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

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6110)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2026

FINANCIAL HIGHLIGHTS

		Year ended	
		28 February 2026	28 February 2025
Revenue	RMB million	**25,739.9**	27,012.9
Gross profit	RMB million	**9,784.6**	10,383.4
Operating profit	RMB million	**1,521.8**	1,592.7
Profit attributable to the Company's equity holders	RMB million	**1,266.8**	1,286.0
Gross profit margin	%	**38.0**	38.4
Operating profit margin	%	**5.9**	5.9
Profit margin attributable to the Company's equity holders	%	**4.9**	4.8
Earnings per share – basic and diluted	RMB cents	**20.43**	20.74
Dividend per share			
– interim, paid	RMB cents	**13.00**	14.00
– final, proposed	RMB cents	**3.00**	2.00
– special, proposed	RMB cents	**12.00**	12.00
Average trade receivables turnover period	days	**14.8**	14.1
Average trade payables turnover period	days	**8.5**	8.0
Average inventory turnover period	days	**131.4**	134.9

		As at	
		28 February 2026	28 February 2025
Gearing ratio	%	**Net cash**	Net cash
Current ratio	times	**2.4**	2.4

ANNUAL RESULTS

The board of directors (the "**Board**" or "**Directors**") of Topsports International Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 28 February 2026, together with comparative information, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 28 FEBRUARY 2026

	Note	**Year ended 28 February 2026 RMB million**	Year ended 28 February 2025 RMB million
Revenue	4	**25,739.9**	27,012.9
Cost of sales	6	**(15,955.3)**	(16,629.5)
Gross profit		**9,784.6**	10,383.4
Selling and distribution expenses	6	**(7,347.1)**	(7,943.8)
General and administrative expenses	6	**(993.3)**	(995.5)
Other income	5	**77.2**	150.2
Reversal of /(provision for) impairment of trade receivables		**0.4**	(1.6)
Operating profit		**1,521.8**	1,592.7
Finance income	7	**79.5**	84.6
Finance costs	7	**(94.1)**	(117.7)
Finance costs, net		**(14.6)**	(33.1)
Profit before income tax		**1,507.2**	1,559.6
Income tax expense	8	**(242.2)**	(274.9)
Profit for the year		**1,265.0**	1,284.7
Attributable to:			
Equity holders of the Company		**1,266.8**	1,286.0
Non-controlling interests		**(1.8)**	(1.3)
		1,265.0	1,284.7
		RMB cents	RMB cents
Earnings per share for profit attributable to equity holders of the Company for the year			
Basic and diluted earnings per share	9	**20.43**	20.74

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2026

	Year ended	
	28 February 2026 RMB million	28 February 2025 RMB million
Profit for the year	**1,265.0**	1,284.7
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Exchange differences	**-**	-
Items that may be subsequently reclassified to profit or loss		
Exchange differences	**(29.3)**	32.4
Total comprehensive income for the year	**1,235.7**	1,317.1
Attributable to:		
Equity holders of the Company	**1,237.5**	1,318.4
Non-controlling interests	**(1.8)**	(1.3)
	1,235.7	1,317.1

CONSOLIDATED BALANCE SHEET
AS AT 28 FEBRUARY 2026

	Note	As at 28 February 2026 RMB million	28 February 2025 RMB million
ASSETS			
Non-current assets			
Property, plant and equipment		**437.9**	541.4
Right-of-use assets		**1,413.9**	1,818.5
Intangible assets		**1,030.5**	1,045.8
Long-term deposits, prepayments and other receivables		**151.8**	207.3
Financial assets at fair value though profit or loss		**45.9**	45.9
Deferred income tax assets		**245.6**	257.2
		3,325.6	3,916.1
Current assets			
Inventories	11	**5,485.9**	6,004.0
Trade receivables	12	**1,338.7**	751.9
Deposits, prepayments and other receivables		**776.0**	646.4
Short-term pledged bank deposits		**1,067.0**	996.7
Bank balances and cash		**2,073.5**	2,587.4
		10,741.1	10,986.4
Total assets		**14,066.7**	14,902.5

CONSOLIDATED BALANCE SHEET
AS AT 28 FEBRUARY 2026

	Note	As at **28 February 2026** **RMB million**	 28 February 2025 RMB million
LIABILITIES			
Non-current liabilities			
Lease liabilities		**819.2**	1,121.4
Deferred income tax liabilities		**210.6**	226.0
		1,029.8	1,347.4
Current liabilities			
Trade payables	13	**403.0**	343.4
Other payables, accruals and other liabilities		**1,132.0**	941.0
Short-term borrowings	14	**1,966.0**	2,130.0
Lease liabilities		**703.9**	813.5
Current income tax liabilities		**210.0**	268.2
		4,414.9	4,496.1
Total liabilities		**5,444.7**	5,843.5
Net assets		**8,622.0**	9,059.0
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**-**	-
Other reserves		**1,879.2**	1,886.5
Retained earnings		**6,742.8**	7,172.3
		8,622.0	9,058.8
Non-controlling interests		**-**	0.2
Total equity		**8,622.0**	9,059.0

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2026

	Year ended 28 February 2026 RMB million	28 February 2025 RMB million
Cash flows from operating activities		
Net cash generated from operations	**3,032.6**	4,099.3
Income tax paid	**(304.2)**	(344.0)
Net cash generated from operating activities	**2,728.4**	3,755.3
Cash flows from investing activities		
Payments for purchases of property, plant and equipment and intangible assets	**(284.0)**	(372.8)
Proceeds from disposals of property, plant and equipment	**0.1**	0.6
Disposal a subsidiary, net of cash	**(0.2)**	-
Interest received	**69.0**	74.7
Net increase in other term deposit	**(300.0)**	-
Net cash used in investing activities	**(515.1)**	(297.5)
Cash flows from financing activities		
Proceeds from short-term borrowings	**2,706.0**	4,080.0
Repayments of short-term borrowings	**(2,870.0)**	(2,670.1)
Placement of short-term pledged bank deposits	**(3,697.2)**	(1,146.7)
Withdrawal of short-term pledged bank deposits	**3,626.9**	276.1
Payments for lease liabilities (including interest)	**(1,090.2)**	(1,241.3)
Interest paid for short-term borrowings	**(28.4)**	(15.9)
Dividends paid	**(1,674.3)**	(2,108.5)
Net cash used in financing activities	**(3,027.2)**	(2,826.4)
Net (decrease)/increase in cash and cash equivalents	**(813.9)**	631.4
Cash and cash equivalents at beginning of the year	**2,587.4**	1,956.0
Cash and cash equivalents at end of the year (note)	**1,773.5**	2,587.4

Note: Analysis of cash and cash equivalents

Bank balances and cash	**2,073.5**	2,587.4
Less: Other term deposit with initial term of 3 months	**(300.0)**	-
	1,773.5	2,587.4

NOTES

1 General information

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

The Company was incorporated in the Cayman Islands on 5 September 2018 as an exempted company with limited liability under the Companies Act of the Cayman Islands, as amended or supplemented or otherwise modified from time to time. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 10 October 2019. As at 28 February 2026 and 28 February 2025, no entity holds more than 50% equity interest in the Company and the directors of the Company considered there is no controlling party of the Company.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated and have been approved for issue by the Board on 27 May 2026.

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention except for financial assets at fair value through profit and loss, which is measured at fair value.

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

(a) Amended standards adopted by the Group

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

- Amendments to IAS 21 – Lack of Exchangeability

The adoption of this amendment to standard does not have significant impact on the consolidated financial statements of the Group.

2 Basis of preparation (Continued)

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

A number of new standards, amendments to standards and interpretations have been issued but are not effective for the year beginning on or after 1 March 2026 and have not been early adopted by the Group.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[(1)]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – Dependent Electricity[(2)]
Volume 11	Annual Improvement to IFRS Accounting Standards[(1)]
IFRS 18 (New Standard)	Presentation and Disclosure in Financial Statements[(2)]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[(2)]
IFRS 19 (New Standard)	Disclosures for Subsidiaries without Public Accountability[(3)]
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements[(4)]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[(4)]

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

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

(3) Effective for the Group for annual period beginning on 1 March 2028.

(4) Effective date to be determined.

The directors have performed assessment on the new standards, and amendments, and has concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Group's consolidated financial statements when they become effective, except for IFRS 18 which will impact the presentation of consolidated financial statements.

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

2 Basis of preparation (Continued)

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

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from annual period beginning on 1 March 2027. Retrospective application is required, and so the financial information for the financial year ending 28 February 2027 as comparative information will be restated in accordance with IFRS 18.

3 Segment information

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

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

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

As at 28 February 2026 and 28 February 2025, substantially all of the non-current assets of the Group were located in the PRC.

4 Revenue

	Year ended	
	28 February 2026 RMB million	28 February 2025 RMB million
Sale of goods	**25,575.1**	26,815.5
Concessionaire fee income	**124.1**	145.9
Others	**40.7**	51.5
	25,739.9	27,012.9

The Group derived its revenue from the transfer of goods at point in time.

For the years ended 28 February 2026 and 28 February 2025, no revenue derived from transactions with any single customer represent 10% or more of the Group's total revenue.

5 Other income

	Year ended	
	28 February 2026 RMB million	28 February 2025 RMB million
Government incentives (note)	**85.0**	150.1
Loss on disposal of a subidiary	**(7.9)**	-
Others	**0.1**	0.1
	77.2	150.2

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

6 Expenses by nature

	Year ended 28 February 2026 RMB million	Year ended 28 February 2025 RMB million
Cost of inventories recognized as expenses included in cost of sales	**15,927.0**	16,582.3
Staff costs	**2,574.1**	2,746.4
Lease expenses (mainly including concessionaire fee expenses)	**1,971.3**	2,304.3
Depreciation on right-of-use assets	**912.1**	989.7
Depreciation on property, plant and equipment	**366.4**	449.5
Amortization of intangible assets	**15.6**	21.2
Write-off of property, plant and equipment	**1.9**	1.3
Losses on disposal of property, plant and equipment	**2.1**	0.9
Impairment of inventories recognized as expenses included in cost of sales	**28.3**	47.2
Impairment of property, plant and equipment included in selling and distribution expenses	**16.2**	14.3
Impairment of right-of-use assets included in selling and distribution expenses	**113.6**	105.0
Other tax expenses	**71.2**	73.5
Auditors' remuneration	**5.5**	5.5
Others	**2,290.4**	2,227.7
Total cost of sales, selling and distribution expenses and general and administrative expenses	**24,295.7**	25,568.8

7 Finance costs, net

	Year ended 28 February 2026 RMB million	Year ended 28 February 2025 RMB million
Interest income from bank deposits	**79.5**	84.6
Exchange gains	**-***	-*
Finance income	**79.5**	84.6
Interest expense on bank borrowings	**(28.4)**	(19.4)
Interest expense on lease liabilities	**(65.7)**	(98.3)
Finance costs	**(94.1)**	(117.7)
Finance costs, net	**(14.6)**	(33.1)

*the amount is less than RMB0.1 million.

8 Income tax expense

	Year ended **28 February 2026 RMB million**	28 February 2025 RMB million
Current income tax - PRC corporate income tax		
- Current year	**164.2**	242.1
- (Over)/under-provision in prior years	**(0.2)**	17.7
- Withholding tax	**82.0**	90.7
Deferred income taxes	**(3.8)**	(75.6)
Income tax expense	**242.2**	274.9

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

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. Subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% (2025: 16.5%). No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong. During the year, most of the PRC established subsidiaries of the Company are subject to the PRC corporate income tax rate of 25% (2025: 25%) except that certain subsidiaries are subject to various preferential tax treatments.

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

9 Earnings per share

(a) Basic

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

		Year ended **28 February 2026**	28 February 2025
Profit attributable to equity holders of the Company	RMB million	**1,266.8**	1,286.0
Weighted average number of ordinary shares for the purpose of basic earnings per share	thousand of shares	**6,201,222**	6,201,222
Basic earnings per share	RMB cents	**20.43**	20.74

(b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share outstanding for the respective years ended 28 February 2026 and 28 February 2025.

10 Dividends

(a) At a meeting held on 23 October 2024, the directors declared an interim dividend of RMB14.00 cents or equivalent to HK$15.07 cents per ordinary share (totaling RMB868.2 million) for the six months ended 31 August 2024, which was paid and has been reflected as an appropriation of retained earnings for the year ended 28 February 2025.

(b) At a meeting held on 22 October 2025, the directors declared an interim dividend of RMB13.00 cents or equivalent to HK$14.01 cents per ordinary share (totaling RMB806.2 million) for the six months ended 31 August 2025, which was paid and has been reflected as an appropriation of retained earnings for the year ended 28 February 2026.

(c) At a meeting held on 21 May 2025, the directors recommended a final dividend of RMB2.00 cents or equivalent to HK$2.15 cents per ordinary share (totaling RMB124.0 million) and a special dividend of RMB12.00 cents or equivalent to HK$12.88 cents per ordinary share (totaling RMB744.1 million) for the year ended 28 February 2025. These dividends have been approved on AGM held on 18 July 2025, which were paid and have been reflected as an appropriation of retained earnings during the year ended 28 February 2026.

(d) At a meeting held on 27 May 2026, the directors recommended a final dividend of RMB3.00 cents or equivalent to HK$3.43 cents per ordinary share (totaling RMB186.0 million) and a special dividend of RMB12.00 cents or equivalent to HK$13.71 cents per ordinary share (totaling RMB744.1 million) for the year ended 28 February 2026. These proposed dividends are not reflected as dividend payable in the financial statements, but will be reflected in the year ending 28 February 2027.

11 Inventories

	As at	
	28 February 2026 RMB million	28 February 2025 RMB million
Merchandise for sale	**5,732.8**	6,222.6
Less: provision for impairment losses	**(246.9)**	(218.6)
	5,485.9	6,004.0

The cost of inventories amounting to RMB15,927.0 million (2025: RMB16,582.3 million) and the provision of impairment for inventories, net amounting to RMB28.3 million (2025: RMB47.2 million) were included in cost of sales during the year ended 28 February 2026.

12 Trade receivables

	As at	
	28 February 2026	28 February 2025
	RMB million	RMB million
Trade receivables	**1,345.0**	758.6
Loss allowance	**(6.3)**	(6.7)
	1,338.7	751.9

The Group's concessionaire sales through department stores and sales through e-commerce platforms are generally collectible within 30 days and 15 days from the invoice date respectively. As at 28 February 2026, the aging analysis of trade receivables, based on invoice date, is as follows:

	As at	
	28 February 2026	28 February 2025
	RMB million	RMB million
0 to 30 days	**1,288.4**	730.8
31 to 60 days	**32.9**	9.6
61 to 90 days	**15.2**	7.0
Over 90 days	**8.5**	11.2
	1,345.0	758.6
Loss allowance	**(6.3)**	(6.7)
	1,338.7	751.9

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

13 Trade payables

The credit periods granted by suppliers generally range from 0 to 60 days. Aging analysis of trade payables, based on invoice date, is as follows:

	As at	
	28 February 2026	28 February 2025
	RMB million	RMB million
0 to 30 days	**401.1**	339.1
31 to 60 days	**0.7**	3.5
Over 60 days	**1.2**	0.8
	403.0	343.4

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

14 Short-term borrowings

	As at	
	28 February 2026	28 February 2025
	RMB million	RMB million
Unsecured bank borrowings (note (a))	**401.0**	400.0
Secured bank borrowing (note (b))	**1,565.0**	1,730.0
	1,966.0	2,130.0

Notes:

(a) As at 28 February 2026, the Group's unsecured bank borrowings carried interest at fixed rates with weighted average interest rate of 1.0% (2025: 1.2%) per annum. The carrying amounts of the Group's short-term borrowings are denominated in RMB which approximate their fair values.

(b) As at 28 February 2026, borrowings of RMB1,565.0 million (2025: RMB1,730.0 million) were secured by the short-term pledged bank deposits of RMB1,067.0 million (2025: RMB996.7 million). The carrying amount is denominated in RMB which approximates its fair value. The borrowing carried interest at fixed rate with weighted average interest rate of 0.8% (2025: 1.2%) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the year, against a complex and volatile external backdrop, China's macroeconomy continued its steady-to-positive momentum. According to the National Bureau of Statistics, China's GDP grew by around 5% in 2025. Nevertheless, the consumption market remained rather subdued. Consumer confidence stayed sluggish and overall consumption momentum remained weak, with total retail sales of consumer goods seeing only a mild recovery from a low base. Consumers have grown increasingly prudent in spending decisions, and discretionary goods including sports footwear and apparel have borne the brunt of the downturn.

From an industry perspective, the overall scale of China's sportswear market keeps expanding yet with slower growth. The sector maintains solid long-term fundamentals, moving toward maturity and rationality alongside continuous structural optimization. Nevertheless, current business challenges go beyond cyclical weakness in consumer demand. Profound structural shifts are underway. Offline retail has long departed from the passive customer-attracting model, while online operations can no longer rely on extensive and stereotyped strategies. The traffic dividends that once benefited the entire industry have largely faded away. We have entered a new cycle where refined operation and in-depth professional competence stand as core competitive strengths.

Against this backdrop, two major trends stand out prominently. In terms of product categories, as consumers' demands for specific sports scenarios grow increasingly segmented, their dual pursuit of professional gear and emotional value keeps rising, driving robust growth for brands focusing on professional sports and outdoor niche tracks. In terms of channels, traditional offline channels face sustained pressure, while the online landscape has evolved from dominance by conventional e-commerce platforms into an ecosystem featuring diversified sectors and multi-platform co-development. Content-driven social commerce represented by short videos and content seeding has become a genuine growth engine. Meanwhile, the rise of local lifestyle services and instant retail has further reshaped traditional delivery models into a diversified network integrating home delivery, in-store consumption and on-site experiences. The growing complexity of sales channels has raised higher management requirements for operators like us.

The following sections provide further detail on the Group's financial performance and business progress during the financial year. In response, we have acted with steady strategic resolve. We prioritize operational efficiency by focusing on improving single-store performance and workforce productivity, continuously optimizing our omni-channel retail network layout and resource allocation, and prudently balancing supply and demand amid market fluctuations. Empowered by in-depth digital and intelligent capabilities, we elevate operational quality through lean management. Sound inventory management and sustainable profitability remain our top priorities. Steady cash flow and financial resilience underpin our business foundation, support long-term sustainable value creation, and solidify the basis for consistent shareholder returns.

The following sections will further elaborate on the Group's financial performance and business progress during the financial year.

FINANCIAL REVIEW

During the financial year, as a result of the sluggish macro consumption environment and declining offline foot traffic weighing on the overall retail market, the Group's revenue decreased by 4.7% year-on-year to RMB25,739.9 million. Supported by our Omni-channel retail strengths, online retail business registered year-on-year growth, partially offsetting the foot traffic pressure faced by offline retail operations.

In terms of gross profit margin, fierce promotional activities in China's online sports footwear and apparel market, together with a higher proportion of online retail sales recorded in the year, led to deeper year-on-year discounts, which served as the main drag on gross margin. The Group's gross profit margin declined by 0.4 percentage points year-on-year to 38.0% in the year.

On selling and distribution expenses and general and administrative expenses: while the weakness in offline footfall during the financial year exerting operating de-leverage challenges for traditional store-based retail, the Group benefited from the continued broadening and refinement of its Omni-channel retail network , including steady optimization of offline store networks, in-depth restructuring of online channels and improved cost efficiency. As a result, selling and distribution expenses and general and administrative expenses decreased year-on-year by 6.7%, with the corresponding expense ratio decreasing by 0.7 percentage points year-on-year to 32.4%. This reflects the Group's disciplined approach to expense management in a volatile market environment, and the flexibility and efficiency delivered by our Omni-channel retail network. Profit attributable to the Company's equity holders decreased year-on-year by 1.5% to RMB1,266.8 million, with profit margin attributable to the Company's equity holders improved 0.1 percentage points year-on-year to 4.9%.

Cash serves as the cornerstone for sustainable corporate development. As at 28 February 2026, the Group's bank balances and cash stood at RMB2,073.5 million, and net cash generated from operating activities amounted to RMB 2,728.4 million. Against this backdrop, the Board has recommended a final dividend of RMB3.00 cents per ordinary share and a special dividend of RMB12.00 cents per ordinary share for the financial year ended 28 February 2026. Together with the interim dividend of RMB13.00 cents per ordinary share already distributed, the total dividend for the full financial year will be RMB28.00 cents per ordinary share, representing a dividend payout ratio of 137.1%. Since its listing in 2019, the Company has distributed aggregate dividends of RMB14.6 billion, with a cumulative dividend payout ratio reaching 107.3%. Amid market fluctuations, maintaining an industry-leading dividend payout ratio fully demonstrates our firm commitment to delivering steady cash returns and creating long-term value for shareholders.

BUSINESS REVIEW

I. Deepening the Core: Omni-channel Operations — Enhancing Quality and Efficiency

Omni-channel Retail: Leveraging the Physical Store Network for Traffic Aggregation and Optimize in-depth Operations

The Group continues to deepen the development and practical implementation of its Omni-channel retail framework. Centering on its nationwide physical store network, we fully cover three major consumption scenarios including in-store shopping, home delivery and on-site experiences. We drive the Omni-channel capability upgrade of traditional brick-and-mortar stores via online channels such as content e-commerce, private domain operation, local lifestyle services and instant retail. Adopting the mirrored model of "1 (offline store) + N (corresponding multi-scenario online presence)", each physical store undertakes multiple functions including public domain traffic acquisition, private domain user cultivation, instant order fulfillment and content marketing. We streamline nationwide merchandise circulation and achieve in-depth online-offline synergy, thereby building flexible, efficient and scalable Omni-channel operational strengths that effectively mitigate headwinds amid the challenging macro business environment.

In terms of the iteration of offline store networks, we allocate resources in a more focused manner. We keep optimizing resource input centering on improving single-store efficiency and Omni-channel synergy, and adopt a prudent approach towards new store openings and store renovations. We adhere to quality-first principles for newly-opened stores and apply differentiated investment strategies for renovated outlets. Overall, taking operational efficiency as the core benchmark, we formulate brand-specific store restructuring plans by fully considering the distinct positioning, target customer profiles and product attributes of each brand.

Store count, total selling area and per-store selling area movements during the year:

	As at 28 / 29 February			
	2023	2024	2025	**2026**
Number of stores				
At the beginning of the year	7,695	6,565	6,144	**5,020**
Opening of new stores	429	526	258	**201**
Closure of stores	(1,559)	(947)	(1,382)	**(861)**
Net decrease in the number of stores	(1,130)	(421)	(1,124)	**(660)**
At the end of the year	6,565	6,144	5,020	**4,360**
YoY change in gross selling area	(6.8%)	(0.8%)	(12.4%)	**(9.7%)**
YoY change in selling area per store	9.2%	6.0%	7.2%	**3.9%**

As at 28 February 2026, the Group operated 4,360 directly-managed stores. The year-on-year decline in store numbers stood at 13.1%, narrowing from the drop of 18.3% recorded in last year, mainly attributable to fewer store closures year on year. Total selling area dropped by 9.7% year on year, broadly in line with the movement in store count. The selling area per store edged up slightly by 3.9% year on year, a marked slowdown from the 7.2% growth in last year, which further reflects the Group's core business philosophy of prioritizing store-level operational efficiency and sales per unit area.

In terms of operational quality, the performance of newly opened and renovated stores in the current year outshone that in the same period of last year, and the loss reduction effect from store closures also improved year on year. Capital expenditure for the year decreased by 24.0% year-on-year. The structural adjustment of offline stores has alleviated operational pressures arising from sluggish customer flows to a certain extent. The Group fully recognizes the core value of physical stores in the sports retail sector. We continue to upgrade stores with growth potential, and adopt differentiated strategies to expand their omni-channel operational capabilities. We iterate our store layout in step with evolving consumption trends. Meanwhile, through diversified traffic acquisition and refined operations, we strive to tap new growth drivers for business development.

We build content e-commerce centered on interest-driven consumption, focus on account matrix operation, achieve rapid user penetration via hit product portfolio collaboration, and scale up proven mature business models. As of the end of the year, we operated more than 700 official accounts on Douyin and WeChat Channels. In private domain operations, we further deepen user relationship management. Beyond serving as a sales channel, private domains act as a core hub for user retention and value cultivation. We ran over 3,700 mini-program stores by year-end. Community-based operations help form a closed-loop system integrating services and sales, enabling targeted product recommendations supported by data insights. Meanwhile, we ramp up the development of urban instant fulfillment capabilities to meet consumers' immediate sports gear demands for instant access anytime anywhere. Around 3,800 stores were accessible via instant retail services as at year-end. During the year, we also actively collaborated with local lifestyle platforms to drive foot traffic to physical outlets through online coupon issuance and offline redemption, effectively easing the pressure of insufficient offline customer flows.

To underpin the efficient operation of our omni-channel system, the Group has independently developed intelligent in-store operational tools and launched the exclusive store management system Panoramic Compass. It consists of four core modules: unified omni-channel SOPs, single-store business models, store management diagnosis and AI intelligent Q&A, which precisely address four key operational scenarios: implementation standards, daily management, performance optimization and professional learning. This system shifts store management from manual data retrieval to intelligent data-driven services. It standardizes multi-dimensional omni-channel retail practices into routine workflows, fully empowering frontline teams in business analysis and practical execution. It helps unlock single-store operational potential and enhance individual staff competency.

In conclusion, against the intricate market backdrop, our proactive exploration and expanded deployment of Omni-channel retail have effectively cushioned the decline in revenue. Furthermore, refined cross-channel inventory management, accelerated turnover, targeted channel restructuring and rigorous cost control have eased adverse operational leverage. This has solidified the Group's profit resilience and healthy cash flow. By elevating operational quality and efficiency across all channels, we have further consolidated our core business fundamentals and firmly underpinned the company's long-term sustainable growth.

Users: Tiered In-depth Cultivation & Value-oriented Operation

We remain consumer-centric and build a diversified user value system by following the logic of demand matching, occasion penetration and experience value. We tap into latent user potential and foster a sound ecosystem for sustained in-depth user relationship development.

During the year, we optimized and upgraded our membership system. By launching innovative offerings such as exclusive online cards and co-branded cards, we optimized membership payment models to enable flexible purchase periods and extended benefit validity, thereby building a base of high value loyal customers. We also restructured membership tiers, upgrading the original four tiers namely Regular, Gold, Black and Diamond to five tiers ranging from T1 Rookie to T5 Legend. The new naming convention better resonates with sports consumers, while the revised tier classification expands the mid-tier member base for a healthier overall membership structure. In addition, tier-up incentive campaigns have successfully driven incremental sales revenue.

We have optimized the full-lifecycle user value operation system, and customized exclusive benefit matrices and precise outreach strategies tailored to differentiated core user profiles. Innovative interactive marketing also stood as a key strategic focus during the year. Leveraging diverse engaging activities, we boosted repeat purchases and reactivated inactive users via online campaigns. Meanwhile, we upgraded offline consumption occasions. Through in-store interactive facilities and omni-channel collaboration with external platforms including Meituan and Douyin, we further strengthened user connections and drove sales growth and conversion efficiency.

In addition, to deepen emotional resonance with young consumers, we have strengthened community connections across multiple dimensions and launched a wide range of IP co-branding campaigns and offline community events. In terms of IP collaboration, we jointly launched co-branded products with trendy ACG IPs and participated in offline themed fairs. For offline experiences, leveraging stores as gathering hubs for sports enthusiasts, we partnered with brand allies to stage athlete China tour events. Meanwhile, our own TOPSPORTS community IP has joined hands with brand partners, shopping malls and sports groups to organize diverse offline activities including urban cycling challenges, dance parties and running training sessions. By expanding diversified "sports-plus" scenarios, we have built stronger value alignment with young generations, effectively enhancing users' sense of belonging and brand preference.

As at 28 February 2026, the Group's cumulative user base (including members and potential members) reached 92.9 million. This community has become the core driver of sales contribution, delivering consistently healthy repeat purchase performance.

	As at			
	31 August 2024	28 February 2025	31 August 2025	**28 February 2026**
Cumulative user* (Million)	81.0	86.0	89.1	**92.9**
Percentage of offline store and WeChat Mini Programme retail sales (including VAT) contributed by members during the period#	93.7%	93.2%	92.9%	**91.7%**

* *Users include members and potential members (i.e. community friends who are not yet members)*
\# *During the period refers to semi-annual data as of 31 August and annual data as of 28 February.*

II. Systematic Positioning: Diversified Matrix & Capability Upgrade of Professional Sports Segments

Affected by external factors, domestic consumers have adopted a more prudent spending attitude, leaving short-term consumption potential yet to be fully unleashed. The sports consumption market has witnessed marked structural differentiation, bringing forth prominent opportunities across segmented tracks. Core consumer groups represented by Gen Z and the new middle class increasingly integrate sports consumption with self-identity and lifestyle pursuits. As running communities keep expanding and public sports participation grows more professional, consumer demand for high-performance and personalized sports gear keeps rising. Meanwhile, they also place higher emphasis on aesthetic design, immersive experience and emotional value. Current consumption preferences now prioritize both professional functionality and spiritual satisfaction.

During the year, backed by a diversified brand portfolio covering comprehensive sports, professional sports, casual sports and IP culture, the Company stepped up efforts in high-growth segmented tracks such as running and outdoor sports. We continued to enrich brand lineup and product offerings to accurately meet multi-level and differentiated consumer demands. In-depth development of specialized tracks relies solidly on solid professional product strength, in-depth insight into target customer groups, refined operation systems and community cultural development. In-depth cooperation with professional brands also serves as a key platform for the Group to explore and upgrade new operational models. By continuously optimizing the brand matrix for professional segments and fostering full-spectrum supporting operational capabilities, we have secured a forward-looking position in high-potential niche markets, further expanding room for future growth and long-term development opportunities.

During the year, as the exclusive operational partner of Norrøna, norda®, Soar, Ciele and other brands in the Chinese market, TOPSPORTS undertook full-spectrum operations including brand strategic positioning, localized content creation, Omni-channel retail implementation and sports community cultivation for these brands across the country. In the outdoor segment, leveraging our accumulated experience in outdoor business operations, Norrøna has further improved our professional layout and service capabilities in the high-end outdoor market. In the running segment, in light of the distinct features of each brand, we steadily advanced the omni-channel layout of norda®, Soar, Ciele and other brands. We keep catering to core groups of trail running and high-end sports enthusiasts, and continuously deepen exploration and practice in localized brand operation.

Built on multi-brand retail operations, the venue serves as both a space for running-themed cultural events and a hub for community bonding, aiming to build a local running cultural brand rooted in the domestic market. During the year, ektos gradually built solid market reputation and gained recognition among professional runners by participating in marathon expos, launching trail running pop-up events and regularly organizing running club and community activities.

Going forward, we strive to become an all-round one-stop operational partner for premium brands seeking entry into the Chinese market across diverse sports sectors. We aim to offer diversified product selections and high-quality sports experiences to mainstream consumers and niche enthusiast groups, and continuously inject fresh momentum into the development of China's sports industry.

III. Intelligence-Led Future: Digital Intelligence and AI Solidifying Intrinsic Development Impetus

We are fully aware that the Group's complex business landscape featuring multi-brand portfolio management, extensive SKU operations and omni-channel layout, coupled with its massive user base, creates ideal conditions for AI to deliver large-scale efficiency gains and targeted business empowerment. In this financial year, our digital platform has undergone in-depth intelligent upgrading. Centering on precision and efficiency, we closely align digital transformation with business strategies and accelerate advancement across five core areas. This shift drives business decision-making from experience-based judgment to intelligent data-driven governance, and builds a comprehensive intelligent capability system spanning frontline execution to senior management decision-making.

Supported by an AI-powered management system in merchandise operation and supply chain, we optimize the entire process of product selection, ordering and pricing, enable refined inventory management, enhance inventory turnover efficiency, and realize intelligent upgrading of merchandise listing and operation. In Omni-channel retail operation, we launch the intelligent in-store Panoramic Compass. Equipped with round-the-clock sales assistance, intelligent product recommendation and AI merchandise selection tools, it effectively improves the matching efficiency among consumers, products and occasions, and facilitates efficient user engagement and conversion. In user operation and marketing, we establish an AIGC content production hub and precise marketing system, integrate Omni-channel membership benefits and multi-occasion coupon management, fully tap user lifecycle value and drive sales conversion growth, via AI enabled mass content creation. In business management and decision-making, we have built a unified data middle platform and intelligent decision cockpit. The platform integrates full-scale business data and completes systematic upgrading, greatly improving operational efficiency and the accuracy of business analysis and judgment. In general administration, we deploy knowledge middle platforms and functional AI applications to accumulate corporate digital assets and elevate organizational efficiency. We independently develop multi-occasion AI tools and implement them in core business procedures, steadily building a scenario-oriented and data-interconnected AI-enabled business ecosystem.

IV. Sustainable Development

During the year, aligned with our ESG vision, the Group further advanced sustainable development practices and strived to be a promoter and leader of green consumption. We integrated sustainable development concepts into all business processes, and made steady progress and continuous improvements in environmental protection, social responsibility and corporate governance.

We actively respond to the UN Sustainable Development Goals (SDGs) and the national dual-carbon strategy. Focusing on advancing green transformation across the value chain, we have formulated a ten-year medium-to-long-term carbon reduction roadmap and quantified development targets. During the year, the Group's absolute Scope 1 and Scope 2 greenhouse gas emissions dropped by 16% year-on-year. We also conducted climate scenario analysis for the first time to systematically study and assess relevant climate-related risks. Meanwhile, we advocate the green circular economy. Leveraging our public welfare IP GREENBOX, we launched regular used clothing recycling programs at offline stores to promote circular economy concepts and healthy sports lifestyles. During the year, a total of nearly 3 tons of used clothes were recycled, cutting carbon emissions by approximately 10 tons equivalently. In terms of social responsibility, we uphold a people-oriented philosophy, foster an equal, inclusive, healthy and friendly workplace, and build a sound training system as well as clear career development paths. We also take an active part in public welfare initiatives to fulfill corporate social responsibilities and give back to society.

Through systematic ESG governance and consistent on-the-ground implementation, the Group has received sustained recognition from multiple authoritative institutions, with our MSCI ESG rating maintaining its leading position of the industry—fully demonstrating the Company's firm commitment to and solid progress in sustainable development. Looking ahead, the Group will uphold its ESG vision of "To become a promoter and leader of green consumption by jointly building a sustainable ecosystem and achieving win-win values."—progressively advancing green collaboration and integration across more business dimensions within our Omni-channel retail scenarios, and working together with all stakeholders to build a sustainable ecosystem, while continuing to provide consumers with best-in-class sports products and services.

OUTLOOK

Driven by policy dividends, technological advancement and upgraded consumer demands, the sports consumption industry keeps evolving with increasingly fierce competition, presenting both opportunities and challenges. Faced with the complex market landscape, the Group adapts to market trends and takes on challenges head-on. Through forward-looking strategic layout and efficient execution, we continuously sharpen core competitiveness in sports retail. We strive to deliver high-quality all-scenario services to consumers, build a mutually beneficial and symbiotic value ecosystem together with brand partners, and create steady and sustainable long-term returns for shareholders.

Looking ahead, the Group will steadily advance long-term development focusing on the following core directions:

- Prioritize operational efficiency to sustain steadiness of core business fundamentals
- Pursue systematic positioning to optimize professional segment matrix and upgrade core capabilities
- Empower development via digital intelligence to deepen Omni-channel digital transformation and AI implementation
- Pursue win-win collaboration and follow an ESG development path with distinctive corporate features

FINANCIAL ANALYSIS

For the year ended 28 February 2026, the Group recorded revenue of RMB25,739.9 million, a decrease of 4.7% compared with that of the year ended 28 February 2025. The Group recorded operating profit of RMB1,521.8 million, a decrease of 4.5% compared with that of the year ended 28 February 2025. The profit attributable to the Company's equity holders during the year amounted to RMB1,266.8 million, a decrease of 1.5% compared with that of the year ended 28 February 2025.

REVENUE

The Group's revenue decreased by 4.7%, from RMB27,012.9 million for the year ended 28 February 2025 to RMB25,739.9 million for the year ended 28 February 2026. The decline was mainly due to the sluggish macro consumption environment and declining offline foot traffic, partly offset by the growth of the online retail business during the year. The following table sets forth a breakdown of the revenue from sale of goods by brand categories, concessionaire fee income and e-Sports income for the year indicated:

	Year ended				
	28 February 2026		28 February 2025		
	Revenue	**% of total**	Revenue	% of total	Decline rate
Principal brands*	**22,329.9**	**86.7%**	23,310.7	86.3%	4.2%
Other brands*	**3,245.2**	**12.6%**	3,504.8	13.0%	7.4%
Concessionaire fee income	**124.1**	**0.5%**	145.9	0.5%	14.9%
e-Sports income	**40.7**	**0.2%**	51.5	0.2%	21.0%
Total	**25,739.9**	**100.0%**	27,012.9	100.0%	4.7%

Unit: RMB million

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

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

	Year ended				
	28 February 2026		28 February 2025		
	Revenue	**% of total**	Revenue	% of total	Decline rate
Retail operations	**22,414.2**	**87.0%**	23,027.3	85.3%	2.7%
Wholesales operations	**3,160.9**	**12.3%**	3,788.2	14.0%	16.6%
Concessionaire fee income	**124.1**	**0.5%**	145.9	0.5%	14.9%
e-Sports income	**40.7**	**0.2%**	51.5	0.2%	21.0%
Total	**25,739.9**	**100.0%**	27,012.9	100.0%	4.7%

Unit: RMB million

PROFITABILITY

The Group's operating profit decreased by 4.5% to RMB1,521.8 million for the year ended 28 February 2026. The profit attributable to the Company's equity holders decreased by 1.5% to RMB1,266.8 million for the year ended 28 February 2026.

	Year ended		
	28 February 2026	28 February 2025	Decline rate
Revenue	**25,739.9**	27,012.9	4.7%
Cost of sales	**(15,955.3)**	(16,629.5)	4.1%
Gross profit	**9,784.6**	10,383.4	5.8%
Gross profit margin	**38.0%**	38.4%	

Unit: RMB million

Cost of sales decreased by 4.1% from RMB16,629.5 million for the year ended 28 February 2025 to RMB15,955.3 million for the year ended 28 February 2026. Gross profit of the Group decreased by 5.8% to RMB9,784.6 million for the year ended 28 February 2026 from RMB10,383.4 million for the year ended 28 February 2025.

During the year, the gross profit margin of the Group was 38.0%, decreased by 0.4 percentage points, from 38.4% for the year ended 28 February 2025. Decrease in gross profit margin primarily resulted in fierce promotional activities in China's online sports footwear and apparel market, together with a higher proportion of the Group's online retail sales recorded in the year with higher discount rate compared with offline retail business which exerted a negative impact on the gross profit margin, partly offset by refined cross-channel inventory management and accelerated turnover during the year. As of 28 February 2026, the inventory decreased by 8.6% to RMB5,485.9 million as compared with RMB6,004.0 million as at 28 February 2025 and decreased by 6.0% half-on-half as compared with 31 August 2025.

Selling and distribution expenses for the year ended 28 February 2026 were RMB7,347.1 million (2025: RMB7,943.8 million), accounting for 28.5% of the Group's revenue (2025: 29.4%). The selling and distribution expenses primarily include concessionaire and lease expenses, depreciation of right-of-use assets in relation to the stores, sales personnel salaries and commissions, other depreciation and amortization charges, and other expenses which mainly include store operation expenses, property management fees, logistics expenses and online service fees. Decrease in selling and distribution expenses was primarily driven by weaker revenue performance amid underwhelming overall offline foot traffic, steady optimization of offline store networks and in-depth restructuring of online channels during the year. This, in turn, led to lower related lease expenses, depreciation of right-of-use assets in relation to the stores and sales personnel salaries and commissions, partly offset by an increase in online platforms service fee during the year.

In the position of declining revenue, selling and distribution expenses as a percentage of the Group's revenue decreased by 0.9 percentage points which was mainly attributable to targeted channel restructuring and rigorous cost control have eased adverse operational leverage during the year.

General and administrative expenses for the year ended 28 February 2026 were RMB993.3 million (2025: RMB995.5 million), accounting for 3.9% of the Group's revenue (2025: 3.7%), which were approximately flat compared with last year. The general and administrative expenses primarily include lease expenses in relation to office premises, management and administrative personnel salaries, depreciation and amortization charges, other tax expenses and other expenses.

Finance income decreased from RMB84.6 million for the year ended 28 February 2025 to RMB79.5 million for the year ended 28 February 2026. Decrease in finance income was mainly due to less interest income of bank deposits incurred, as weighted average interest rate for the year ended 28 February 2026 was lower than last year, offset by the average balance of bank deposits was higher than last year.

Finance costs decreased from RMB117.7 million for the year ended 28 February 2025 to RMB94.1 million for the year ended 28 February 2026, primarily as a result of decrease in interest expenses on lease liabilities for the year ended 28 February 2026, partly offset by more interest expenses of short-term borrowings incurred, as the average balance of short-term borrowings was higher than last year.

Income tax expense for the year ended 28 February 2026 amounted to RMB242.2 million (2025: RMB274.9 million). The effective income tax rate decreased by 1.5 percentage points to 16.1% for the year ended 28 February 2026 from 17.6% for the year ended 28 February 2025 was attributable to the change in the relative profitability of the companies within the Group. The statutory income tax rate for the Group in Mainland China is generally 25% and the Company provided withholding tax provision on the profits retained by the subsidiaries in the PRC.

OTHER INCOME

Other income for the year ended 28 February 2026 amounted to RMB77.2 million (2025: RMB150.2 million) mainly consists of government incentives.

CAPITAL EXPENDITURE

The Group's capital expenditures primarily comprised of expenditures for property, plant and equipment and intangible assets. For the year ended 28 February 2026, the total capital expenditure was RMB286.6 million (2025: RMB376.9 million).

BASIC EARNINGS PER SHARE

Basic earnings per share for the year ended 28 February 2026 decreased by 1.5% to RMB20.43 cents from RMB20.74 cents for the year ended 28 February 2025.

Basic earnings per share is calculated by dividing profit attributable to the Company's equity holders of RMB1,266.8 million for the year ended 28 February 2026 (2025: RMB1,286.0 million) by the weighted average number of ordinary shares of the Company in issue of 6,201,222,024 shares (2025: 6,201,222,024 shares).

		Year ended	
		28 February 2026	28 February 2025
Profit attributable to the Company's equity holders	RMB million	**1,266.8**	1,286.0
Weighted average number of ordinary shares for the purpose of basic earnings per share	thousand of shares	**6,201,222**	6,201,222
Basic earnings per share	RMB cents	**20.43**	20.74

LIQUIDITY AND FINANCIAL RESOURCES

During the year, net cash generated from operations decreased by RMB1,066.7 million to RMB3,032.6 million for the year ended 28 February 2026 from RMB4,099.3 million for the year ended 28 February 2025.

Net cash used in investing activities for the year ended 28 February 2026 was RMB515.1 million (2025: net cash used in RMB297.5 million). During the year, the Group invested RMB284.0 million on payments for purchases of property, plant and equipment and intangible assets, RMB0.2 million on disposal a subsidiary, net of cash, and RMB300.0 million on net increase in other term deposit, partly offset by proceeds from disposals of property, plant and equipment of RMB0.1 million and interest received of RMB69.0 million.

During the year, net cash used in financing activities was RMB3,027.2 million (2025: net cash used in RMB2,826.4 million), mainly due to the repayments of short-term borrowings of RMB2,870.0 million, placement of short-term pledged bank deposits of RMB3,697.2 million, payments for lease liabilities (including interest) of RMB1,090.2 million, payments of the 2024/25 final dividend of RMB124.0 million and special dividend of RMB744.1 million and payments of the 2025/26 interim dividend of RMB806.2 million by the Group during the year, partly offset by proceeds from short-term borrowings of RMB2,706.0 million and withdrawal of short-term pledged bank deposits of RMB3,626.9 million.

As at 28 February 2026, the Group held short-term pledged bank deposits and bank balances and cash totaling RMB3,140.5 million (2025: RMB3,584.1 million), after netting off the short-term borrowings of RMB1,966.0 million (2025: RMB2,130.0 million), it was in a net cash position of RMB1,174.5 million (2025: net cash position of RMB1,454.1 million).

GEARING RATIO

As at 28 February 2026, the gearing ratio (net debt (short-term borrowings less bank deposits, bank balances and cash) divided by total capital (total equity plus net debt)) of the Group had a net cash position (2025: net cash position) and the aggregate balances of short-term pledged bank deposits and bank balances and cash exceeded the total balance of short-term borrowings by RMB1,174.5 million (2025: RMB1,454.1 million).

PLEDGE OF ASSETS

As at 28 February 2026, except for the short-term pledged bank deposits of RMB1,067.0 million, no assets were pledged as security for banking facilities available to the Group.

CONTINGENT LIABILITIES

As at 28 February 2026, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 28 February 2026, the Group had a total of 22,376 employees (2025: 27,279 employees). For the year ended 28 February 2026, total staff cost was RMB2,574.1 million (2025: RMB2,746.4 million), accounting for 10.0% (2025: 10.2%) of the Group's revenue. The Group offers a competitive remuneration package to its employees, including mandatory retirement funds, insurance and medical coverage. In addition, discretionary bonus may be granted to eligible employees based on the Group's and individual's performance. The Group also allocated resources for providing continuing education and training for management and employees so as to improve their skills and knowledge.

GENERAL INFORMATION

FINAL DIVIDEND AND SPECIAL DIVIDEND

The board of directors of the Company (the "Board") recommended the payment of a final dividend for the year ended 28 February 2026 of RMB3.00 cents per ordinary share (the "Final Dividend") (2025: RMB2.00 cents), totaling RMB186.0 million (2025: RMB124.0 million).

For the benefit of the shareholders of the Company, and having considered the financial position of the Company, the Board further recommended the payment of a special dividend of RMB12.00 cents per ordinary share (the "Special Dividend", together with the Final Dividend, the "Dividends") (2025: RMB12.00 cents), totaling RMB744.1 million (2025: RMB744.1 million).

The actual exchange rate for the purpose of Dividends payment in Hong Kong dollars is the offshore exchange rate (Buying TT) of RMB against Hong Kong dollars (RMB1.00 = HK$1.1425) as quoted by the Hong Kong Association of Banks on Wednesday, 27 May 2026, being the date on which the Dividends are recommended by the Board. Accordingly, the amount of the Final Dividend and Special Dividend are HK$3.43 cents and HK$13.71 cents per ordinary share, respectively.

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

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the "AGM") will be held on Friday, 24 July 2026. The notice of the AGM will be sent to shareholders on Wednesday, 24 June 2026.

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

(a) For the purpose of ascertaining shareholder's eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 21 July 2026 to Friday, 24 July 2026 both days inclusive. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration no later than 4:30 p.m. on Monday, 20 July 2026. Shareholders whose names appear on the register of members of the Company on Friday, 24 July 2026 will be entitled to attend and vote at the AGM.

(b) Subject to approval of the shareholders of the Company at the AGM, the Dividends will be payable on or about Thursday, 20 August 2026 to the shareholders whose names appear on the register of members of the Company on Monday, 10 August 2026. For the purpose of ascertaining shareholder's eligibility for the Dividends, the register of members of the Company will be closed from Wednesday, 5 August 2026 to Monday, 10 August 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the above mentioned Dividends, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration by no later than 4:30 p.m. on Tuesday, 4 August 2026.

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

CORPORATE GOVERNANCE REPORT

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

The Board is of the view that the Company has complied with all applicable code provisions as set out in the CG Code during the year ended 28 February 2026, save for code provision C.2.1 of the CG Code as disclosed in this announcement.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors. Following specific enquiry, each of the Directors has confirmed compliance with the required standard set out in the Model Code throughout the year ended 28 February 2026.

AUDIT COMMITTEE

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

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

The Audit Committee and the external auditor have reviewed the audited consolidated financial statements of the Group for the year ended 28 February 2026. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

SCOPE OF WORK OF THE AUDITOR ON THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 28 February 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

REMUNERATION COMMITTEE

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

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

– making recommendations to the Board on the remuneration policy and structure for Directors and senior management and on the establishment of a formal and transparent procedure for developing such policies;

– making recommendations to the Board on the terms of specific remuneration packages of the Directors and senior management; and

– reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

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

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

NOMINATION COMMITTEE

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

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

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

During the year and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

EVENTS AFTER THE REPORTING PERIOD

There has been no material event affecting the Company and/or its subsidiaries from 28 February 2026 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

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

By order of the Board
Topsports International Holdings Limited
YU Wu
Chairman & Chief Executive Officer

Hong Kong, 27 May 2026

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

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