)							
	2025				2024			
	Renminbi RMB'million	**Hong Kong Dollars RMB'million**	**United States Dollars RMB'million**	**Euros RMB'million**	Renminbi RMB'million	Hong Kong Dollars RMB'million	United States Dollars RMB'million	Euros RMB'million
Cash and cash equivalents	**70**	**175**	**187**	**678**	61	71	57	5
Fixed deposits with banks with more than three months to maturity when placed	**–**	**1,232**	**180**	**362**	–	62	–	801
Pledged deposits	**–**	**466**	**–**	**136**	–	–	–	240
Other investments	**–**	**–**	**–**	**–**	150	–	–	–
Trade receivables	**–**	**6**	**4**	**–**	–	5	22	–
Other receivables	**1**	**7**	**15**	**8**	1	14	19	7
Amounts due from related parties	**–**	**–**	**28**	**–**	–	–	18	–
Amounts due from group companies	**1,619**	**57**	**652**	**537**	1,850	801	476	5
Medium term notes	**–**	**–**	**–**	**–**	(506)	–	–	–
Trade payables	**–**	**–**	**(337)**	**(1)**	–	–	(216)	(2)
Other payables	**(7)**	**(28)**	**(413)**	**(6)**	(4)	(29)	(361)	(1)
Amounts due to group companies	**(1,398)**	**(518)**	**(999)**	**(541)**	(1,030)	(101)	(696)	(6)
Amounts due to related parties	**–**	**–**	**(30)**	**–**	–	–	(73)	–
Net exposure to currency risk	**285**	**1,397**	**(713)**	**1,173**	522	823	(754)	1,049

28. Financial Risk Management and Fair Values (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous changes in the Group's profit after taxation (and retained profits) and other components of consolidated equity that would arise if the foreign exchange rates to which the Group has significant foreign exchange exposure as at the end of the reporting period had changed, assuming all other risk variables remained constant.

	2025			2024		
	Increase/ (decrease) in foreign exchange rates in %	**Effect on profit after taxation and retained profits RMB'million**	**Effect on other components of equity RMB'million**	Increase/ (decrease) in foreign exchange rates in %	Effect on profit after taxation and retained profits RMB'million	Effect on other components of equity RMB'million
Renminbi	**5** **(5)**	**25** **(25)**	**(25)** **25**	5 (5)	33 (33)	(33) 33
Hong Kong Dollars	**5** **(5)**	**48** **(48)**	**54** **(54)**	5 (5)	39 (39)	2 (2)
United States Dollars	**5** **(5)**	**(24)** **24**	**1,187** **(1,187)**	5 (5)	(29) 29	1,264 (1,264)
Euros	**5** **(5)**	**45** **(45)**	**(476)** **476**	5 (5)	44 (44)	(341) 341

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after taxation (and retained profits) and other components of consolidated equity measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling as at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk as at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis is performed on the same basis for 2024.

(e) Fair values measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS/HKFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

(Expressed in Renminbi unless otherwise indicated)

28. Financial Risk Management and Fair Values (Continued)

(e) Fair values measurement (Continued)

(i) ***Financial assets and liabilities measured at fair value*** (Continued)

Fair value hierarchy (Continued)

	Total RMB'million	Fair value measurements as at 31 December 2025 categorised into Level 1 RMB'million	Level 2 RMB'million	Level 3 RMB'million
Recurring fair value measurements				
Financial assets:				
Equity instruments:				
– Unlisted equity investments	**121**	**–**	**–**	**121**
– Listed equity investments	**1,287**	**1,287**	**–**	**–**
– Listed perpetual bonds	**1,406**	**1,406**	**–**	**–**
Debt securities:				
– Unlisted debt securities	**2,406**	**–**	**2,406**	**–**
Derivative financial instruments:				
– Forward foreign exchange contracts	**25**	**–**	**25**	**–**
Financial liabilities:				
Derivative financial instruments:				
– Forward foreign exchange contracts	**(23)**	**–**	**(23)**	**–**

	Total RMB'million	Fair value measurements as at 31 December 2024 categorised into Level 1 RMB'million	Level 2 RMB'million	Level 3 RMB'million
Recurring fair value measurements				
Financial assets:				
Equity instruments:				
– Unlisted equity investments	122	–	–	122
– Listed perpetual bonds	1,886	1,886	–	–
Debt securities:				
– Unlisted debt securities	3,422	–	3,422	–
Derivative financial instruments:				
– Forward foreign exchange contracts	52	–	52	–

During the financial years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of financial assets in Level 2 is determined by discounting the expected future cash flows at prevailing market interest rate as at the end of the reporting period and reflected both the time value and the intrinsic value, taking into account the terms and conditions of the contracts.

Information about Level 3 fair value measurements

The fair values of the unlisted equity investments are determined by using the adjusted net assets value method, with unobservable inputs of net assets value. The fair value measurements are positively correlated to the net assets value.

28. Financial Risk Management and Fair Values (Continued)

(e) Fair values measurement (Continued)

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of all financial assets and liabilities measured at amortised cost are not materially different from their fair values as at 31 December 2025 and 2024.

29. Capital Commitments

Capital commitments outstanding as at 31 December 2025 not provided for in the financial statements were as follows:

	2025 RMB'million	2024 RMB'million
Contracted for		
– Property, plant and equipment	**3,042**	4,392
– Intangible assets	**4**	124
	3,046	4,516
Authorised but not contracted for		
– Property, plant and equipment	**6,350**	233
– Intangible assets	**175**	109
	6,525	342
	9,571	4,858

30. Material Related Party Transactions

In addition to the transactions disclosed in note 31, during the reporting period the Group entered into the following transactions with related parties:

(a) Transactions with related parties

	2025 RMB'million	2024 RMB'million
Recurring transactions		
Purchases of raw materials		
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	**91**	96
Service fee expenses		
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	**55**	29
Sales of goods of OEM business		
– Amer Sports, Inc. and its subsidiaries	**327**	196
Purchase of finished goods		
– Amer Sports, Inc. and its subsidiaries	**292**	225
Service income		
– Amer Sports, Inc. and its subsidiaries	**37**	30

(Expressed in Renminbi unless otherwise indicated)

30. Material Related Party Transactions (Continued)

(a) Transactions with related parties (Continued)

The above recurring related party transactions were in the ordinary and usual course of business of the Group, on normal commercial terms or better, and fair and reasonable.

The above recurring related party transactions with directors and their associates also fall under the definition of continuing connected transactions in Chapter 14A of the Listing Rules. The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

(b) Balances with related parties

	2025 RMB'million	2024 RMB'million
Amounts due from related parties		
Other balance		
– Amer Sports, Inc. and its subsidiaries	**106**	81
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	**3**	–
	109	81
Amounts due to related parties		
Trade balance		
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	**16**	21
– Amer Sports, Inc. and its subsidiaries	**33**	74
Other balances		
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	**10**	1
	59	96

The amounts due to related parties are unsecured, interest-free and are expected to be paid within one year.

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's executive directors, was as follows:

	2025 RMB'million	2024 RMB'million
Short-term employee benefits	**15**	15
Equity-settled share-based payment transactions	**36**	5
	51	20

The total remuneration is included in "staff costs" (see note 4(a)).

31. Acquisition of Subsidiaries

Acquisition of JACK WOLFSKIN Business

On 10 April 2025, an indirect wholly owned subsidiary (the "Purchaser") of the Company entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Topgolf Callaway Brands Corp. (the "Seller") in relation to the sale and purchase of equity interests in Callaway Germany Holdco GmbH (the "Target Company").

Pursuant to the Sale and Purchase Agreement, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 100% equity interests in the Target Company (the "Acquisition") for a base price of USD290 million in cash, subject to net working capital and other customary adjustments. On 31 May 2025, the Acquisition was completed and the Target Company (together with its subsidiaries, the "Target Group") has become indirect wholly-owned subsidiaries of the Group.

The Target Company was incorporated in Idstein, Germany and operates the "JACK WOLFSKIN" business, one of the world's leading specialists in outdoor apparel, footwear and equipment, in Europe, particularly Germany, and in target markets worldwide. The Group believes that the Acquisition aligns with the Group's global expansion strategy and presents opportunities to further strengthen and to grow the Group's outdoor sports segment.

Details of recognised amounts of identifiable assets acquired and liabilities assumed, goodwill, consideration and net cash outflow are as follows:

	RMB'million
Recognised amount of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	**73**
Right-of-use assets	**560**
Construction in progress	**5**
Other non-current assets	**43**
Intangible assets	**1,949**
Deferred tax assets	**62**
Inventories	**514**
Trade receivables	**133**
Other current assets	**115**
Pledged deposits	**160**
Cash and cash equivalents	**304**
Trade payables	**(160)**
Other current liabilities	**(374)**
Lease liabilities	**(549)**
Current taxation	**(32)**
Other non-current liabilities	**(2)**
Deferred tax liabilities	**(596)**
Total net identifiable assets	**2,205**
Goodwill	**269**
Consideration	**2,474**
Net cash outflow:	
Consideration	**2,474**
Cash and cash equivalents acquired	**(304)**
Net cash outflow	**2,170**

31. Acquisition of Subsidiaries (Continued)

Acquisition of JACK WOLFSKIN Business(Continued)

Goodwill arose in the Acquisition is mainly attributable to the potential synergies in supply chain, product development, retail operation and other areas from integrating the Target Group into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purpose.

The Group incurred acquisition-related costs of approximately RMB32 million relating to external legal fees and due diligence costs. These costs have been included in 'administrative expenses' in the consolidated statement of profit or loss and other comprehensive income.

With the completion of the Acquisition on 31 May 2025, for the seven months ended 31 December 2025, the Target Group contributed revenue of RMB1,146 million and loss of RMB302 million to the Group's results. If the Acquisition had occurred on 1 January 2025, management estimates that consolidated revenue would have been RMB80,938 million and consolidated profit for the year would have been RMB15,571 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of the Acquisition would have been the same if the Acquisition had occurred on 1 January 2025.

On 27 August 2025, Anca Holding Limited (a special purpose vehicle for the holding of the "JACK WOLFSKIN" business, the "Anca Holding") entered into the share subscription agreements (the "Share Subscription Agreements") with each of Wise Source Global Limited ("Wise Source") and Reward Grand Holdings Limited ("Reward Grand"), respectively, pursuant to which Wise Source and Reward Grand conditionally agreed to subscribe for, and Anca Holding conditionally agreed to allot and issue, an aggregate of 2,500 new ordinary shares (the "Subscription Shares") for the cost of the Acquisition (collectively, the subscriptions of the Subscription Shares by Wise Source and Reward Grand pursuant to the Share Subscription Agreements, each a "Subscription").

Upon completion of the Subscriptions, the Company's indirect beneficial interest in Anca Holding held by the Company will be diluted from 100% to 80% as the total issued shares of Anca Holding is enlarged by the issue of the Subscription Shares. As such, the Subscriptions constitute a deemed disposal of 20% equity interest in Anca Holding held by the Company.

For further details, please refer to the announcement of the Company dated on 27 August 2025.

32. Non-adjusting Events after the Reporting Period

(a) After the end of the reporting period, the board of directors of the Company recommended a final dividend of HK108 cents per share. Further details are disclosed in note 27.

(b) On 26 January 2026, the Company entered into a share purchase agreement with Artémis (the "Seller"), pursuant to which the Company has conditionally agreed to purchase, and the Seller has conditionally agreed to sell, a total of 43,014,760 ordinary shares of the PUMA SE (representing approximately 29.06% of the entire issued share capital of PUMA SE as of 26 January 2026) at a consideration of EUR35 per ordinary share, amounting to EUR1,505,516,600 in aggregate (exclusive of tax) (equivalent to approximately RMB12,277,638,425). For further details, please refer to the announcement of the Company dated on 26 January 2026.

32. Non-adjusting Events after the Reporting Period (Continued)

(c) On 2 March 2026, Amer Sports, Inc. filed a registration statement with the U.S. Securities and Exchange Commission for a public offering of its ordinary shares on the New York Stock Exchange ("Amer Sports Placing 2026").

On 4 March 2026, the Company was informed by Amer Sports, Inc. that the Amer Sports Placing 2026 had been completed and was effective immediately. Pursuant to the Amer Sports Placing 2026, a total of 23,695,055 ordinary shares were offered by Amer Sports, Inc. at the final offer price of USD36.40 per share.

Following the completion of Amer Sports Placing 2026, the Group's equity interest in Amer Sports, Inc. will be diluted, and a non-cash accounting gain is expected to be recognised in the Group's consolidated financial statements for the financial year ending 31 December 2026 arising from the equity dilution under the Amer Sports Placing 2026.

33. Significant Accounting Estimates and Judgements

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the financial statements. The Group believes the following critical accounting policies involve the most significant estimates and judgements used in the preparation of the financial statements. Accounting estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairments of certain non-current assets

The management observes if circumstances indicate that the non-current assets set out in accounting policy (K)(ii) may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, which requires significant judgement relating to level of sales volume, sales revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sales volume, sales revenue and amount of operating costs.

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimates at the end of each reporting period.

34. Changes in Accounting Policies

Revision on IFRS Accounting Standards/HKFRS Accounting Standards

The IASB and HKICPA have issued certain new or amended IFRS Accounting Standards and HKFRS Accounting Standards that are first effective for the current accounting period of the Group. None of the developments to IFRS Accounting Standards and HKFRS Accounting Standards that are first effective for the current accounting period of the Group have a material effect to the Group's results and financial position prepared or presented in these financial statements.

35. Possible Impact of Amendments, New Standards and Interpretations Issued but Not Yet Effective for the Year Ended 31 December 2025

Up to the date of issue of these financial statements, the IASB and HKICPA have issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it is concluded that the initial adoption is unlikely to have significant impact on the consolidated financial statements except for the following:

IFRS/HKFRS 18, *Presentation and disclosure in financial statements*

IFRS/HKFRS 18 will replace IAS/HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS/HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS/HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS/HKFRS 18 and is still in the process of assessing the impact of the adoption.

36. Immediate and Ultimate Holding Company

The directors of the Company consider the immediate and ultimate holding company of the Company as at 31 December 2025 to be Anta International Group Holdings Limited, which is incorporated in the BVI. This entity does not produce financial statements available for public use.

37. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the Board on 25 March 2026.

Material Accounting Policy Information

(A) Statement of Compliance

The Company was incorporated in the Cayman Islands on 8 February 2007. The shares of the Company were listed on the Main Board of Hong Kong Stock Exchange on 10 July 2007.

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These financial statements also complied with the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

(B) Basis of Preparation

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (collectively the "Group") and the Group's investments in associates. These financial statements are presented in Renminbi (RMB), rounded to the nearest million (unless otherwise indicated). The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting polices set out below:

– Investments in debt and equity investments (see (F))

– Derivative financial instruments (see (O))

The preparation of financial statements in conformity with IFRS Accounting Standards/HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards/HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 33.

(C) Subsidiaries and Non-Controlling Interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised gains arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with (Q).

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see (F)) or, when appropriate, the cost on initial recognition of an investment in an associate (see (D)) or joint venture.

In the statement of financial position of the Company, investments in subsidiaries are stated at cost less impairment losses (see (K)(ii)).

(D) Associate

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over the financial and operating policies.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets attributable to equity shareholders over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets attributable to equity shareholders and any impairment loss relating to the investment (see (K)(ii)).

At the end of each reporting period, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses attributable to equity shareholders for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income attributable to equity shareholders is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

A dilution gain or loss arising on the partial disposal of equity interest in an associate is recognised in the profit or loss. If the ownership interest in an associate is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, where appropriate.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence over an associate is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see (F)).

(E) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see (K)(ii)).

(F) Other Investments

The Group's policies for investments in debt securities and equity investments, other than investments in subsidiaries and investments in associates, are set out below.

Debt securities and equity investments are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 28(e). These investments are subsequently accounted for as follows, depending on their classification.

Debt securities

Debt securities held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note (W)(ii)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

– FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

Equity investments are classified as measured at FVTPL unless the equity investments are not held for trading purposes and on initial recognition of the investments the Group makes an irrevocable election to designate the investments at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from an equity investment, irrespective of whether measured at FVTPL or designated at FVOCI (non-recycling), are recognised in profit or loss as other income in accordance with the policy set out in (W)(iv).

(G) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see (K)(ii)).

The cost of an item of property, plant and equipment comprises its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(G) Property, Plant and Equipment (Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

–	Buildings held for own use which are situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years after the date of completion.	
–	Plant and machinery	5 – 10 years
–	Motor vehicles	5 years
–	Furniture and fixtures	3 – 10 years
–	Retail outlets leasehold improvements	1 – 2 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(H) Construction in Progress

Construction in progress represents buildings and property and plant under construction and equipment pending for installation, and is stated at cost less impairment losses (see (K)(ii)). Cost comprises direct costs of construction and borrowing costs (see (AA)). Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are complete.

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

(I) Intangible Assets (Other than Goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see (K)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

–	Patents and trademarks	10 – 65 years
–	Computer software	3 – 10 years

Both the useful lives and method of amortisation are reviewed annually.

(J) Leased Assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a short-term lease or lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see (K)(ii)).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets and measured at amortised cost. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(K) Credit Losses and Impairment of Assets

(i) Credit losses from financial assets

The Group recognises a loss allowance for ECLs on financial assets measured at amortised cost, including listed or unlisted debt securities, pledged deposits, bank deposits, cash and cash equivalents, trade receivables and other receivables. Other financial assets measured at fair value, including equity investments designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets, trade receivables and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the end of the reporting period; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on trade receivables are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period.

For all other financial assets, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

(K) Credit Losses and Impairment of Assets (Continued)

(i) Credit losses from financial assets (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset assessed at the end of the reporting period with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial asset’s external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

Depending on the nature of the financial assets, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial assets are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at the end of each reporting period to reflect changes in the financial assets’ credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(K) Credit Losses and Impairment of Assets (Continued)

(i) Credit losses from financial assets (Continued)

Basis of calculation of interest income

Interest income recognised in accordance with (W)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At the end of each reporting period, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due event;

– it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(K) Credit Losses and Impairment of Assets (Continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- intangible assets;
- construction in progress;
- investments in associates; and
- investments in subsidiaries in the company-level statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

Goodwill is tested annually for impairment.

- ***Calculation of recoverable amount***

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). Goodwill arising from business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

- ***Recognition of impairment losses***

  An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

(K) Credit Losses and Impairment of Assets (Continued)

(ii) Impairment of other non-current assets (Continued)

– ***Reversals of impairment losses***

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(L) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

A right to recover returned goods is recognised for the right to recover products from customers sold with a right to return products. It is measured in accordance with the policy set out in (W)(i).

(M) Contract Liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see (W)(i)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see (N)).

(N) Trade Receivables and Other Receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are initially measured at fair value, and subsequently stated at amortised cost using the effective interest method less allowance for credit losses (see (K)(i)).

(O) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(P) Interest-Bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see (AA)).

(Q) Trade Payables and Other Payables

Payables are initially recognised at fair value, and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Refund liability arising from right to return products is recognised in accordance with the policy set out in (W)(i).

(R) Convertible Bonds

Convertible bonds that can be converted into ordinary shares at the option of the holder, where the number of shares to be issued is fixed, are accounted for as compound financial instruments, i.e. they contain both a liability component and an equity component.

At initial recognition, the liability component of the convertible bonds is measured at fair value based on the future interest (if any) and principal payments, discounted at the prevailing market rate of interest for similar non-convertible instruments. The remainder of the proceeds is allocated to the conversion option as the equity component. Transaction costs associated with the issuance of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. Interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is not remeasured and is recognised in the convertible bonds related reserve until either the bonds are converted or redeemed.

If the convertible bonds are converted, the convertible bonds related reserve, together with the carrying amount of the liability component at the time of conversion, would be transferred to share capital and share premium as consideration for the shares issued. If the convertible bonds are redeemed, the corresponding reserve would be released and transferred directly to retained profits.

(S) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in (K)(i).

(T) Employee Benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payment transactions

The fair values of share options and awarded shares granted to employees are recognised as employee costs with corresponding increases in share-based compensation reserve within equity. The fair values are measured at grant date using the (a) in respect of share options, Black-Scholes-Merton Option Pricing Model, taking into account the terms and conditions upon which the options were granted; and (b) in respect of awarded shares, the market price of the Company's shares. Generally, service and non-market performance conditions are not taken into account when determining the fair value of share options or awarded shares. Market performance conditions are reflected within the fair value. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options or awarded shares, the total estimated fair values of the options and awarded shares are spread over the vesting period, taking into account the probability that the options and awarded shares will vest.

During the vesting period, the numbers of share options and awarded shares that are expected to vest are reviewed. Any resulting adjustments to the cumulative fair values recognised in prior years are charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with corresponding adjustments to the share-based compensation reserve. On vesting date, the amounts recognised as expenses are adjusted to reflect the actual number of options and awarded shares that vest (with corresponding adjustments to the share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amounts are recognised in the share-based compensation reserve until (a) in respect of share options, either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits); and (b) in respect of awarded shares, the awarded share is vested (when it is transferred to the share premium account).

Where there is any modification of terms and conditions which does not result in any incremental fair value on share options or awarded shares granted, or is not otherwise beneficial to the employee, the Group nevertheless continues to account for the share options or awarded shares granted as if that modification had not occurred.

(U) Income Tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to a business combination, items recognised in other comprehensive income or directly in equity, in which case they are recognised in other comprehensive income or directly in equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted as at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets and liabilities also arise from unused tax losses, unused tax credits, lease liabilities and right-of-use assets.

All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted as at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associate or joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the OECD.

(U) Income Tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(V) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(W) Revenue and Other Income

Revenue is recognised on a gross basis when control over a product is transferred to the customer at the amount of promised consideration to which the Group (i.e. the principal) is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax and is after deduction of any trade discounts, rebates and goods returns.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Sale of goods

Revenue is recognised at the point in time when the control of the sporting goods is transferred to customers.

- For wholesale business, the control of the sporting goods is transferred when the sporting goods are accepted by the distributors or franchisees, which is typically when the sporting goods are shipped to the specified locations as specified in the contracts with customers. Generally, there is no significant financing component in the contract with customer nor significant variable element in the consideration. Normally a credit period of 30 to 90 days is granted to customers under respective contracts.
- For retail business, the control of the sporting goods is transferred when the sporting goods are sold to the customers in brick-and-mortar stores. Consideration is usually settled in cash, by credit cards, debit cards or through on-line payment platforms.
- For e-commerce business, the control of the sporting goods is transferred when the sporting goods are delivered to and accepted by the customers. Consideration is usually settled by credit cards, debit cards or through on-line payment platforms.

(W) Revenue and Other Income (Continued)

(i) Sale of goods (Continued)

In case customers have a right to return products under certain circumstances, the Group then may not be entitled to the consideration received or receivable. Therefore, the Group reduces the revenue recognised by an estimate of the expected return and recognises a refund liability and an asset in relation to refund. Such estimates are reviewed at the end of each reporting period.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see (K)(i)).

(iii) Government subsidies

Government subsidies are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Subsidies that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Subsidies that compensate the Group for the cost of an asset are initially recognised as deferred income and subsequently recognised in profit or loss upon on a systematic basis over the useful life of the asset.

(iv) Dividends income from equity instruments

Dividend income from unlisted equity investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed equity investments is recognised when the share price of the investment goes ex-dividend.

(X) Translation of Foreign Currencies

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency"). The functional currency of the Company is Hong Kong Dollars.

The financial statements are presented in RMB ("presentation currency").

(X) Translation of Foreign Currencies (Continued)

(ii) Transactions and balances

Foreign currency transactions during the year are translated into the functional currency at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling as at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the entity initially recognises such non-monetary assets or liabilities.

The results of operations outside Chinese Mainland are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position's items are translated into Renminbi at the closing foreign exchange rates as at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation outside Chinese Mainland, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(Y) Research and Development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development.

(Z) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(AA) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(BB) Related Parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(CC) Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(DD) Shares Proposed for Cancellation

The Group accounts for shares proposed for cancellation using the cost method. Under this method, the cost incurred to purchase the shares is debited to shares proposed for cancellation on the statement of financial position of the Company. At cancellation of the shares proposed for cancellation, the aggregate nominal value of the shares is debited to share capital and the excess of the acquisition cost of shares proposed for cancellation over the aggregate nominal value is debited to retained profits.

Principal Subsidiaries

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Attributable equity interest Indirect	Principal activities
Anta Enterprise Group Limited	BVI/Hong Kong SAR	USD10,000	100%	0%	Investment holding
Motive Force Sports Products Limited	BVI/Hong Kong SAR	USD10,000	100%	0%	Investment holding
REEDO Sports Products Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
ANDES Sports Products Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
Origin Force Holding Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
ANKO Sports Products Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
ANKING Sports Products Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
Antha Sports Products Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
ANMAIA Sports Products Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
Anllian Sports Products Limited	BVI/Hong Kong SAR	EUR903,172,190	100%	0%	Investment holding
ANLLIAN Capital Limited	BVI/Hong Kong SAR	EUR1	100%	0%	Investment holding
ANLLIAN Capital 2 Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
ANLLIAN Holdings Limited	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
ANTA Distribution Holding Limited (formerly known as ANME Distribution Holding Limited)	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
ANTA Sports Middle East (BVI) Holding Limited (formerly known as ANME Sports Products Limited)	BVI/Hong Kong SAR	USD1	100%	0%	Investment holding
Anca Sports Products Limited (formerly known as ANSAC Brand Holding Limited)	BVI/Hong Kong SAR	USD334,897,915	100%	0%	Investment holding
PIPA International Holding (BVI) Limited	BVI/Hong Kong SAR	USD200	100%	0%	Investment holding
ANTA Investment Limited	Hong Kong SAR	HKD1,000,000	0%	100%	Investment holding
ANTA International Limited	Hong Kong SAR	HKD1	0%	100%	Management services
Origin Force Investment Limited	Hong Kong SAR	HKD1	0%	100%	Investment holding
Anta Sports Japan Co., Ltd. (Note (iii))	Japan	JPY50,000,000	0%	100%	Product design
ANTA Sports Products (JAPAN) Co., Ltd.(Note (iii))	Japan	JPY180,000,000	0%	100%	Product design

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Attributable equity interest Indirect	Principal activities
ANTA US Co., Ltd.	United States	USD2,475,000	0%	100%	Product design
ANTA Distribution (Hong Kong) Limited	Hong Kong SAR	USD27,000,000	0%	100%	Investment holding and trading of sporting goods
Anta Sports America Inc.	United States	USD24,000,000	0%	100%	Trading of sporting goods
ANTA Sports Korea Co., Ltd. (Note (iii))	Korea	KRW650,000,000	0%	100%	Product design
ANTA NETHERLANDS B.V.	Netherlands	EUR700,000	0%	100%	Product design
安踏體育用品集團有限公司 ANTA Sports Products Group Co., Limited (Note (i))	PRC	HKD1,130,000,000	0%	100%	Manufacturing and trading of sporting goods
安踏 (中國) 有限公司 ANTA (CHINA) CO., LTD. (Note (ii))	PRC	RMB593,901,290	0%	100%	Manufacturing and trading of sporting goods
廈門安踏有限公司 Xiamen ANTA Company Limited (Note (ii))	PRC	RMB800,000,000	0%	100%	Investment holding and trading of sporting goods
廈門安踏貿易有限公司 XIAMEN ANTA TRADING CO., LTD. (Note (ii))	PRC	RMB261,168,000	0%	100%	Trading of sporting goods
寧波群鯉服飾有限公司 NINGBO QUNLI STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	100%	Retailing of sporting goods
福建安踏物流信息科技有限公司 FUJIAN ANTA LOGISTICS INFORMATION TECHNOLOGY CO., LTD. (Note (ii))	PRC	RMB1,000,000,000	0%	100%	Logistics services
四川安踏物流科技有限公司 SICHUAN ANTA LOGISTICS TECHNOLOGY CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	100%	Logistics services
鄭州安踏物流信息科技有限公司 ZHENGZHOU ANTA LOGISTICS INFORMATION TECHNOLOGY CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	100%	Logistics services
江蘇安踏物流信息科技有限公司 JIANGSU ANTA LOGISTICS INFORMATION TECHNOLOGY CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	100%	Logistics services

Principal Subsidiaries

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Attributable equity interest Indirect	Principal activities
廊坊安踏物流信息科技有限公司 LANGFANG ANTA LOGISTICS INFORMATION TECHNOLOGY CO., LTD. (Note (ii) and (iii))	PRC	RMB10,000,000	0%	100%	Logistics services
長汀安踏體育用品有限公司 CHANGTING ANTA SPORTS PRODUCTS CO., LTD. (Note (ii))	PRC	RMB77,338,350	0%	100%	Manufacturing of sporting goods
廈門安踏體育用品有限公司 XIAMEN ANTA SPORTS GOODS CO., LTD. (Note (ii))	PRC	RMB46,832,610	0%	100%	Manufacturing of sporting goods
廈門安踏實業有限公司 XIAMEN ANTA INDUSTRIAL CO., LTD. (Notes (ii) and (iii))	PRC	RMB100,000,000	0%	100%	Manufacturing of sporting goods
商丘安踏鞋業有限公司 SHANGQIU ANTA SHOES CO., LTD. (Notes (ii) and (iii))	PRC	RMB100,000,000	0%	85%	Manufacturing of sporting goods
泉州安踏鞋材有限公司 QUANZHOU ANTA MATERIAL SUPPLY CO., LTD. (Notes (ii) and (iii))	PRC	RMB100,000,000	0%	100%	Manufacturing of shoe sole
河南安踏鞋材有限公司 HENAN ANTA MATERIAL SUPPLY CO., LTD. (Notes (ii) and (iii))	PRC	RMB150,000,000	0%	100%	Manufacturing of shoe sole
泉州寰球鞋服有限公司 QUANZHOU ATHLETIC SHOES & GARMENTS CO., LTD. (Note (ii))	PRC	USD26,260,000	0%	55%	Manufacturing and trading of sporting goods
廈門安踏進出口有限公司 XIAMEN ANTA IMPORT & EXPORT CO., LTD. (Note (ii))	PRC	RMB21,000,000	0%	100%	Trading of sporting goods
上海安踏進出口有限公司 SHANGHAI ANTA IMPORT & EXPORT CO., LTD. (Notes (ii) and (iii))	PRC	–	0%	100%	Trading of sporting goods
昆明安踏體育用品有限公司 KUNMING ANTA SPORTS PRODUCTS CO., LTD. (Note (i))	PRC	RMB400,000,000	0%	100%	Investment holding and trading of sporting goods
廈門安踏服飾有限公司 XIAMEN ANTA STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB50,000,000	0%	100%	Retailing of sporting goods
廈門安競服飾有限公司 XIAMEN ANJING STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	52%	Retailing of sporting goods

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Indirect	Principal activities
廈門安魯服飾有限公司 XIAMEN ANLU STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	65%	Retailing of sporting goods
廈門安速服飾有限公司 XIAMEN ANSU STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	51%	Retailing of sporting goods
廈門競哈服飾有限公司 XIAMEN JINGHA STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	51%	Retailing of sporting goods
廈門安隴服飾有限公司 XIAMEN ANLONG STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	70%	Retailing of sporting goods
廈門競進服飾有限公司 XIAMEN JINGJIN STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	55%	Retailing of sporting goods
廈門翔動服飾有限公司 XIAMEN XIANGDONG STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	51%	Retailing of sporting goods
廈門翔馳服飾有限公司 XIAMEN XIANGCHI STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	51%	Retailing of sporting goods
廈門潤聯服飾有限公司 XIAMEN RUNLIAN STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	55%	Retailing of sporting goods
廈門晉博服飾有限公司 XIAMEN JINBO STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB30,000,000	0%	51%	Retailing of sporting goods
廈門安鄴服飾有限公司 XIAMEN ANYE STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB30,000,000	0%	51%	Retailing of sporting goods
晉江安冀服飾有限公司 JINJIANG ANJI STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB30,000,000	0%	51%	Retailing of sporting goods
廈門茂途服飾有限公司 XIAMEN MAOTU STYLE CO., LTD. (Note (ii) and (iii))	PRC	RMB10,000,000	0%	51%	Retailing of sporting goods
廈門安踏電子商務有限公司 XIAMEN ANTA E-COMMERCE CO., LTD. (Notes (ii) and (iii))	PRC	RMB20,000,000	0%	100%	Retailing of sporting goods
泉州群鯉電子商務有限公司 QUANZHOU QUNLI E-COMMERCE CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods

Principal Subsidiaries

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Attributable equity interest Indirect	Principal activities
廈門安之業體育用品有限公司 XIAMEN ANZHIYE SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之鴻體育用品有限公司 XIAMEN ANZHIHONG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之運體育用品有限公司 XIAMEN ANZHIYUN SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之途體育用品有限公司 XIAMEN ANZHITU SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之偉體育用品有限公司 XIAMEN ANZHIWEI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之品體育用品有限公司 XIAMEN ANZHIPIN SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之吉體育用品有限公司 XIAMEN ANZHIJI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB6,000,000	0%	100%	Retailing of sporting goods
廈門安之祥體育用品有限公司 XIAMEN ANZHIXIANG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之高體育用品有限公司 XIAMEN ANZHIGAO SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之昌體育用品有限公司 XIAMEN ANZHICHANG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB6,000,000	0%	100%	Retailing of sporting goods
廈門安之啟體育用品有限公司 XIAMEN ANZHIQI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之動體育用品有限公司 XIAMEN ANZHIDONG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Indirect	Principal activities
廈門安之意體育用品有限公司 XIAMEN ANZHIYI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB15,000,000	0%	55%	Retailing of sporting goods
廈門安之財體育用品有限公司 XIAMEN ANZHICAI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB6,000,000	0%	100%	Retailing of sporting goods
廈門安之喜體育用品有限公司 XIAMEN ANZHIXI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之奧體育用品有限公司 XIAMEN ANZHIAO SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之廣體育用品有限公司 XIAMEN ANZHIGUANG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之滬體育用品有限公司 XIAMEN ANZHIHU SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之閩體育用品有限公司 XIAMEN ANZHIMIN SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之心體育用品有限公司 XIAMEN ANZHIXIN SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之書體育用品有限公司 XIAMEN ANZHISHU SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之泰體育用品有限公司 XIAMEN ANZHITAI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之錦體育用品有限公司 XIAMEN ANZHIJIN SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之強體育用品有限公司 XIAMEN ANZHIQIANG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods

Principal Subsidiaries

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Indirect	Principal activities
廈門安之博體育用品有限公司 XIAMEN ANZHIBO SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之旭體育用品有限公司 XIAMEN ANZHIXU SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之鵬體育用品有限公司 XIAMEN ANZHIPENG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之榮體育用品有限公司 XIAMEN ANZHIRONG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之友體育用品有限公司 XIAMEN ANZHIYOU SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之迪體育用品有限公司 XIAMEN ANZHIDI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之宇體育用品有限公司 XIAMEN ANZHIYU SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之衡體育用品有限公司 XIAMEN ANZHIHENG SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之沐體育用品有限公司 XIAMEN ANZHIMU SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之澤體育用品有限公司 XIAMEN ANZHIZE SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門安之汀體育用品有限公司 XIAMEN ANZHITING SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
廈門斐樂電子商務有限公司 XIAMEN FEILE E-COMMERCE CO., LTD. (Note (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Indirect	Principal activities
廈門安踏踏之雲電子商務有限公司 XIAMEN ANTA TAZHIYUN E-COMMERCE CO., LTD. (Note (ii) and (iii))	PRC	–	0%	100%	Retailing of sporting goods
上海安踏體育用品有限公司 SHANGHAI ANTA SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Research and development
河南安踏體育用品有限公司 HENAN ANTA SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB50,000,000	0%	100%	Trading of sporting goods
福建安越體育科技有限公司 FUJIAN ANYUE SPORTS TECHNOLOGY CO., LTD. (Notes (ii) and (iii))	PRC	RMB50,000,000	0%	100%	Property management
上海安踏實業有限公司 SHANGHAI ANTA INDUSTRIAL CO., LTD. (Notes (ii) and (iii))	PRC	RMB310,000,000	0%	100%	Property management
瀋陽安踏實業有限公司 SHENYANG ANTA INDUSTRIAL CO., LTD. (Notes (ii) and (iii))	PRC	RMB40,000,000	0%	100%	Property management
廈門群鯉實業有限公司 XIAMEN QUNLI INDUSTRIAL LIMITED (Note (ii))	PRC	RMB160,000,000	0%	100%	Property management
上海耀盛實業發展有限公司 SHANGHAI YAOSHENG INDUSTRIAL DEVELOPMENT CO., LTD. (Notes (ii) and (iii))	PRC	RMB800,000,000	0%	100%	Property management
成都安踏實業有限公司 CHENGDU ANTA INDUSTRIAL CO., LTD. (Notes (ii) and (iii))	PRC	RMB50,000,000	0%	100%	Property management
蘇州安踏體育用品有限公司 SUZHOU ANTA SPORTS PRODUCTS CO., LTD. (Notes (i) and (iii))	PRC	RMB450,000,000	0%	100%	Property management
晉江安心物業管理有限公司 JINJIANG ANXIN PROPERTY MANAGEMENT CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Property management
泉州市東褘達輕工發展有限公司 QUANZHOU DONGYIDA LIGHT INDUSTRY DEVELOPMENT CO., LTD. (Note (ii) and (iii))	PRC	RMB53,565,023	0%	100%	Property management

Principal Subsidiaries

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Indirect	Principal activities
廈門運動港體育有限公司 XIAMEN YUNDONGGANG SPORTS CO., LTD. (Note (ii) and (iii))	PRC	RMB60,000,000	0%	41%	Property management
廈門安踏群鯉體育用品有限公司 XIAMEN ANTA QUNLI SPORTS PRODUCTS CO., LTD. (Note (ii) and (iii)	PRC	RMB1,000,000,000	0%	100%	Property management
廈門斐越信息技術有限公司 XIAMEN FEIYUE INFORMATION TECHNOLOGY CO., LTD. (Note (i))	PRC	RMB10,000,000	0%	100%	Information technology service
Avid Sports Malaysia Sdn. Bhd.	Malaysia	MYR15,000,001	0%	55%	Retailing of sporting goods
Avid Sports Management Services Sdn. Bhd.	Malaysia	MYR1	0%	55%	Investment holding
ANTA Southeast Asia Group Holdings Limited	BVI	USD60,800,000	0%	55%	Investment holding
Avid Sports Limited	Hong Kong SAR	HKD1	0%	55%	Investment holding
Avid Sports Singapore Pte. Ltd.	Singapore	SGD10,000,000	0%	55%	Management services
Anta Sports Australia Pty Ltd.	Australia	–	0%	55%	Retailing of sporting goods
Motive Force Sports Products (Singapore) Pte. Ltd.	Singapore	SGD1,000,000	0%	55%	Retailing of sporting goods
Avid Sports (Thailand) Ltd.	Thailand	THB481,000,000	0%	55%	Retailing of sporting goods
ANTA SPORTS (PHILIPPINES) INC.	Philippines	PHP27,695,000	0%	55%	Trading of sporting goods
PT ANTA SPORTS INDONESIA DISTRIBUTION	Indonesia	IDR25,000,000,000	0%	55%	Trading of sporting goods
PT ANTA SPORTS INDONESIA RETAIL	Indonesia	IDR25,000,000,000	0%	55%	Retailing of sporting goods
AVID SPORTS VIETNAM HOLDING PTE. LTD.	Singapore	USD5,600,000	0%	55%	Investment holding
ANTA Sports Vietnam Company Limited	Vietnam	USD6,000,000	0%	55%	Retailing of sporting goods

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Indirect	Principal activities
Fila Marketing (Hong Kong) Limited	Hong Kong SAR	HKD79,800,000	0%	100%	Retailing of sporting goods
Fila (Macao) Limited	Macao SAR	MOP25,000	0%	100%	Retailing of sporting goods
Motive Force E-Commerce Limited	Hong Kong SAR	HKD1,000,000	0%	100%	Retailing of sporting goods
海南群鯉體育用品有限公司 HAINAN QUNLI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB20,000,000	0%	100%	Trading of sporting goods
斐樂服飾有限公司 FILA STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB50,000,000	0%	100%	Retailing of sporting goods
上海斐盈壹號服飾有限公司 SHANGHAI FEIYINGYIHAO STYLE CO., LTD. (Notes (ii) and (iii))	PRC	–	0%	100%	Retailing of sporting goods
上海群鯉服飾有限公司 SHANGHAI QUNLI STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	100%	Retailing of sporting goods
福建安越服飾有限公司 FUJIAN ANYUE STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB50,000,000	0%	100%	Trading of sporting goods
昆明群鯉體育用品有限公司 KUNMING QUNLI SPORTS PRODUCTS CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	100%	Trading of sporting goods
斐尚服飾有限公司 FEISHANG STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB50,000,000	0%	60%	Retailing of sporting goods
斐達服飾有限公司 FEIDA STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB20,000,000	0%	52%	Retailing of sporting goods
斐鴻服飾有限公司 FEIHONG STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB20,010,000	0%	51%	Retailing of sporting goods
泉州斐越電子商務有限公司 QUANZHOU FEIYUE E-COMMERCE CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods
泉州斐翔電子商務有限公司 QUANZHOU FEIXIANG E-COMMERCE CO., LTD. (Notes (ii) and (iii))	PRC	RMB1,000,000	0%	100%	Retailing of sporting goods

Principal Subsidiaries

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Attributable equity interest Indirect	Principal activities
Full Prospect Sports Limited	Cayman Islands/Hong Kong SAR	USD100	0%	85%	Investment holding
Full Prospect (IP) Pte. Ltd.	Singapore/Hong Kong SAR	USD100,000	0%	85%	Trademark holding
Fila China Investment Limited	Hong Kong SAR	HKD1,000,000	0%	85%	Investment holding and trading of sporting goods
斐樂體育有限公司 FILA SPORTS CO., LTD. (Note (i))	PRC	RMB100,000,000	0%	85%	Trading of sporting goods
上海斐樂體育發展有限公司 SHANGHAI FILA SPORTS DEVELOPMENT CO., LTD. (Notes (ii) and (iii))	PRC	RMB10,000,000	0%	85%	Trading of sporting goods
福建斐樂體育用品有限公司 FUJIAN FILA SPORTS PRODUCTS CO., LTD. (Note (ii) and (iii))	PRC	RMB10,000,000	0%	85%	Trading of sporting goods
REEDO International Limited	BVI/Hong Kong SAR	RMB241,000,662	0%	100%	Investment holding
SPRANDI Investment Limited	Hong Kong SAR	HKD1	0%	100%	Investment holding
REEDO (Hong Kong) Limited	Hong Kong SAR	HKD100	0%	100%	Investment holding
斯潘迪 (中國) 有限公司 SPRANDI (CHINA) CO., LTD. (Note (i))	PRC	RMB211,000,000	0%	63.75%	Trading of sporting goods
廈門斯潘迪有限公司 XIAMEN SPRANDI CO., LTD. (Notes (ii) and (iii))	PRC	RMB30,000,000	0%	63.75%	Retailing of sporting goods
Descente China Holding Limited	Cayman Islands	RMB1,012,105,000	0%	54%	Investment holding
Descente China Investment Limited	Hong Kong SAR	RMB1	0%	54%	Investment holding
Descente China IP Limited	Cayman Islands	USD100,000	0%	48.60%	Trademark holding
迪桑特 (中國) 有限公司 Descente (China) Co., Ltd. (Note (i))	PRC	RMB100,000,000	0%	54%	Trading of sporting goods
上海迪知服飾有限公司 SHANGHAI DIGI APPAREL CO., LTD. (Notes (ii) and (iii))	PRC	RMB20,000,000	0%	54%	Retailing of sporting goods

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Indirect	Principal activities
上海迪晟服飾有限公司 SHANGHAI DISHENG APPAREL CO., LTD. (Notes (ii) and (iii))	PRC	RMB20,000,000	0%	54%	Retailing of sporting goods
DIGI (MACAO) LIMITED	Macao SAR	MOP25,000	0%	54%	Retailing of sporting goods
安啟服飾有限公司 ANQI STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB50,000,000	0%	100%	Retailing of sporting goods
KOLON Sport (China) Holdings Limited	Hong Kong SAR	USD80,000,000	0%	50%	Investment holding and retailing of sporting goods
KOLON Sport China (IP) Pte. Ltd.	Singapore/Hong Kong SAR	USD33,220,000	0%	50%	Trademark holding
可隆體育 (中國) 有限公司 KOLON SPORT (CHINA) CO., LTD. (Note (i))	PRC	RMB200,000,000	0%	50%	Trading of sporting goods
上海群隆服飾有限公司 SHANGHAI QUNLONG STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB20,000,000	0%	50%	Retailing of sporting goods
QUNLONG (MACAO) LIMITED	Macao SAR	MOP25,000	0%	50%	Retailing of sporting goods
ANMAIA Investment Limited	Hong Kong SAR	HKD1	0%	100%	Investment holding
瑪伊婭服飾 (上海) 有限公司 MAIA ACTIVE (SHANGHAI) CO., LTD. (Note (i))	PRC	RMB11,466,675	0%	100%	Trading of women sporting goods
上海加殷亦夢服飾有限公司 SHANGHAI JIAYINYIMENG STYLE CO., LTD. (Notes (ii) and (iii))	PRC	RMB2	0%	100%	Trading of women sporting goods
ANTA Sports Middle East (BVI) Limited	BVI/Hong Kong SAR	USD4,500,000	0%	85%	Investment holding
ANTA Sports Middle East (HK) Limited	Hong Kong SAR	HKD35,100,000	0%	85%	Investment holding
ATME Sports Trading L.L.C	United Arab Emirates	USD4,280,000	0%	85%	Trading of sporting goods
ANTA Middle East Sports Trading FZE	United Arab Emirates	USD100,000	0%	85%	Trading of sporting goods

Principal Subsidiaries

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Attributable equity interest Indirect	Principal activities
Anca Holding Limited (formerly known as ANSAC Sports Products (IP) Limited)	BVI/Hong Kong SAR	USD409,090,909	0%	80%	Investment holding
Anca International Investment Limited	Hong Kong SAR	HKD1	0%	80%	Investment holding
Anca Holdco GmbH & Co. KG	Germany	EUR25,000	0%	80%	Investment holding
Callaway Germany Holdco GmbH	Germany	EUR26,000	0%	80%	Investment holding
JW STARGAZER Holding GmbH	Germany	EUR4,666,500	0%	80%	Investment holding
SKYRAGER GmbH	Germany	EUR25,000	0%	80%	Investment holding
Jack Wolfskin Ausrüstung für Draussen GmbH & Co. KGaA	Germany	EUR50,000	0%	80%	Trading of sporting goods
Jack Wolfskin Retail GmbH	Germany	EUR25,000	0%	80%	Retailing of sporting goods
狼爪貿易（上海）有限公司 Jack Wolfskin Trading (Shanghai) Co. Ltd. (Notes (i) and (iii))	PRC	USD5,000,000	0%	80%	Retailing of sporting goods
Jack Wolfskin UK Ltd.	United Kingdom	GBP50,000	0%	80%	Retailing of sporting goods
Jack Wolfskin France Retail Sarl	France	EUR50,000	0%	80%	Retailing of sporting goods
Jack Wolfskin Switzerland AG	Switzerland	CHF100,000	0%	80%	Retailing of sporting goods
Jack Wolfskin Italia Srl	Italy	EUR50,000	0%	80%	Retailing of sporting goods
Jack Wolfskin Belgium BVBA	Belgium	EUR520,000	0%	80%	Retailing of sporting goods
Jack Wolfskin Netherlands BV	Netherlands	EUR25,000	0%	80%	Retailing of sporting goods
JACK WOLFSKIN Poland sp. z o.o.	Poland	PLN5,000	0%	80%	Retailing of sporting goods
Jack Wolfskin Austria GmbH	Austria	EUR35,000	0%	80%	Retailing of sporting goods

Name of company	Place of incorporation/ operation	Paid up capital	Attributable equity interest Direct	Attributable equity interest Indirect	Principal activities
Anmu Holding Limited	Hong Kong SAR	HKD1	0%	100%	Investment holding
廈門安慕時尚服飾有限公司 XIAMEN ANMU FASHION STYLE CO., LTD. (Notes (i) and (iii))	PRC	RMB192,000,000	0%	100%	Investment holding
PIPA International Limited (formerly known as ANSAC Distribution Holding Limited)	BVI/Hong Kong SAR	USD200	0%	51%	Investment holding
PIPA International Inc. (formerly known as PIPA International US Inc.)	United States	USD350,000	0%	51%	Product design
PIPA International Investment Limited	Hong Kong SAR	HKD10,920,000	0%	51%	Investment holding
琵琶國際企業管理(廈門)有限公司 Pipa International Business Management (Xiamen) Co., Ltd. (Note (i) and (iii))	PRC	RMB5,000,000	0%	51%	Management services
創實(北京)體育有限公司 CHUANGSHI (BEIJING) SPORTS CO., LTD. (Note (ii) and (iii))	PRC	RMB50,000,000	0%	100%	Retailing of sporting goods; Sports training
SKC Group Limited	Hong Kong SAR	HKD20,286,502	0%	100%	Investment holding
Kingkow Investment Limited	Hong Kong SAR	HKD1	0%	100%	Investment holding
Kingkow (IP) Pte. Ltd.	Singapore/Hong Kong SAR	USD1	0%	100%	Trademark holding

Notes:

(i) These entities are wholly foreign owned enterprises established in the PRC.

(ii) These entities are limited liability companies established in the PRC.

(iii) The English translation of the company names is for reference only. The official names of these companies are based on the official language of their respective place of incorporation.

Glossary

AGM
The annual general meeting of the Company or any adjournment thereof

AI
Artificial Intelligence

AMER SPORTS
Amer Sports Oy (Amer Sports Corporation), a sporting goods company (with internationally recognised brands including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, etc.) incorporated in the Republic of Finland

AMER SPORTS, INC.
Amer Sports, Inc., a company incorporated in the Cayman Islands and listed on the New York Stock Exchange (NYSE: AS)

AMER SPORTS LISTING
The listing of Amer Sports, Inc.'s ordinary shares on the New York Stock Exchange

AMER SPORTS PLACING
The public offering of Amer Sports, Inc.'s ordinary shares on the New York Stock Exchange on 2 December 2024

ANDA HOLDINGS
Anda Holdings International Limited

ANDA INVESTMENTS
Anda Investments Capital Limited

ANTA
ANTA brand

ANTA INTERNATIONAL
Anta International Group Holdings Limited

ANTA KIDS
ANTA KIDS brand, which offers ANTA products for children

ANTA SPORTS/COMPANY
ANTA Sports Products Limited

ANTA STORE(S)
ANTA retail store(s)

AUDIT COMMITTEE
The audit committee of the Company

BOARD
The board of directors of the Company

BOARD COMMITTEE(S)
Committee(s) formed under the Board, including but not limited to the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company

BVI
The British Virgin Islands

CEO
The chief executive officer/Co-chief executive officer(s) of the Company (as applicable)

CFO
The chief financial officer of the Company

CG CODE
Corporate Governance Code set out in Appendix C1 to the Listing Rules

CHAIRMAN
Chairman of the board of directors of the Company

CHINA/PRC
People's Republic of China

CHINESE MAINLAND
Mainland of China, geographically excluding Hong Kong SAR, Macao SAR and Taiwan region

DESCENTE
DESCENTE brand

DESCENTE STORE(S)
DESCENTE retail store(s)

DIRECTOR(S)
Director(s) of the Company

DTC
Direct to Consumer

EGYPT
Arab Republic of Egypt

ESG
Environmental, social and governance

EURO, EUR
Euro, the lawful currency of European Union

EXECUTIVE DIRECTOR(S)
Executive director(s) of the Company

FILA
FILA brand

FILA FUSION
The sub-brand of FILA, which offers youth's trendy clothing

FILA KIDS
FILA KIDS brand, which offers FILA products for children

FILA STORE(S)
FILA retail store(s)

GDP
Gross Domestic Product

GMV
Gross merchandise volume

GROUP/ANTA GROUP
The Company and its subsidiaries

HEMIN HOLDINGS
Hemin Holdings Limited

HONG KONG/HONG KONG SAR
The Hong Kong Special Administrative Region of the PRC

HONG KONG DOLLARS, HKD
Hong Kong Dollars, the lawful currency of Hong Kong SAR

HONG KONG STOCK EXCHANGE/HKEX

The Stock Exchange of Hong Kong Limited

INDEPENDENT NON-EXECUTIVE DIRECTOR(S)

Independent non-executive director(s) of the Company

IP(S)

Intellectual property(ies)

JACK WOLFSKIN

JACK WOLFSKIN brand

JACK WOLFSKIN STORE(S)

JACK WOLFSKIN retail store(s)

KENYA

Republic of Kenya

KOLON SPORT

KOLON SPORT brand

KOLON SPORT STORE(S)

KOLON SPORT retail store(s)

LISTING RULES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

MACAO/MACAO SAR

The Macao Special Administrative Region of the PRC

MAIA ACTIVE

MAIA ACTIVE brand

MSCI

Morgan Stanley Capital International Global Standard Index

NOMINATION COMMITTEE

The nomination committee of the Company

NON-EXECUTIVE DIRECTOR(S)

Non-executive director(s) of the Company

NYSE

New York Stock Exchange

OEM

Original Equipment Manufacturer

PAFS-FREE

No organic fluorine compounds are added during the production of this product and no per- and polyfluoroalkyl substances are detected in accordance with GB/T 31126

PUMA

PUMA brand

QATAR

State of Qatar

R&D

Research and development

REMUNERATION COMMITTEE

The remuneration committee of the Company

RISK MANAGEMENT COMMITTEE

The risk management committee of the Company

RMB

Renminbi, the lawful currency of the PRC

SAUDI ARABIA

Kingdom of Saudi Arabia

SFO

The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

SHARE(S)

Ordinary share(s) of HKD0.10 each in the share capital of the Company

SHAREHOLDER(S)

Shareholder(s) of the Company

SINGAPORE

Republic of Singapore

SUSTAINABILITY COMMITTEE

The sustainability committee of the Company

UAE

United Arab Emirates

U.S./UNITED STATES

United States of America

USD

United States Dollars, the lawful currency of the United States of America

YEAR

The year ended 31 December 2025

2018 SHARE AWARD SCHEME

The original version of share award scheme adopted by the Company on 19 October 2018, before the revision by the Board on 21 March 2023

2018 SHARE AWARD SCHEME (2023 REVISION)

The share award scheme adopted by the Company on 19 October 2018 and then revised by the Board on 21 March 2023

2023 SHARE AWARD SCHEME

The share award scheme adopted by the Company on 10 May 2023

2023 SHARE OPTION SCHEME

The share option scheme adopted by the Company on 10 May 2023

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