DONGXIANG

China Dongxiang (Group) Co., Ltd. 中國動向(集團)有限公司

(Incorporated in the Cayman Islands with limited liability) Stock Code: 3818

2025/2026 ANNUAL REPORT

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CONTENTS


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MISSION

Helping consumers to boost their self-confidence and experience the delight of being themselves as well as a healthy lifestyle with quality.

VISION

To become the first name that comes to mind in any discussion of fashionable sportswear in China.


EROI
Authentic Sportswear Brand
Since 1967


ETERNO
EROI
entic Sportswear Brand
Since 1967

CORPORATE INFORMATION

Executive Directors	Mr. Chen Yihong (Chairman) Ms. Chen Chen (Chief Executive Officer, President and Co-Chairman) Mr. Lyu Guanghong (Chief Financial Officer)
Independent Non-Executive Directors	Mr. Gao Yu Ms. Tang Songlian Mr. Zhou Zhiyi (appointed on 30 March 2026) Mr. Du Zhongbing (appointed on 13 April 2026)
Auditor	Deloitte Touche Tohmatsu Certified Public Accountants and Registered Public Interest Entity Auditor
Legal Advisers	Norton Rose Fulbright Hong Kong Conyers Dill & Pearman (Cayman) Limited Zhong Lun (Shanghai) Law Firm, Beijing
Authorised Representatives	Mr. Gao Yu Ms. Wai Pui Man
Company Secretary	Ms. Wai Pui Man
Principal Share Registrar and Transfer Office	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 Branch Share Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Registered Office	Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Head Office in People's Republic of China	Building 21, No. 2 Jingyuanbei Street, Beijing Economic-Technological Development Area, 100176, People's Republic of China
Principal Place of Business in Hong Kong	Office Unit 7, 13/F, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong
Principal Bankers	Morgan Stanley Asia International Limited Industrial and Commercial Bank of China
Website	www.dxsport.com


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FIVE-YEAR FINANCIAL HIGHLIGHTS

(All amounts in Renminbi million unless otherwise stated)

	Note	**For the twelve months ended 31 March 2026**	For the twelve months ended 31 March 2025	For the twelve months ended 31 March 2024	For the twelve months ended 31 March 2023	For the twelve months ended 31 March 2022
Revenue		**1,715**	1,680	1,744	1,679	1,916
Operating (loss)/profit		**(181)**	244	(778)	138	(1,786)
(Loss)/profit before income tax		**(183)**	248	(759)	174	(1,800)
(Loss)/profit attributable to owners of the Company		**(158)**	207	(639)	115	(1,783)
Gross profit margin (%)		**66.6**	68.6	68.3	63.4	63.9
Net (loss)/profit margin (%)		**(9.2)**	12.3	(36.6)	6.8	(93.1)
(Losses)/earnings per share for (loss)/profit attributable to owners of the Company for the year — basic/diluted (RMB cents)		**(2.69)**	3.53	(10.90)	1.96	(30.41)

	Note	**As at 31 March 2026**	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Non-current assets		**4,256**	4,784	5,253	5,808	5,211
Current assets		**5,450**	5,256	4,488	4,769	5,274
Current liabilities		**634**	662	498	568	790
Net current assets		**4,816**	4,594	3,990	4,201	4,484
Total assets		**9,706**	10,040	9,741	10,577	10,485
Total assets less current liabilities		**9,072**	9,378	9,243	10,009	9,695
Equity attributable to owners of the Company		**8,730**	9,208	9,075	9,665	9,351
Total assets per share (RMB cents)	1	**165.37**	171.21	166.10	180.36	178.80
Net assets per share (RMB cents)	1	**148.74**	157.01	154.74	164.80	159.46
Debt to equity ratio	2	**0.11**	0.09	0.07	0.09	0.12

Notes:

(1) The number of ordinary shares used in the calculation for the twelve months ended 31 March 2026, 2025, 2024, 2023 and 2022, are 5,869,623,000 shares, 5,864,511,000 shares, 5,864,511,000 shares, 5,864,511,000 shares and 5,864,168,000 shares, respectively, which were the weighted average number of ordinary shares in issue less shares held for Restricted Shares Award Scheme for the respective periods.

(2) The debt to equity ratio is calculated based on total liabilities of the Group divided by equity attributable to owners of the Company as at the reporting date.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I present on behalf of the Board our annual results for the twelve months ended 31 March 2026 (the "Reporting Period").

During the Reporting Period, the global economy entered a phase of deep structural adjustment and paradigm realignment. On the one hand, monetary policies among major economies diverged, with persistent inflation and the lagged effects of the preceding high-interest-rate environment continuing to weigh on the overall pace of global economic recovery; on the other hand, geopolitical rivalry grew increasingly complex, new trade protectionism rose, and the reorganisation of global supply chains coupled with sharp fluctuations in commodity prices rendered "uncertainty" and "high volatility" the norm in the external macro environment. According to World Bank forecasts, global economic growth is projected at 2.7% in 2026, slightly below the 2.8% expected for 2025 and the pre-pandemic average of 3.2%. Affected by geopolitical frictions and an increasingly complex trade environment, recovery trajectories among economies have diverged markedly.

Despite the challenging external environment, 2025 — as the pivotal year for the culmination of China's 14th Five-Year Plan and the inauguration of the 15th Five-Year Plan blueprint — witnessed the Chinese macroeconomy continuing to demonstrate robust endogenous resilience and restorative momentum. Over the course of 2025, China's gross domestic product (GDP) surpassed the historic milestone of RMB140 trillion, achieving steady growth of 5.0%. The attainment of this key indicator not only further cemented China's foundational role as a driver of global economic growth, but also provided sufficient buffer zone and a solid material foundation for the optimisation and upgrading of the domestic industrial structure.

Against the backdrop of steady economic transformation in China, domestic sporting goods enterprises capitalised on the momentum. Despite facing multiple challenges including structural shifts in market demand and intensifying product homogeneity, 2025 served as a "year of major home-hosted sporting events", with a number of major home-ground competitions igniting a fresh wave of nationwide sporting enthusiasm. Supported by strong government policies, the deepening implementation of the 14th Five-Year Plan for Sports Development and strategies such as the "Expanding Winter Sports Towards the Southern, Western & Eastern Regions" directly fuelled robust demand for related professional equipment and outdoor recreational gear, propelling the sports industry steadily towards its target of exceeding RMB7 trillion in total scale by 2030. Competition among major brands in niche segments intensified further as they responded to the evolution of mass sporting demand towards smart and personalised solutions, accelerating transformation towards wearable technology and cross-scenario versatility.

In the face of a rapidly evolving market environment, China Dongxiang Group maintained a keen awareness of emerging trends, continuously refining its product and service offerings to precisely match consumers' increasingly sophisticated needs. The Group's two core brands, KAPPA and PHENIX, upheld an unwavering commitment to core brand philosophy and product excellence. Looking ahead, both brands will seize market opportunities by leveraging continuous product iteration as a driving force, integrating cutting-edge technology, and further strengthening emotional connections with consumers through upgraded omni-channel deployment and effective content marketing strategies. We aspire to create greater consumer value, deepening our market moat whilst leading the wider industry towards high-quality development.

The Group reported revenue of RMB1,715 million for the Reporting Period, representing a year-on-year increase of 2.1%. The Group's operating loss was RMB181 million, while the Group's operating profit was RMB244 million for the same period last year. Among them, the operating profit of the China region sports equipment division performed outstandingly, increasing by 33.3% to RMB68 million year-on-year. Affected by the combined impact of short-term fluctuations in the fair value of financial assets, foreign exchange gains and losses, and one-time non-cash impairments, the loss attributable to the owners of the Company was RMB158 million, compared to the profit attributable to the owners of the Company of RMB207 million for the same period last year.

KAPPA BRAND HARNESSES IN-DEPTH CONSUMER INSIGHTS TO DRIVE LONG-TERM BRAND-PERFORMANCE SYNERGY

During the Reporting Period, drawing on deep insights into the upgrade of sports consumption and consumers' dual demand for professional functionality and trend-forward aesthetics, the KAPPA brand continued to deepen its product-centric integrated marketing strategy across online and offline omni-channel resources, with the objective of achieving "brand-performance synergy" through heightened brand visibility and effective in-store conversion. During the period, the brand accurately identified market trends including the mainstreaming of outdoor sports in everyday life and the surge in winter ski consumption, focusing on consumers' core demand for professional outdoor gear and fashionable sportswear, with particular emphasis on the winter ski series. Leveraging its sponsorship of top international ski teams and the dual endorsement of authoritative outdoor and fashion media, the brand further reinforced its "professional + fashionable" brand narrative and trend-setting influence. In response to the diversification of consumer interaction scenarios and the growing reliance on social media-driven product discovery in purchasing decisions, the brand refined its omni-channel communication approach: online, it deployed celebrity collaborations and a multi-platform influencer network to generate extensive content exposure, precisely reaching its core young consumer base and efficiently achieving product awareness and consumer mindshare penetration; offline, it placed targeted advertising in buildings to reach its target audience and applied media recommendation signage across retail store visual displays, catering to consumers' demand for immersive in-store shopping experiences and successfully converting online promotional momentum into point-of-sale results. As at 31 March 2026, the total number of KAPPA brand stores of the Group was 965.

In respect of enhancing store-level performance and cultivating long-term customer equity, the brand drew on tiered consumer insights to precisely match the consumption preferences and varying needs of different customer segments. Guided by a results-driven conversion approach, the brand successfully introduced multiple new models for converting offline traffic. Through a structured pre-launch and in-store traffic capture mechanism, the brand hosted interactive campaigns such as "Celebrity Store Manager" events in key regions, establishing deep connections with consumers and achieving efficient monetisation of fan engagement, effectively driving store performance growth. Concurrently, the brand actively explored cross-sector marketing, leveraging popular consumer trends to launch large-scale offline cross-industry cooperation, steadily expanding its new membership base and increasing overall member spending contribution. For high-quality core members, the brand implemented phased, targeted re-engagement campaigns and bespoke loyalty programmes which, supported by strong return-on-investment performance, drove robust cross-selling results, translating brand visibility into lasting commercial assets and achieving dual improvements in brand image and performance targets.

PHENIX BRAND DEEPENS "HIGH-PERFORMANCE AND FASHION" DUAL-CORE STRATEGY TO BUILD A COMPREHENSIVE OUTDOOR ECOSYSTEM

The Group's PHENIX brand further consolidated its core positioning as a "high-performance fashion ski brand", steadily advancing its twin-track product strategy spanning professional ski products and lifestyle outdoor products. The brand maintained a dual commitment to technology-driven innovation and professional credentials, reinforcing its core competitive barriers. On the technology and R&D front, addressing consumers' core demand for safety protection and comfort in outdoor sports, the brand entered into an in-depth strategic partnership with NORINCO Beidou Satcom and debuted innovative proactive rescue technology equipment, integrating intelligent rescue capabilities, safety protection features and premium fabric technology into a single offering, achieving a breakthrough upgrade in professional product performance and establishing a differentiated, high-barrier core technological advantage. Concurrently, capitalising on the long-standing endorsement of top international ski teams and the lingering momentum of the Winter Olympics, the brand forged a deep association with professional skiing scenarios, continuously amplifying its professional credentials through on-the-ground participation in elite competitions and successfully converting professional brand influence into strong point-of-sale momentum. In respect of market expansion and commercial conversion, the brand precisely anchored young incremental consumer groups, establishing youth-oriented and scenario-based brand engagement platforms through partnerships with top-tier universities and the incubation of exclusive tournament IP, thereby consolidating the brand's long-term user base. In terms of channel operations, the brand maintained a steady offline presence in prime commercial districts of core cities whilst refining its omni-channel membership ecosystem; online, it leveraged the growth in premium outdoor consumer traffic to further cement its leading position in mid-to-high-end ski apparel, with market reputation and industry rankings remaining at the forefront of the sector. Meanwhile, extended product categories including footwear also recorded rapid growth, achieving a comprehensive dual uplift in both core brand value and commercial performance.

AMID RISING GLOBAL ECONOMIC UNCERTAINTY, PRUDENT MEASURES TO MANAGE RISKS

During the Reporting Period, the global economy continued to face multiple uncertainties including geopolitical rivalry, weakening end-market demand and rising costs. Domestically, a range of proactive policies aimed at stabilising growth, boosting consumption and supporting foreign trade underpinned the continued recovery of economic fundamentals, which demonstrates strong cyclical resilience, while improving sentiment and steadily rising trading activity in the Hong Kong capital markets provided favourable local support for the Group's operations and capital operations. Notwithstanding these positive domestic developments, systemic risks persist, including a medium-to-long-term deceleration in global economic growth, volatility in cross-border capital flows and heightened asset price fluctuations across capital markets. These factors continue to warrant a high degree of vigilance.

Amid a complex and evolving macroeconomic landscape and capital market volatility, the Group maintained a firm commitment to its risk management baseline, consistently applying the core operating principles of "prudent stewardship, dynamic optimisation, and a balanced approach to both opportunity and risk" across its capital operations and investment management activities. With the overarching objectives of hedging against external uncertainties, stabilising asset returns and reinforcing risk defences, the Group dynamically adjusted its asset allocation structure in response to changing market conditions, continuously improved the overall quality of its asset portfolio, and comprehensively strengthened the Group's capacity to withstand macroeconomic fluctuations and systemic risks. During the period, on the one hand, the Group steadily advanced exits from existing PE fund positions, capturing market windows to progressively recover liquid funds, effectively revitalising legacy assets, reducing the proportion of long-term non-standard assets, and materially mitigating asset impairment risks arising from external market volatility, thereby bolstering the Group's cash flow reserves and deploying ample liquidity to hedge against external uncertainties. On the other hand, the Group strategically increased allocations to fixed-income, short-to-medium duration, low-volatility and low-to-moderate risk stable assets, building an asset allocation framework with greater security and more stable returns. Through this dynamic two-way adjustment strategy of "orderly exit from existing positions and prudent deployment of incremental capital", the Group effectively smoothed return volatility caused by market fluctuations, safeguarding overall asset security and delivering steady returns.

Going forward, the Group will continue to closely monitor macroeconomic trends and capital market developments, continuously and dynamically optimising its investment portfolio and risk management framework to balance asset security, liquidity and returns, thereby providing a solid capital operations foundation to support the high-quality development of the Group's overall business.

As of 31 March 2026, the Group's net assets in investments reached RMB7,893 million.

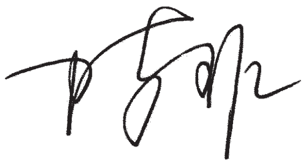
ACTIVELY RESPONDING TO NATIONAL DIRECTIVES AND COMMITTED TO SUSTAINABLE DEVELOPMENT

2025 marked a critical transitional period as China's ESG compliance regime advanced towards "mandatory adoption" and "refinement". The Group closely followed national macroeconomic policy direction, actively responding to the core imperatives of developing "new quality productive forces" and green upgrading of industry. During the Reporting Period, the Group comprehensively upgraded its high-standard ESG governance framework, deeply embedding low-carbon and environmental protection principles into product research and development and end-to-end operations, with the aim of building a high-technology, high-efficiency green sports industry ecosystem.

Looking ahead, the Group will continue to deepen the implementation of its ESG strategies, leveraging green innovation to empower brand value, attracting socially conscious consumers, and striving to achieve harmonious coexistence between sustained commercial growth and environmental stewardship.

APPRECIATION

Finally, the Group takes this opportunity to express its sincere gratitude to all Directors and staff for their dedicated efforts, and extends its heartfelt thanks to all partners for their close collaboration and to all Shareholders for their steadfast support. In a complex and evolving market environment, every steady step forward by the Group reflects the collective wisdom and hard work of the entire team. Looking ahead, as a new cycle begins, the Group will uphold its core corporate philosophy, seize opportunities in the China market, and comprehensively enhance internal operational efficiency. We remain committed to becoming a leader in China's sporting goods industry and to delivering greater long-term value for all Shareholders.



Chen Yihong
Chairman

24 June 2026

BRAND PORTFOLIO

Kappa

- An Italian brand originated in 1916
- Since 2002, the Group has been operating the Kappa Brand in the PRC market
- Enriched with Italian fashion elements, Kappa emerges as a leader in the China sports fashion market

DONGXIANG

phenix

- A top international ski brand with great emphasis on functional performance and fashionable style of equipment through excellence in every detail
- Its simple design yet eye-catching design represents a perfect blend of function and fashion
- It reflects detail-attentive peculiar styles, and the R&D philosophy of positively absorbing the design features of other products and industries
- An outdoor product line that featured the fusion of fashion and functionality was officially launched in 2011

The Group is committed to becoming one of the best multi-brand sportswear enterprises in the PRC.

The Kappa brand is our first brand and with the strong presence and network developed through the Kappa brand, it has established solid foundation for us to implement a multi-brand strategy. The Group completed the acquisition of PHENIX in 2008.

By utilising management's extensive experience in the sportswear industry and our strong financial resources, we will endeavor to identify and explore opportunities to operate more international brands in the PRC and/or regional markets.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ECONOMY

In retrospect of 2025, the global economy as a whole has showed signs of slow recovery and increasing stability. With inflation levels having retreated, the monetary policies of major economies gradually shifted from contractionary to flexible. According to the World Bank's forecast, the global economy is set to grow by a modest 2.7% in 2026, slightly below the estimated 2.8% for 2025 and significantly lower than the pre-pandemic average growth of 3.2%. However, due to geopolitical tensions and trade uncertainties, the performance of economies diverged significantly.

As the year 2025 marked the conclusion of the "14th Five-Year Plan" and the launch of the "15th Five-Year Plan", China's economy demonstrated remarkable resilience and inherent capacity for recovery amidst a complex global environment. According to the National Bureau of Statistics, the annual gross domestic product (GDP) historically surpassed RMB140 trillion in 2025, achieving a steady growth of 5%. The achievement of this core indicator has not only consolidated China's foundational position in the global economic landscape, but has also provided a sufficient buffer zone and a solid material foundation for various structural reforms and industrial upgrades.

In terms of total social consumption, the total national retail sales of consumer goods reached RMB50.12 trillion in 2025, representing a year-on-year increase of 3.7%. Consumers' spending structure was shifting rapidly towards value-driven consumption centered on spiritual fulfilment and health-related experiences. In particular, sports-related consumption has emerged as one of the standout features in the upgraded consumption, driven by a dual-engine approach characterised by "improved quality in goods consumption and expanded scope in services consumption". In the retail sector, retail sales of sports and recreation goods by enterprises above a specified scale rose 15.7% year-on-year, leading the retail market whilst also serving as a key indicator of the upgrading of household consumption.

In the near future, the global economy will remain full of uncertainties, with the core challenge centering on striking a balance between stabilising growth and controlling inflation amidst supply-side shocks. Geopolitical conflicts, diverging monetary policies and fluctuations in energy prices are set to be key variables influencing the year's economic trajectory, whilst the overall momentum of recovery will be weaker than anticipated. However, as the country achieved substantive results in continuously expanding domestic demand, optimising supply, and developing new forms of productive capacity tailored to local conditions, the bucking-the-trend development of the sports and related tangible industries will secure the most robust macroeconomic support, whilst concurrently injecting new impetus into the global economic recovery.

INDUSTRY REVIEW

In 2025, China's sporting goods enterprises surge forward against the backdrop of a steady domestic economic transition. The industry was faced with multiple challenges, including structural adjustments of market demand, increasing international trade barriers and intensifying homogenised competition. However, at the same time, 2025 was a "year of major home-hosted sporting events" in China spanning from the Harbin Asian Winter Games, the Chengdu World Games, to the Guangdong-Hong Kong-Macau National Games, sparking a new wave of nationwide enthusiasm for sport. In the face of opportunities and challenges, the entire industry is demonstrating a trend towards high-quality development.

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1. **25/26 phenix Cup University League Invitational Tournament**
2. **Tia Ray x Kappa**
3. **Kappa TIFO footwear**
4. **Kappa New Year brand ambassador — Xia Zhiguang**
5. **PHENIX MTR product launch**
6. **Kappa Banda Tracksuit**


PHENIX
PHENIX

In terms of policy, a series of forward-looking policies and initiatives by the Chinese government has continued to drive the steady development of the industry. 2025 marked the conclusion of the "14th Five-Year Plan for Sports Development", with the General Administration of Sport thoroughly implementing the national strategy for nationwide fitness, promoting high-quality development in the sports industry, strengthening innovation-driven growth, and tapping into the potential of sports consumption. Meanwhile, as the strategy of "Expanding Winter Sports Towards the Southern, Western & Eastern Regions" deepens, the popularity of ice and snow economy and outdoor leisure sports directly drive a strong demand for related professional equipment, cold resistance clothing and camping equipment, broadening the horizons for related domestic brands. The General Office of the State Council issued the "Opinions on Unleashing Sports Consumption Potential and Further Promoting the High-Quality Development of the Sports Industry", explicitly stated that by 2030, sport enterprises and sport events with global influence will be cultivated. The development level of sports industry will leap significantly, with the total scale exceeding RMB7 trillion.

In terms of market competition, major brands were engaging in deeper rivalries across niche segments, which drove a continuous innovation and upgrades of brands and products. On the product side, the public demand of sport became more technological and personalisation, brands were accelerating developments in wearable technology, ergonomics, eco-friendliness and multi-scenario to meet market needs on sport. In terms of marketing, sporting goods brands have demonstrated increasing maturity in their approaches to integrating event-driven buzz with digital communication platforms. The industry has seen the emergence of a batch of innovative marketing cases that blend new technologies with community interaction, continuously exerting efforts in brand shaping, precise targeting, and deep cultivation of private-domain users. Concurrently, major brands have also actively participated in sustainable development and green, low-carbon initiatives, thereby enhancing their brand image and deepening consumer trust.

BUSINESS REVIEW

During the Reporting Period, the Chinese economy entered a new phase of "steady transformation and high-quality development". With the implementation of a series of policies aimed at boosting domestic demand, expanding leisure consumption and promoting outdoor sports, the domestic sport consumption market has demonstrated remarkable resilience and expansion potential. The sports apparel and footwear industry has further evolved from the earlier stage of "breakthrough in niche segments" to competitive landscape characterised by "professional technology and omni-scenario penetration". The Group has keenly identified the market trends, comprehensively advanced its digital transformation and agile supply chain upgrades, and further optimised the omni-channel retail experience. In the face of a complex and volatile retail environment, the Group continuously strengthened synergies of its internal multi-brand matrix, achieving dual breakthroughs in cost reduction and efficiency enhancement, alongside refined operations. Concurrently, the Group firmly committed to product excellence as its core focus, deeply integrated cutting-edge sports technology with philosophy of green sustainability, so as to infuse innovative products featuring both professional protection and pioneering design into each brand series, thereby further consolidating its market share.

In terms of brand building and promotion, the Group seized the opportune timing of the era to deepen the matrix effect of public relation communication and digital content marketing, so as to ensure that the marketing investments were precisely converted into commercial growth. The KAPPA brand continuously cultivated the intersection of youths and sports fashion. Driven by precise user insights, the KAPPA brand launched a series of innovative campaigns and communication activities that lead youth culture, continuously establishing high-frequency and deeper connections with consumers. This has resulted in the efficient conversion of brand visibility and private domain assets into terminal sales.

Brand Building and Promotion

China Region Promotion — KAPPA Brand

During the Reporting Period, the KAPPA brand continued to deepen its product-centric integrated marketing strategy, focusing on target demographics and leveraging online and offline exposure resources to pursue the brand-performance synergy by expanding exposure and driving store traffic. Through refined public opinion management and comprehensive market activities, the brand has further enhanced its dual influence in the professional sports and daily fashion sectors while consolidating consumer experience.

During the period, the brand focused its efforts on the winter ski series, leveraging its sponsorship of the U.S. Ski Team to strengthen the brand narrative of "professionalism + fashion". Through the dual endorsement of authoritative outdoor media "GO OUT" and top fashion media "Marie Claire", our professional equipment established its authority and trend influence. Combined with multiple celebrities wearing the products and exposure by multi-platform influencers, the brand successfully increased its topic buzz and emotional recognition among the target audience. It achieved over 50 million cumulative exposures across the entire network and completed product seeding targeting a broad audience and general snow scenarios. Offline, the brand conducted precise placement of building advertisements covering over one million target customers and applied the recommendation logos of authoritative magazines to the visual displays of its stores, successfully converting communication momentum into terminal sales drive. Meanwhile, the brand has also steadily advanced the production of product packaging and materials for each quarter, fully empowering the visual presentation of omni-channel sales.

In terms of store efficiency enhancement and offline activity conversion, the brand adopted a conversion-oriented approach to precisely implement key store activities. At the end of August 2025, KAPPA held a "Celebrity Store Manager" event at the Jinzhong Tianmei Shanshan Outlet Plaza, specially inviting artist Xiao Tianren made a surprise appearance for an in-store interactive session. Through a matrix-style warm-up and offline traffic capture comprising "celebrity endorsements + official guidance + fan amplification + local penetration", the efficient conversion of the fan economy was achieved. Store sales on the day of the event significantly exceeded the levels of the same period last year, demonstrating highly impressive operational performance.

In terms of membership operation and maintenance, the brand is actively exploring a cross-sector marketing model which is characterised by high growth and low costs. In the second quarter, the brand capitalised on the "Autumn's First Cup of Milk Tea" trending topic to launch large-scale offline cross-industry collaborations. This campaign covered numerous offline stores nationwide and attracted a large number of new members, with the number of new member acquisition achieving steady growth as compared to the same period in previous years. At the same time, it significantly boosted the consumption volume of the members, with sales performance increasing year-on-year. In addition, the brand implemented precise reactivation operations targeting premium existing members and launched various exclusive birthday privilege activities across different time periods. The deployment of related benefits achieved an ideal return on investment, which not only further tightened the emotional connection with loyal customers and enhanced user goodwill, but also effectively drove multi-category associated consumption in stores, resulting in outstanding overall operational results.

China Region Promotion — PHENIX brand

PHENIX has positioned itself as a "high-performance fashion ski brand" with its product centred on two main areas of professional ski products and lifestyle products. The professional product line is driven by the Swedish National Alpine Ski Team Series and alpine racing-category professional ski products, whilst the women's fashion ski series serves as a platform for fashion expression, balancing functionality and design to meet the diverse demands of skiers in China and worldwide. The lifestyle line focus on outdoor and urban scenarios, with three main series, namely phenix outdoor, +phenix and alk phenix, which are continually expanding to meet the need of daily outdoor lifestyle.

PHENIX brand has partnered with NORINCO Beidou Satcom to develop the world's first satellite-based active rescue system incorporated into professional ski apparel and launched to market. The product was successfully launched at the Genting ski resort product launch event. Furthermore, through a marketing campaign featuring leading KOLs and multiple media outlets, the event achieved over 70 million exposures and garnered a high level of attention across the entire industry.

PHENIX brand has strongly expanded its business among universities and has become the official sponsor of ski teams at over 20 universities, including Tsinghua University and Peking University. The exclusive co-branded ski products launched among universities have sparked significant market enthusiasm. Building on its competitive heritage, PHENIX brand will host the 'PHENIX Cup' National Alpine Skiing Championship and the first 'PHENIX Cup' University League Invitational Tournament during the 2025/26 snow season and will continue to develop these events into the brand's official ongoing IP.

As a ski apparel sponsor of the Swedish national team, PHENIX brand witnessed outstanding achievements of the sponsor team at the 2026 Milan Winter Olympic: silver medal in women's giant slalom and bronze medal in women's slalom. At the same time, PHENIX brand strategically prioritised the Sweden National Alpine Ski Team Series, resulting in a substantial year-on-year increase in the market share and sales performance of the national team ski apparel.

In terms of offline lifestyle channel deployment, PHENIX brand has established a channel of stores in prime shopping deployment across key cities, focusing on 12 provincial cities nationwide, primarily Beijing, Shanghai and Guangzhou. This is complemented by the development of a nationwide phenix membership system, which integrates the point system across the country, whilst progressively refining the brand's CRM system to build a comprehensive membership ecosystem.

Regarding the online e-commerce segment, PHENIX brand's ski apparel secured a top-three industry position, with sales revenue targeted for low-double-digit growth. Mid-to-high-priced adult and children's ski apparel products continued to maintain the number one industry position. The PHENIX brand's footwear category maintained high-triple-digit growth, with its blockbuster, snow boots "Warm Hug Mid Shoes (抱抱鞋)" and the four-season outdoor casual shoes "Puffy Shoes (嘭嘭鞋)", both ranking among the top 10 in the industry.

Looking ahead, PHENIX will adhere to its core strategy as a professional ski brand, focusing its product research and development on ski functionality, and will continue to extend into the urban outdoor lifestyle sector with "high-performance fashion ski brand". The brand will transition from snow mountain scenarios to city scenarios, building a year-round, four-season product matrix, deeply exploring potential market opportunities, and ultimately achieving a comprehensive connection between urban and outdoor landscapes.

KAPPA Apparel Product Series

During the Reporting Period, KAPPA continued to strengthen its differentiated competitive advantages through precise product positioning, the construction of a diversified matrix and the constant forging of brand power, thereby driving the optimisation of its product structure and a steady improvement in its market competitiveness.

Tailoring to the needs of its core user groups, the Company continued to increase its investment in R&D, focusing on the development and application of high-comfort and functional fabrics. In particular, it focused on the wearing experience of female users and significantly enhanced the skin-friendliness, breathability and wear adaptability of its products through material innovation and process advancement, leading to a continuous improvement in user reputation and repurchase intention. In terms of its product matrix, the Company, leveraging the endorsement of professional skiing resources, successfully launched a series of skiing products that combine professional performance with lifestyle scenarios, effectively achieving dual coverage of daily leisure and professional sports scenarios. This further enhanced the all-scenario product layout, broadened the brand's consumption boundaries and drove the resilient growth of the overall business.

In the fourth quarter of the financial year, the Company completed a new round of systematic adjustments to its product strategy based on market consumption trends and its long-term brand strategy.

Going forward, the Company's apparel business will firmly promote the strategic advancement from being "fashion trend-oriented" to "user demand-oriented". Through precise customer group positioning, deep cultivation of core scenarios, continuous innovation in product strength and optimisation of operational efficiency, the Company will accelerate strategic implementation and commercial monetisation, comprehensively construct brand competitive barriers, and achieve high-quality, sustainable and steady development.

KAPPA Footwear

During the Reporting Period, KAPPA footwear continued its focus on constructing a product line characterised by it fashion sports DNA. Centering on the three key categories of sneakers, retro running shoes and fashion running shoes, and by closely following market dynamics and fashion trends in conjunction with the brand's development direction and transformation framework, the footwear styles have been gradually refined to better meet the needs of the brand's high-quality target demographic. At the sales level, driven by the King edition as the core product, the overall performance demonstrated a positive trend; during the Chinese New Year period, footwear products gained steady momentum, contributing to a gradual improvement in results.

By further refining price bands, target consumer segments, as well as the improvement of product styles and details, the products received more positive market feedback. Brand assets were embedded more effectively into the products, with increased emphasis on sustainable brand development. During the third and fourth quarters of 2025, the launch of the thin-sole series effectively integrated the brand's DNA with market trends, and the product launch received active market feedback. At the same time, the rollout of more new winter products and material upgrades of products also played an instrumental role, supporting a positive trend in overall sales with sustained momentum. In the first quarter of 2026, we continued to create blockbuster products to bolster the positive momentum of sales performance at the end of the financial year.

KAPPA Accessories

During the Reporting Period, KAPPA's accessories business has entered the stage of structural optimisation and improvement. In offline channels, the line focuses deeply on the need of fundamental consumer, drawing on real-world user scenarios to systematically optimise product functionality and compatibility, and striving to create a product matrix better suited to all-scenario use. By precisely developing high-performance products and driving their implementation, the business successfully launched and scaled up production of several high-efficiency products, effectively driving positive growth in offline performance. At the same time, the accessories business' online channels continued to enhance the quality of store marketing. Efforts were centred on refined campaign management, optimising product display logic and strengthening the traffic-driving strategies for blockbuster products. This resulted in a significant improvement in both online traffic utilisation efficiency and the return on marketing investment, further consolidating the online competitive advantage of core best-selling categories and driving simultaneous improvements in marketing effectiveness and sales quality for the online business.

Omni-channel Retail Network

During the Reporting Period, the Group continued to deepen its quasi-direct operating model and accelerated efficient omni-channel merchandise circulation through optimising single-store production efficiency. As of 31 March 2026, the total number of stores under the KAPPA brand was 965.

Leveraging the strong terminal control capabilities empowered by the quasi-direct operating model, the Group deepened the synergy between offline physical experience and private domain traffic operations during the period, successfully constructing a "mutually reinforcing and complementary" closed-loop operation, which in turn drove a steady increase in member activity and repurchase rates. Through a data-driven management system, the Group has integrated merchandise management, online-offline cross-boundary operations, and the protection of membership benefits, significantly enhancing the Group's overall operational efficiency.

MAINTAINING A PRUDENT INVESTMENT STRATEGY

Throughout this financial year, benefiting from favourable policies of the Chinese government such as expanding domestic demand and promoting consumption, the Chinese economy is navigating through the cycle at a steady pace, while the Hong Kong IPO market has been active and its attractiveness to global capital has continued to strengthen. However, the deep-seated contradictions that trigger market volatility — such as ongoing geopolitical maneuvering, slowing momentum in terminal demand, and the continuous rise in production costs — remain unresolved in the short term, and the future macroeconomic environment will continue to be accompanied by uncertainties.

Based on this assessment, the Group has consistently adhered to the bottom-line thinking of "prudence and stability" in its capital operations, upholding its respect for the principles of long-term value creation and committing to tempering the risk-resilience of its investment portfolio. In practice, on the one hand, we continue to promote the steady exit of existing private equity (PE) fund projects and accelerate the pace of capital recovery to effectively diversify risks; on the other hand, we are strategically increasing our allocation to low-risk assets in order to avoid swift market cross-asset sentiment shifts triggered by potential risks. At the same time, the investment team maintains a keen sensitivity to macroeconomic policy trends and the global situation, dynamically optimising the asset allocation structure.

As of 31 March 2026, the Group's net assets in the investment segment reached RMB7.9 billion, representing a year-on-year decrease of 6%. Cash and cash equivalents amounted to RMB1.7 billion, representing 17% of the total assets of the Group.

The Group firmly believes that short-term market turbulence will eventually give way to long-term fundamental drivers. In the future, we will continue to anchor and capture value underlyings with true long-term vitality through a prudent and rigorous perspective, professional and in-depth insights, and decisive execution.

OUTLOOK

Looking ahead, whilst the global macroeconomic environment remains complex, the Group remains confident in the structural resilience and long-term positive fundamentals of the Chinese economy. Benefiting from empowering government policies and the nationwide fitness trend, China's sports goods market is entering a new normal of steady growth. The Group remains optimistic about the domestic sports goods sector and firmly believes that the sports industry still holds vast potential for incremental growth.

In the face of the evolving market landscape, the Group will precisely capture opportunities in niche segments and, with product innovation as the engine, optimise its omni-channel ecosystem and business links. We are committed to providing consumers with the ultimate experience to broaden our brand's market moat.

In brand marketing, the Group will further develop refined content marketing, reaching target circles through a diversified and innovative matrix. By establishing deep emotional connections with consumers and continuously optimising front-end experience, the Group will achieve the dual effect of brand visibility and commercial conversion, further consolidating the brand's core competitive barriers.

In terms of investment operations, and specifically regarding capital operations and the investment segment, the Group firmly believes that short-term market turbulence will eventually give way to long-term fundamental drivers, and dynamically optimises the allocation structure of its asset portfolio by adhering to the underlying logic of "prudence and stability". By strengthening its deep synergy with the management of investee projects, the Group will, while strictly safeguarding risk boundaries, steadily and cautiously explore opportunities for new investment targets and the replacement of existing assets with lower flexibility, ensuring the efficient recovery of capital. The Group aims to navigate through macroeconomic cycles and create stable, long-term value returns for shareholders.

ADDITIONAL DISCLOSURES

Principal risks and uncertainties faced by the Group

The following section lists out the principal risks and uncertainties faced by the Group. It is a non-exhaustive list and there may be other risks and uncertainties in addition to the key risk areas outlined below. The Group will further improve its risk management, closely monitor the following risks going forward and seek to adopt proactive measures. This annual report does not constitute a recommendation or advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

(i) Risks relating to macro-economic fluctuations

The Group principally operates its business in Mainland China, and macro-economic fluctuations may have material impacts, in the medium to long term, on economic policies, spending environment and spending power in China, adversely affecting the revenue and profitability of the Group in the future.

(ii) Risks relating to changes in the industry

The sportswear industry in China is highly competitive. Consumers have set higher requirements for sportswear products in terms of brand reputation, fashionableness, technological content and market segment advantages, posing more complex challenges than before to sportswear brands. Whether the Group can secure more prominent competitive advantages will be the key to sustaining growth in its sportswear business going forward.

(iii) Risks relating to business operation

Management of internal and external business operation of the Group may be subject to a series of risks, such as increase in cost of raw materials for products, rise in labour cost, increase in cost of establishing sales channels, deficiencies in internal management procedures, non-compliance by staff members in key positions and default by suppliers or distributors. In spite of measures formulated by the Group for guarding against such risks, unforeseen circumstances may adversely affect the operating results of the Group.

(iv) Risks relating to investments

Another principal business of the Group is investment activities which involve risks and returns. During the investment period, the Group may be subject to a number of risks, such as price fluctuation in stock markets, unfavourable changes in regulatory policies on investee sectors, operational failure of investee projects, default by partners or exchange rate fluctuation. The Group will strictly comply with established procedures and policies in investment decision-making and post-investment management to avoid such risks as far as possible; however, there is no assurance that events giving rise to such risks will not occur.

Environmental policies and performance

As a well-known sportswear brand in China, the Group is acutely aware of the importance of the environmental, social and governance (ESG) matters for the future development of the Group. We recognise that sustainable development of our business requires our continued progress in terms of the economy, environment, and social responsibility. To further enhance our commitment in adherence to the environmental and social responsibilities, we have set up an environmental, social and governance committee to oversee the implementation of our policies in this regard.

The Group has long been committed to becoming the leading multi-brand sportswear company in China. While we develop our operations and business, we will strive to continuously enhance our management standards and work performance on environmental and social issues so as to achieve sustainable development for the Group. For details of the Group's environmental policies and performance, please refer to the Environmental, Social and Governance Report to be published on the Stock Exchange's website and the Company's website.

Legal Compliance

To the best of the Directors' and management's knowledge, we are not aware of any material non- compliance of laws and regulations which will have an adverse effect on the business of the Group.

The Group's key relationships with its employees, customers and suppliers

(i) Employees

Human resources represent important strategic resources for modern enterprises that play a vital part in the improvement of management efficiency and the enhancement of productivity. As China Dongxiang Group drives forward in the fast lane of business development, great importance has been attached to the development of the human resource management system and the cultivation of high-calibre personnel. As at 31 March 2026, the Group had 338 employees (31 March 2025: 338 employees).

(ii) Customers

The Group always attaches importance to product quality and strictly controls every part of the production and distribution process to ensure meeting consumers' purchase intention and their satisfaction. The Group will provide after-sale services to the distributors and the consumers in accordance with the "Product Quality Law of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests" and relevant rules of the Group. The Group has attached importance to protection of personal information of consumers by implementing strict requirement for confidentiality concerning personal information of consumers obtained in sales and complaints.

(iii) Suppliers

The Group insists on building an accountable supply chain and is seriously concerned with the environmental protection and management standards of its suppliers. The Group implements a strict supplier recruitment and evaluation system. A supplier which meets the recruitment conditions must have experience in manufacturing first-tier branded products both domestically and abroad and be subject to the Group's site visits and comprehensive scoring system before it can be qualified and included in our supplier list. During the year under review, the Group considered the relationship with its suppliers was well and close.

FINANCIAL REVIEW

The Group reported sales of RMB1,715 million for the twelve months ended 31 March 2026 (the "Reporting Period"), which increased by 2.1% as compared to RMB1,680 million for the twelve months ended 31 March 2025 (the "Comparative Period"). For the Reporting Period, an operating profit of RMB68 million was reported for the China sporting goods segment, while an operating loss of RMB249 million was incurred for the investment segment. Loss attributable to owners of the Company for the Reporting Period amounted to RMB158 million (Comparative Period: profit attributable to owners of the Company of RMB207 million).

Sales Analysis

During the financial period, the Group's overall sales increased by 2.1% as compared to the Comparative Period with Kappa sales registering a 1.7% increase as compared to the Comparative Period.

Sales analysed by business and product categories

	For the twelve months ended 31 March						
	2026			2025			
	RMB million	**% of product/ brand mix**	**% of the Group's sales**	RMB million	% of product/ brand mix	% of the Group's sales	**Change**
Kappa brand							
Apparel	**1,233**	**77.4%**	**71.9%**	1,202	76.8%	71.5%	2.6%
Footwear	**227**	**14.3%**	**13.2%**	206	13.2%	12.3%	10.2%
Accessories	**132**	**8.3%**	**7.7%**	158	10.0%	9.4%	−16.5%
Kappa brand in total	**1,592**	**100.0%**	**92.8%**	1,566	100.0%	93.2%	1.7%
Other businesses	**123**		**7.2%**	114		6.8%	7.9%
Total	**1,715**		**100.0%**	1,680		100.0%	2.1%

Total sales of the Kappa brand business, the core business of the Group, for the Reporting Period increased by RMB26 million to RMB1,592 million as compared to RMB1,566 million for the Comparative Period.

During the Reporting Period, the Group continued to consolidate the business models of "brand + product" and "brand + direct operation" in a bid to further enhance our brand value and create our solid brand influence by blending our brand culture in our continuously refined and upgraded products on the one hand and continue to optimise and improve the new operation model in control and management, optimise the networking of direct operation, enhance store efficiency and optimise the e-commerce operations on the other hand, so that purchasing demands from customers are better accommodated and satisfied. Meanwhile, the Group has also continued to conduct adjustments and optimisation of its directly operated stores, resulting in 965 Kappa stores in total.

Sales of Kappa brand analysed by sales channels

	For the twelve months ended 31 March				
	2026		2025		
	Sales RMB million	**% of sales of Kappa brand**	Sales RMB million	% of sales of Kappa brand	**Change**
Non directly-operated	**570**	**35.8%**	572	36.5%	−0.3%
Directly-operated	**1,022**	**64.2%**	994	63.5%	2.8%
Kappa brand in total	**1,592**	**100.0%**	1,566	100.0%	1.7%

Sales of Kappa brand via non directly-operated channel decreased by RMB2 million to RMB570 million for the Reporting Period from RMB572 million for the Comparative Period, representing 35.8% of the total sales of the Group's Kappa brand business (Comparative Period: 36.5%).

As at 31 March 2026, the number of directly-operated retail stores under Kappa brand operated by our subsidiaries reached 516. Sales via directly-operated channel increased by RMB28 million to RMB1022 million for the Reporting Period from RMB994 million for the Comparative Period, representing 64.2% of the total sales of the Group's Kappa brand business (Comparative Period: 63.5%).

Cost of Sales and Gross Profit

Cost of sales of the Group increased by RMB44 million to RMB572 million for the Reporting Period (Comparative Period: RMB528 million).

The gross profit of the Group decreased by RMB9 million to RMB1,143 million (Comparative Period: RMB1,152 million). The Group's gross profit margin for the Reporting Period decreased slightly by 2 percentage points to 66.6% from 68.6% for the Comparative Period.

The gross profit margin analysed by business and product categories are detailed as follows:

	For the twelve months ended 31 March		
	2026 Gross profit margin	2025 Gross profit margin	**Change in % pts**
Kappa brand			
Apparel	**69.3%**	69.6%	−0.3
Footwear	**58.3%**	60.5%	−2.2
Accessories	**71.0%**	73.9%	−2.9
Kappa brand in total	**67.8%**	68.9%	−1.1
Other businesses	**51.4%**	64.5%	−13.1
Overall	**66.6%**	68.6%	−2.0

Gross profit margin of Kappa brand business for the Reporting Period and the Comparative Period was 67.8% and 68.9% respectively, decreasing by 1.1 percentage points for comparing both periods.

Other income and gains/(losses) — net

The net income amount of other income and gains/(losses) for the Reporting Period was RMB202 million (Comparative Period: net income amount of other income and gains/(losses) of RMB323 million), which included the net amount of investment gain of RMB116 million contributed by the investment segment and franchise fee income of RMB74 million.

Investment segment

Net investment gain from investment segment of the Group for the Reporting Period was RMB116 million (Comparative Period: net investment gain of RMB271 million), comprising gain from fair value change of financial assets of RMB67 million, interest income from term deposits with initial term over three months of RMB55 million.

As per the Group's investment categories, investment gains and losses from the investment segment are detailed as follows:

Investments	For the twelve months ended 31 March 2026 Gains/(losses) from investment segment RMB million	2025 Gains/(losses) from investment segment RMB million
Equity and Equity funds	**76**	156
Cash management	**67**	102
Fixed income strategy products	**43**	—
Debts and bonds	**43**	57
Other unlisted equity investments	**(18)**	(76)
Private-equity funds	**(44)**	26
Others	**(51)**	6
Total	**116**	271

Distribution Expenses and Administrative Expenses

Distribution expenses and administrative expenses mainly comprised employee salary and benefit expenses, advertising and marketing expenses, logistic and warehouse operation fees and product design and development expenses. Total distribution expenses and administrative expenses for the Reporting Period was RMB1,181 million (Comparative Period: RMB1,184 million), constituting 68.9% of the Group's total revenue and 1.6 percentage points lower than that for the Comparative Period. The Group continued to further optimise various resource allocations and improve its cost structure, in a bid to enhance production efficiency subject to reasonable cost control. The Group has strictly controlled various expenditures through effective management measures.

During the Reporting Period, the Group optimised and adjusted the internal organisational structure to further enhance the motivation of all staff members. Employee salary and benefit expenses for the Reporting Period amounted to RMB94 million (Comparative Period: RMB92 million), an increase of RMB2 million versus the Comparative Period.

Advertising and marketing expenses of the Group increased by RMB4 million to RMB410 million for the Reporting Period from RMB406 million for the Comparative Period, which was principally due to the increase in sales and service fees in line with the increase in revenue from apparel e-commerce and the adjustment in the efforts to commence marketing activities during the period versus the Comparative Period.

Commission expenses for the Reporting Period amounted to RMB232 million (Comparative Period: RMB235 million), a decrease of RMB3 million versus the Comparative Period, which was mainly due to the decrease in consignment sales income during the period.

Outsourcing labour costs for the Reporting Period amounted to RMB163 million (Comparative Period: RMB161 million), an increase of RMB2 million versus the Comparative Period, which was primarily due to an increase in labour costs for temporary staff resulting from the higher number of promotional sales events during the period.

Logistic and warehouse operation fees for the Reporting Period amounted to RMB33 million (Comparative Period: RMB32 million), representing a slight increase of RMB1 million versus the Comparative Period.

For the Reporting Period, the Group continued to adopt a more cautious but proactive and effective approach in investment in product R&D, as our product design and development expenses were RMB46 million (Comparative Period: RMB41 million), representing an increase of RMB5 million versus the Comparative Period.

Operating (Loss)/Profit

For the Reporting Period, operating loss of the Group was RMB181 million (Comparative Period: operating profit of RMB244 million). The operating loss margin was 10.6% for the Reporting Period (Comparative Period: operating profit margin of 14.5%). In particular, operating profit of China sporting goods segment was RMB68 million (Comparative Period: operating profit of RMB51 million).

Finance Income — Net

For the Reporting Period, net finance income of the Group amounted to RMB2 million (Comparative Period: net finance income of RMB10 million), which mainly consisted of interest income from bank deposit of RMB12 million (Comparative Period: RMB19 million); interest expense of lease liabilities of RMB2 million (Comparative Period: RMB2 million) during the Reporting Period. Exchange loss for the Reporting Period amounted to RMB7 million (Comparative Period: exchange loss of RMB7 million).

Taxation

For the Reporting Period, the Group incurred operating loss before income tax amounting to RMB183 million, resulting in income tax credit amounting to RMB25 million (Comparative Period: income tax expense of RMB41 million). The effective tax rate was 13.7% (Comparative Period: 16.5%)

(Loss)/Profit and Net (Loss)/Profit Margin Attributable to Owners of the Company

Loss attributable to owners of the Company for the Reporting Period was RMB158 million (Comparative Period: profit attributable to owners of the Company of RMB207 million). Loss margin attributable to owners of the Company was 9.2% (Comparative Period: profit margin attributable to owners of 12.3%).

(Losses)/Earnings Per Share

The basic and diluted loss per share for loss attributable to owners of the Company were both RMB2.69 cents for the Reporting Period (Basic and diluted earnings per share for the Comparative Period were RMB3.53 cents).

The basic losses/earnings per share are calculated by dividing the loss/profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares of the Company in issue less shares held under restricted share award scheme of the Company during the period. As at 31 March 2026, the total number of ordinary shares of the Company was 5,895,073,025 shares.

Final Dividend and Final Special Dividend

The Company has paid an interim dividend of RMB1.04 cents and an interim special dividend of RMB1.04 cents per ordinary share, totalling RMB122,618,000, for the six months ended 30 September 2025.

The Board of the Company has not recommended to declare any final dividend or final special dividend for the twelve months ended 31 March 2026.

Annual General Meeting ("AGM")

The AGM of the Company will be held on 30 September 2026. Notice of the AGM will be issued and disseminated to shareholders in due course.

To ascertain shareholders' eligibility to attend and vote at the AGM, the register of members will be closed from 25 September 2026 to 30 September 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, 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, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 24 September 2026.

Issue of New Shares to Management Personnel

It is the intention and objective of the Company to incentivise and ensure the long term service of management personnel who are considered by the Company to be vital to the success and long term growth of the Group.

Accordingly, the Company implemented an incentive scheme whereby the Company issued and allotted shares of the Company to its management personnel and provided financial assistance to them for acquisition of such shares of the Company. The Company (i) entered into a subscription agreement with Mr. Zhang Zhiyong, on 9 October 2017 (the "2017 Subscription"); (ii) entered into subscription agreements with 11 management personnel, namely Mr. Zhang Zhiyong, Ms. Chen Chen, Mr. Ren Yi, Mr. Yang Yang, Mr. Lyu Guanghong, Ms. Tang Lijun, Ms. Sun Wei, Mr. Chen Shaowen, Mr. Song Li, Mr. Nan Peng and Mr. Wang Yalei, on 19 January 2018 (the "January Subscription"); and (iii) entered into a subscription agreement with another management personnel, namely Mr. Yang Gang, on 11 April 2018 (the "April Subscription"). Please refer to the announcements of the Company dated 9 October 2017, 19 January 2018, 11 April 2018, 27 April 2018 and 9 May 2018 and the circular of the Company dated 9 March 2018 for details.

Under the 2017 Subscription, the Company issued 138,410,025 ordinary shares to Mr. Zhang Zhiyong on 9 October 2017 at the subscription price of HK$1.26 per subscription share. The aggregate nominal value was approximately HK$1,384,100.25, and the net subscription price (after deduction of relevant expenses) was approximately HK$1.256 per subscription share. The subscription price of HK$1.26 per subscription share represented a discount of approximately 8.7% to the closing price of HK$1.38 per share as quoted on the Stock Exchange on the date of the subscription agreements. Mr. Zhang Zhiyong settled 90% of the subscription consideration using the proceeds of five-year term loans provided by the Group.

Under the January Subscription, the Company issued 202,310,000 ordinary shares in total to the management personnel on 27 April 2018 under specific mandate at the subscription price of HK$1.35 per subscription share. The aggregate nominal value of the 202,310,000 ordinary shares issued was HK$2,023,100, and the net subscription price (after deduction of relevant expenses) was approximately HK$1.344 per subscription share. The subscription price of HK$1.35 per subscription share represented a discount of approximately 9.40% to the closing price of HK$1.49 per share as quoted on the Stock Exchange on the date of the subscription agreements. Apart from Ms. Chen Chen who settled the relevant subscription consideration using her own funds, the remaining 10 management personnel settled the relevant subscription consideration using the proceeds of five-year term loans provided by the Group.

Under the April Subscription, the Company issued 9,000,000 ordinary shares to Mr. Yang Gang on 27 April 2018 under general mandate at the subscription price of HK$1.29 per subscription share. The aggregate nominal value of the 9,000,000 ordinary shares issued was HK$90,000, and the net subscription price (after deduction of relevant expenses) was approximately HK$1.279 per subscription share. The subscription price of HK$1.29 per subscription share represented a discount of approximately 9.8% to the closing price of HK$1.43 per share as quoted on the Stock Exchange on the date of the subscription agreement. Mr. Yang Gang settled the subscription consideration using the proceeds of five-year term loan provided by the Group.

Under the 2017 Subscription, January Subscription and April Subscription, connected subscription loan agreements and management subscription loan agreements were entered into between Bright Pacific Enterprises Limited, a wholly-owned subsidiaries of the Company, and each of the subscribers and management. On 29 June 2020, these loan agreements were assigned to Gaea Sports Limited ("GSL"), a wholly-owned subsidiary of the Company. Please refer to the section headed "Other financial assets at amortised cost" in note 24 to the consolidated financial statements for details of the subscription loans.

On 29 July 2022, GSL and each of (1) Mr. Zhang Zhiyong, Mr. Lyu Guanghong, Mr. Ren Yi and Ms. Sun Wei (as connected borrowers) and (2) Mr. Chen Shaowen, Mr. Song Li, Mr. Nan Peng, Mr. Wang Yalei and Mr. Yang Gang (as management borrowers) entered into amendment letters in relation to the connected subscription loan agreements and the management subscription loan agreements, pursuant to which GSL has agreed that (i) the respective subscription loan shall be extended for a further term of 5 years from the original repayment date; (ii) the principal amount of the respective subscription loan shall be an amount equal to the reduced outstanding amount as at the date of the respective amendment letter; (iii) the rate of interest of the respective subscription loan shall be adjusted to a fixed rate of 1% per annum; (iv) to the extent that the borrower was appointed as an executive director and chief executive of the Company, it will constitute an event of default if such borrower ceases to be an executive director, the chief executive officer and/or hold any key positions (as determined by the Company) of the Company; and; (v) all dividends to be received in respect of the shares owned by the relevant borrowers that are charged as security to the relevant subscription loan will be used to settle the interest payments and/or to partially repay the principal amount of the relevant subscription loan.

On 29 July 2022, all of the amendment letters took effect except for the amendment letter in respect of Mr. Zhang Zhiyong. On 28 September 2022, the amendment letter in respect of Mr. Zhang Zhiyong took effect after the independent shareholders' approval was obtained at the extraordinary general meeting as required under Chapter 14A of the Listing Rules. Please refer to the announcement of the Company dated 29 July 2022, the circular of the Company dated 9 September 2022 and the announcement of the Company dated 28 September 2022 for further details.

Restricted Share Award Scheme

The restricted share award scheme adopted by the Company had a term of 10 years from the date of its adoption (10 December 2010). On 8 December 2020, the Board resolved to extend the term of the restricted share award scheme for another 10 years and the restricted share award scheme will end on 10 December 2030, the scheme shall remain valid and in effect. Save as the aforesaid, all other material terms of the restricted share award scheme remain unchanged and valid.

Details of the Company's restricted share award scheme can be found in the "Report of the Directors — Restricted share award scheme" section set out on pages 77 to 79 of this annual report.

Share Option Scheme

The Company adopted a share option scheme ("Share Option Scheme") on 8 August 2019 ("Adoption Date") in order to provide an incentive for the qualified participants to work with commitment towards enhancing the value of the Company and its shares for the benefit of its shareholders and to recruit and retain high-calibre employees and attract human resources whose contributions are or may be beneficial to the growth and development of the Group.

Details of the Company's Share Option Scheme can be found in the "Report of the Directors — Share Option Scheme" section set out on pages 79 to 83 of this annual report.

FINANCIAL POSITION

Working capital efficiency ratios

Average trade receivable turnover days for the Reporting Period and the Comparative Period were 26 days and 28 days, respectively. Average trade payable turnover days for the Reporting Period and the Comparative Period were 84 days and 93 days, respectively. Average inventory turnover days for the Reporting Period and the Comparative Period were 206 days and 212 days, respectively.

Liquidity and financial resources

As at 31 March 2026, cash and bank balances of the Group amounted to RMB2,105 million, an decrease of RMB1,304 million as compared to a balance of RMB3,409 million as at 31 March 2025, which was mainly due to the net effect of the followings:

1) Net cash inflow from operating activities of approximately RMB111 million;

2) Payment of dividends during the Reporting Period for an amount of equivalent to approximately RMB184 million;

3) Cash outflows for investment in financial assets and others of approximately RMB7,429 million, cash inflow from partial disposal of financial assets and investment income of approximately RMB6,152 million;

4) Other aggregate cash inflow amount of RMB46 million.

As at 31 March 2026, net asset value attributable to owners of the Company was RMB8,730 million (31 March 2025: RMB9,208 million). The Group's current assets exceeded current liabilities by RMB4,816 million (31 March 2025: RMB4,594 million). The Group also had a very strong liquidity position. The current ratio as of 31 March 2026 was 8.6 times (31 March 2025: 7.9 times).

Investments in financial assets

The Group's financial assets at fair value through profit or loss comprise seven major categories, namely (in descending order based on their respective fair value amounts): (i) private-equity funds; (ii) fixed-income strategy products; (iii) knock out notes; (iv) equity funds; (v) listed equity securities; (vi) other unlisted equity investments; and (vii) other financial instrument investments.

As at 31 March 2026, financial assets at fair value through profit or loss increased by 24.5% to RMB5,703 million from RMB4,581 million as at 31 March 2025. As at 31 March 2026, there was no single financial asset whose fair value accounted for over 5% of the Group's total assets. The following is a breakdown of the seven major categories for the periods indicated:

	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	**Percentage of GAV as at 31 March 2026**
Private-equity funds	**2,795**	3,411	**28.8%**
Fixed-income strategy products	**1,172**	—	**12.1%**
Knock out notes	**950**	30	**9.8%**
Equity funds	**375**	377	**3.9%**
Listed equity securities	**225**	501	**2.3%**
Other unlisted equity investments	**135**	173	**1.4%**
Other financial instrument investments	**51**	89	**0.5%**
Total	**5,703**	4,581	**58.8%**

The Group's investments in financial assets at fair value through profit or loss are intended to support the long-term development of its core business, earn distribution earnings, enhance returns, achieve capital appreciation, and provide liquidity. The Group is committed to creating sustainable and significant long-term returns for shareholders by balancing shareholder expectations with prudent capital management.

The Group continues to implement a diversified investment portfolio allocation. To regulate the disclosure of information on investment matters and enhance information transparency for shareholders, the Group will disclose investment activities that satisfy the following conditions:

1. At the end of the reporting period, the investment amount accounts for more than 1% of the total assets of the Group; or

2. Other investment matters that the Group determines necessary to disclose.

Details of the Group's investment policy and objectives, approval and supervision mechanisms, and risk management and internal control are set out in other sections of the Management Discussion and Analysis report.

(i) Private-equity funds

As at 31 March 2026, the Group held five categories of investment products classified as "private-equity funds", which specifically include venture capital and private-equity funds; single equity investments; FOF funds; hedge funds; and real estate funds.

The Group conducts fund investments through legitimate licensed financial institutions both domestically and overseas, investing in products managed by well-known leading asset management institutions or private equity funds both domestically and overseas. The Group focuses its investments on funds that have long-term stable performance records, provide comprehensive information disclosure, and hold underlying assets that comply with applicable laws and regulations. The Company prohibits investment in high-risk instruments and resolutely excludes non-standard products characterised by deficient investment logic, material inadequacies in information disclosure, or possess incomplete compliance qualifications, controlling investment risks throughout the entire process based on the core principle of stability and long-term effectiveness.

The table below sets forth a breakdown of the 5 major categories as at the dates indicated:

	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	**Percentage of GAV as at 31 March 2026**
Venture capital and private-equity funds	**1,963**	2,182	**20.2%**
Single equity investments	**676**	979	**7.0%**
FOF funds	**108**	119	**1.1%**
Hedge funds	**45**	74	**0.5%**
Real estate funds	**3**	57	**0.0%**
Total	**2,795**	3,411	**28.8%**

As at 31 March 2026, the fair value of the private-equity funds invested by the Group decreased by 18.1% from RMB3,411 million as at 31 March 2025 to RMB2,795 million.

Venture capital and private-equity funds

As at 31 March 2026, the fair value of the Group's venture capital and private-equity funds decreased by 10.0% from RMB2,182 million as at 31 March 2025 to RMB1,963 million.

As at 31 March 2026, the Group has invested in 31 venture capital and private-equity funds. Details of the top 7 venture capital and private-equity funds by fair value as at 31 March 2026 (collectively accounting for approximately 58.6% of the total fair value of all venture capital and private-equity funds) are disclosed below:

Name of item	Investment objectives and strategies	Scope of investments	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
CPE Yuanfeng Fund RMB III	Leveraging capital market instruments through minority interests or controlling stakes, with a primary focus on investment opportunities in core sectors such as consumer and healthcare, technology and industrials, and infrastructure	Consumer and healthcare, technology and industrials, infrastructure	**239**	345	**2.5%**	**12.2%**
CPE Yuanfeng RMB New Fund	Leveraging capital market instruments through minority interests or controlling stakes, with a primary focus on investment opportunities in core sectors such as consumer and healthcare, technology and industrials, and infrastructure	Consumer and healthcare, technology and industrials, infrastructure	**210**	184	**2.2%**	**10.7%**
GOF Fund II	Primarily investing in global enterprises with growth prospects in China through minority interests or controlling stakes	Consumer and healthcare, technology and industrials, infrastructure	**186**	126	**1.9%**	**9.5%**
Yunfeng Fund RMB IV	Drawing full reference from the operating models of industrial funds in mature international markets, and adopting equity investment, convertible bond investment or other methods permitted by the law to invest in relevant industries and achieve substantial, long-term capital appreciation	Fintech, technology and corporate services, automotive and aftermarket, logistics, new retail, healthcare	**153**	148	**1.6%**	**7.8%**

Name of item	Investment objectives and strategies	Scope of investments	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
Jiangyin Hongtai Fund	Focusing on mid-to-late-stage and mature projects, as well as projects with potential for listing in the short term, in the sectors of new consumption, big health, intelligent manufacturing, and advanced manufacturing	Sectors of new consumption, big health, intelligent manufacturing, and advanced manufacturing	**143**	172	**1.5%**	**7.3%**
GOF Fund I	Primarily investing in global enterprises with growth prospects in China, as well as selected offshore funds and project investment opportunities	Consumer and healthcare, technology and industrials, infrastructure, as well as offshore funds and project investment opportunities	**126**	133	**1.3%**	**6.4%**
TH Capital Fund I	Investing in leading hard-tech companies in China, and investing in international companies as appropriate	Next-generation information technology, carbon neutrality, advanced manufacturing, and frontier technologies	**93**	73	**1.0%**	**4.7%**

Single equity investments

As at 31 March 2026, the fair value of the Group's single equity investments decreased by 30.9% to RMB676 million from RMB979 million as at 31 March 2025.

As at 31 March 2026, the Group had invested in 14 single equity investments. Details of the top 3 single equity investments by fair value as at 31 March 2026 (collectively accounting for approximately 47.0% of the total fair value of all single equity investments) are disclosed below:

Name of item	Investment objectives and strategies	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
JIASHI PREFERRED CORNERSTONE FUND	Primarily focusing on leading domestic digital technology and industrial service platforms	**165**	295	**1.7%**	**24.4%**
CD TRAVEL INVESTMENT	Primarily focusing on leading domestic one-stop mobile transportation and local life services platforms	**81**	99	**0.8%**	**12.0%**
JINGYI FUND	Primarily focusing on leading domestic integrated digital technology platforms in China	**72**	81	**0.7%**	**10.6%**

FOF Funds

As at 31 March 2026, the fair value of the Group's FOF Funds decreased by 9.2% to RMB108 million from RMB119 million as at 31 March 2025.

As at 31 March 2026, the Group had invested in 2 FOF Funds. Details of the top FOF by fair value as at 31 March 2026 (accounting for approximately 81.5% of the total fair value of all FOFs) are disclosed below:

Name of item	Investment objectives and strategies	Scope of investments	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
RONGYU FOF	Leveraging the synergy of funds, secondary interests, and direct investments projects to invest in leading targets, constructing a portfolio with balanced liquidity, safety, and returns	Deploying in leading comprehensive/industry-specific funds, secondary fund interests in the mature or exit stages, as well as high-quality growth or benchmark projects with stable returns and controllable risks	**88**	98	**0.9%**	**81.5%**

Hedge funds

As at 31 March 2026, the fair value of the Group's hedge funds decreased by 39.2% to RMB45 million from RMB74 million as at 31 March 2025.

As at 31 March 2026, the Group has invested in 2 hedge funds. Details of the top hedge fund by fair value as at 31 March 2026 (accounting for approximately 82.2% of the total fair value of all hedge fund investments) are disclosed below:

Name of item	Investment objectives and strategies	Scope of investments	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
BREVAN HOWARD PT FUND	Being independent from mainstream market conditions to generate asymmetric returns; maintaining a long-term low correlation with risky assets to serve as a diversification tool for investment portfolios	Primarily investing in global fixed income and foreign exchange markets, with a small allocation to other asset classes such as equities, credit assets, commodities, and digital assets	**37**	72	**0.4%**	**82.2%**

(ii) Fixed-income strategy products

As at 31 March 2026, the fair value of the Group's fixed-income strategy products was RMB1,172 million, compared to nil as at 31 March 2025.

As at 31 March 2026, the Group has invested in 8 fixed-income strategy products. Details of the top 5 fixed-income strategy products by fair value as at 31 March 2026 (collectively accounting for approximately 87.6% of the total fair value of all fixed-income strategy products) are disclosed below:

Name of item	Investment objectives and strategies	Scope of investments	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
CPE Fixed Income Investment Fund	Maximising risk-adjusted returns and providing long-term capital appreciation through primarily investing in fixed income markets in China and Asian region	Investing in fixed income securities and instruments issued or guaranteed by, or circulating in the region of, China and Asia-related entities, which include enterprises within the region, offshore enterprises with China/Asia-related businesses and their associates, as well as governments and quasi-government agencies within the region	**389**	—	**4.0%**	**33.2%**
Yuli Private Securities Investment Fund No. 2	Increasing returns on fixed-income products in a low-interest-rate environment by capturing opportunities from rotation of fixed-income assets and achieve higher returns for investors. The investment strategy of the RMB Fund is to enhance returns by investing in bonds, complemented by trading in convertible bonds	Primarily investing in fixed income assets, such as government bonds, central bank bills, policy bank bonds, local government bonds, bond reverse repurchase instruments, and bonds traded on exchange or interbank markets, covering a wide range of industries	**305**	—	**3.1%**	**26.0%**
Apollo Aligned Alternatives (E-1)	Through global diversified allocation, the fund emphasises capital protection and downside risk control. Leveraging its active management capabilities and extensive direct investment channels, the fund actively participates in corporate recapitalisations and debt financing to attain the target of realizing lower volatility and strive for creating alpha returns	Investing in unlisted asset portfolios mainly in North America and Europe, covering strategies such as core private equity, private credit, structured equity, real assets, and secondary private equity markets	**115**	—	**1.2%**	**9.8%**

Name of item	Investment objectives and strategies	Scope of investments	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
OAKTREE STRATEGIC CREDIT FUND	Focusing on priority private credit as the core, supplemented by high-quality public bonds, with diversified holdings and prudent leverage control to obtain stable debt cash flows and capital appreciation returns	Primarily invests in unlisted private credit assets, including senior secured loans, mezzanine debt, and other structured credit instruments issued to unlisted companies	**110**	—	**1.1%**	**9.4%**
Blackstone Private Credit Fund	Operating by leveraging Blackstone's global credit platform, the primary objective is to obtain stable current income while also seeking long-term capital appreciation. The portfolio is constructed around four core principles: high-priority secured debt, floating rates, low leverage, and sector diversification	Focusing on first-lien senior secured loans to large and medium-sized North American enterprises as the core, supplemented by second-lien loans, equity, joint ventures, and structured debt instruments, with diversified credit positions across multiple industries such as software, professional services, and healthcare, highlighting enterprises that are non-cyclical and capable of providing continuous and stable cash flows	**108**	—	**1.1%**	**9.2%**

(iii) Knock out notes

As at 31 March 2026, the fair value of the Group's knock-out notes increased from RMB30 million as at 31 March 2025 to RMB950 million.

As at 31 March 2026, the Group has invested in 29 knock-out notes issued by 12 issuers. The top 7 knock-out notes by fair value as at 31 March 2026 (collectively accounting for approximately 62.7% of the total fair value of all knock-out notes) are disclosed below:

Issuer	Coupon rate	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
Bank Julius Baer Guernsey Branch	10%	**98**	—	**1.0%**	**10.3%**
Royal Bank of Canada, acting through its Toronto Branch	8%	**95**	—	**1.0%**	**10.0%**
CSI Financial Products Limited	8%	**82**	—	**0.8%**	**8.6%**
J.P. Morgan Structured Products B.V.	8%-10%	**82**	—	**0.8%**	**8.6%**
UBS AG, acting through its London Branch	8%	**81**	—	**0.8%**	**8.5%**
Societe Generale	8%	**80**	—	**0.8%**	**8.4%**
Nomura International Funding Pte. Ltd.	8%	**79**	—	**0.8%**	**8.3%**

(iv) *Equity funds*

As at 31 March 2026, the fair value of the Group's equity funds decreased by 0.5% to RMB375 million from RMB377 million as at 31 March 2025.

As at 31 March 2026, the Group has invested in 3 equity funds. The top 3 equity funds by fair value as at 31 March 2026 (collectively accounting for approximately 100% of the total fair value of all equity funds) are disclosed below:

Name of item	Investment objectives and strategies	Scope of investments	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
Panfeng Value Private Securities Investment Fund Series C	By investing in a diversified range of assets, the fund seeks to achieve reasonable investment returns on the basis of fully controlling the risks of the fund's assets, striving to realise long-term steady appreciation of the fund's assets. Adopting a bottom-up stock selection approach, the strategy relies on fundamental, valuation and market analysis to select for investment individual stocks that exhibit stable earnings growth and reasonable to low valuations	Including but not limited to stocks (A-shares, shares listed on the Stock Exchange through the Stock Connect), bonds, different types of funds, futures and options, and other financial products such as bank deposits and asset management products	**202**	189	**2.1%**	**53.9%**
CPE Greater China Enterprises Growth Fund	Seeking to achieve long-term capital appreciation by investing in securities listed on stock exchanges in the Greater China region and various investment and asset classes	Investing in securities listed on stock exchanges in the Greater China region and various investments and asset classes (such as debt instruments, bonds, convertible bonds, notes, structured products, unlisted securities and collective investment funds)	**108**	115	**1.1%**	**28.8%**

Name of item	Investment objectives and strategies	Scope of investments	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
BOYU CAPITAL OFFSHORE FUND	Focusing on the Greater China equity markets, the strategy aims to generate stable excess returns through a long-short strategy, seeking to achieve long-term excess returns above the market benchmark while controlling drawdowns, thereby maximising risk-adjusted returns	Focusing on the Greater China region, the strategy primarily invests in the TMT, healthcare, renewable energy and advanced manufacturing, and consumer sectors across the H-share, A-share, and ADR markets, while allowing for an allocation of no more than 20% in Pre-IPO private equity, with good portfolio liquidity	**65**	73	**0.7%**	**17.3%**

(v) Listed equity securities

As at 31 March 2026, the fair value of the Group's listed equity securities decreased by 55.1% to RMB225 million from RMB501 million as at 31 March 2025.

As at 31 March 2026, the Group has invested in 6 listed equity securities. The top listed equity security by fair value as at 31 March 2026 (representing approximately 68.9% in aggregate of the total fair value of all listed equity securities) is disclosed below:

Stock code	Stock exchange on which the shares are listed	Name of company	Principal business of company	Fair value as at 31 March 2026 RMB million	Fair value as at 31 March 2025 RMB million	Percentage of GAV as at 31 March 2026	Percentage of portfolio as at 31 March 2026
09988	Hong Kong Stock Exchange	ALIBABA GROUP HOLDING LTD.	An investment holding company mainly engaged in the provision of technology infrastructure and marketing platforms	**155**	342	**1.6%**	**68.9%**

As of 31 March 2026, the Group's net investment assets amounted to approximately RMB7.9 billion, which comprised of investments in private equity funds, cash and cash equivalents and securities of listed companies. The Company's investment segment recorded a net investment gain of RMB116 million for the year ended 31 March 2026. As the financial markets recovered during the financial year, the management adjusted the portfolio allocation in a timely manner, stabilised the investments, and actively accelerated fund exits, thereby achieving a healthy growth in value amidst the volatile market environment. Since the commencement of the investment business and up to the end of the period, the investment business has contributed approximately RMB7.3 billion in value appreciation.

I. Investment Policy and Objectives

The Group's investment policy is to adhere to a prudent investment strategy and, through diversified investment activities, maximise shareholders' value while ensuring capital security and risk control.

The Group makes investment decisions on a case-by-case basis after considering a number of factors, including but not limited to cash flow levels, operational needs and capital expenditures, the macroeconomic environment, the international political landscape, and the expected profit or potential loss of the investment.

The Group has built a diversified investment portfolio, covering asset classes such as private equity funds, equity funds, bonds, debt and term deposits. In particular, short-term investments focus on bonds, securities, money market funds, and low-risk fixed-income products, with a typical holding period of six months to three years and a maximum lock-up period of one year, aiming to achieve stable liquidity and returns. Long-term investments are primarily private equity funds, with a typical duration of seven to ten years, focusing on strategic layout and value growth.

Investments are primarily financed by internal resources accumulated from the Group's past capital gains and distributions. The Group internally manages investment business and the China sporting goods business separately to ensure that investment activities do not affect core business operations and there are sufficient cash reserves to cope with risks.

In terms of portfolio management, the Group strictly adheres to the "Investment Business Management System of China Dongxiang" and has established a full-process risk control system. During the due diligence phase, screening is conducted to prohibit investment in industries that violate national policy guidance, regulatory requirements, and explicit prohibitions, as well as high-leverage and high-risk projects. In the project review phase, sustainable development is incorporated into the core assessment criteria, prioritising environmentally friendly projects under equivalent return and risk conditions. During the project assessment and analysis process, it is explicitly required that investment expenditures shall not hinder the operation and capital expenditure of the China sporting goods business, and the promotion of development of the China sporting goods business shall be an important basis for project screening, so as to achieve coordinated development of investment business and the China sporting goods business.

Each investment of the Group is overseen by the Group's Investment Decision Committee. The Investment Decision Committee is composed of three executive Directors of the Company. Therefore, during the investment project screening process, the Investment Decision Committee will also explicitly require that investment activities do not hinder the operation of the principal business and capital expenditures.

The Group also regularly consults its fund managers, which are licensed corporations under the Securities and Futures Ordinance, and are selected based on the Group's comprehensive assessment of (i) the fund managers' assets under management; (ii) the experience and track record of the management team; (iii) the historical performance of the funds managed; and (iv) the investment direction of the funds and fund managers, to ensure that the selected fund managers meet the Group's standards for professionalism, compliance, and performance.

Since the 2023/24 financial year, the Group's management has fully assessed the current economic environment and international landscape, gradually reducing equity investments and urging the accelerated liquidation of relevant funds, while increasing the Group's investment allocation to highly liquid and safe assets (such as cash and cash equivalents and low-risk fixed-income products). This strategy aims to strengthen the Group's investment portfolio and its ability to withstand risks, while achieving capital preservation and capital appreciation for the Group and its shareholders.

II. Approval and Supervision Mechanism

The Group's approval of potential investment activities involves three main steps:

1. Preliminary Preparation — Investment project information is screened to preliminarily assess the compliance with the Group's investment criteria. After initial review, the Investment and Capital Management Department prepares a proposal for consideration by the Investment Decision Committee.

2. Formal Investigation — Business due diligence is conducted to understand the investment project's business processes, asset allocation, return prospects, historical returns and policy support; financial due diligence is conducted to review the financial statements and analyze the financial position; legal due diligence is conducted to assess the investment project's legal status, compliance, contractual agreement and litigation matters; and field inspection is conducted, involving interviews with the personnel of the investment project.

3. Assessment and Analysis — Potential investment risks are identified and their impact on investment value and returns are analyzed. The due diligence report is prepared summarising the findings from formal investigation and the Investment Decision Committee reviews the due diligence report to assess and make the final investment decision. If necessary, it shall be submitted to the Board or the general meeting for further approval to ensure compliance with the requirements of the Listing Rules.

The internal investment business management bodies of the Group include: the Board, the Investment Decision Committee, the Investment and Capital Management Department, and the Legal Department.

The Investment Decision Committee is the decision-making body for the Group's investment business. It consists of three members who are all appointed by the Board. The chairman of the Group is a natural member of the Investment Decision Committee and serves as its chairman. Currently, the members of the Investment Decision Committee include the three executive Directors of the Company, namely Mr. Chen Yihong, Ms. Chen Chen and Mr. Lyu Guanghong. The Investment Decision Committee will regularly hear reports from the Investment and Capital Management Department regarding investment projects, and based on thorough inquiry and discussion, approve whether to implement investment projects, and provide reasonable improvement suggestions for the proposed investment projects.

III. Risk Management and Internal Control

The Group attaches great importance to risk control of investment projects and has established a full-process, multi-dimensional risk assessment and management system. Specific measures are as follows:

1. *Risk assessment system for investment projects*
   - Admission Review: Due diligence is conducted prior to investment to analyze the background, financial and operational capabilities of investment projects, and assess their debt repayment, profitability, and cash flow status, thereby controlling risks at the source.
   - Credit Rating: A comprehensive score is given to counterparties' credit records and bank creditworthiness by combining external ratings and internal models to determine credit grades.
   - Dynamic Tracking: Financial data is collected regularly in the course of cooperation to monitor media sentiment and adjust risk levels based on changes in the counterparties' operations.
2. *Risk management measures regarding investment counterparties*
   - Tiered Management and Control: Based on the risk level, the scale is restricted and guarantee is increased for high-risk counterparties; and process is simplified for low-risk counterparties.
   - Contractual Obligations: The contract clearly defines breach of contract, risk sharing, and termination clauses to protect the rights and interests of both parties.
   - Diversified Investment: It avoids over-reliance on a single investment counterparty, and reduces the impact of individual counterparty risk on the Group's investment portfolio by diversifying investments and cooperating with multiple counterparties.
3. *Regular risk assessment and stress testing*
   - Periodic Risk Assessment: A multi-level periodic risk assessment mechanism (quarterly, semi-annual, and annual) is established. A brief risk review of investment counterparties is conducted quarterly, focusing on changes in key indicators; a comprehensive risk assessment is carried out semi-annually to re-examine the financial, operational, and credit status of counterparties; and an in-depth risk analysis is performed annually, combining factors such as industry trends and the macroeconomic environment to optimise and adjust the risk assessment model, ensuring the accuracy and timeliness of assessment results.
   - For stress testing of investment counterparties, extreme market environments and significant adverse events are simulated from time to time to assess the counterparties' risk resistance capabilities and the Group's potential investment losses, providing data support for formulating risk response plans and continuously optimising the risk control system.

The Group has established a systematic and comprehensive internal control and risk management system for post-investment management and investment exit, with specific measures as follows:

1. Dynamic Financial Monitoring: The Investment and Capital Management Department regularly reviews the financial statements, audit reports, and investment reports of the investees at least semi-annually, conducting a comprehensive assessment from dimensions such as financial condition, risk tolerance and sustainability to timely identify potential financial risks.

2. Real-time Public Opinion Tracking: Dynamic tracking of news and information related to investees is conducted through multi-channel media monitoring networks, combined with necessary direct communication.

3. Efficient Information Exchange: A regular and open communication mechanism with investees is established to ensure real-time synchronisation of key information such as project business progress and major decisions. Through regular meetings and ad-hoc exchanges, information transmission is kept timely and accurate.

4. Collateral Verification: For secured investment projects, the implementation of collateral agreements is verified regularly to ensure that the status and value of the secured assets meet the agreed standards. Once an anomaly is detected, the adjustment procedure is immediately initiated.

5. Post-investment In-depth Analysis: After a project matures, a comprehensive assessment is conducted to form a case summary, providing an important reference for the screening, decision-making, and management optimisation of subsequent investment projects.

6. Exit Strategy: When an investment project triggers a risk warning or reaches the exit conditions, alternative solution assessments should be promptly initiated. Considering factors such as the industry environment and market conditions, exit paths such as mergers and acquisitions, transfer of shares, liquidation and disposal, and legal proceedings are flexibly chosen to maximise investment returns and asset safety.

At the same time, the Group has established a professional internal audit team to build a normalised and dynamic supervision system for investment activities. The internal audit team conducts comprehensive inspections on an annual basis and carries out irregular follow-up visits based on project progress to ensure full coverage of the investment process supervision.

During the annual regular inspection, the internal audit department strictly reviews the complete set of documents for newly added investment projects in that year, covering core materials such as investment proposals and investment agreements. It meticulously reviews whether the investment decision-making processes are compliant, with a focus on identifying issues such as omissions of key matters or insufficient explanations during the decision-making process. Meanwhile, it continues to follow up on key aspects such as the post-investment execution progress and the implementation of exit plans for invested projects, and identifies potential risks and proposes optimisation suggestions through dynamic tracking.

The internal audit team strictly adheres to the reporting mechanism, regularly providing special reports to the Audit Committee of the Board on inspection results, risk assessments and improvement plans. This provides strong support for optimising the company's investment decisions and risk prevention and control, effectively ensuring the compliance and orderly conduct of investment activities, and safeguarding the Group's asset safety and investment returns.

Loan Receivables

In respect of the loan receivables due from the borrowers, in order to balance investment risks, the Group granted loans to independent third parties (being parties which are not connected with the Group or its connected persons) and related parties (associates and joint ventures of the Group) as a means to utilise idle cash which is not required for the Group's business operations and expansion, based on reasons such as the loan receivables being secured by collateral and the investment period being controllable. The borrowers which are independent third parties are typically companies which became acquainted with the Group through the Group's investment segment. Additionally, it is the intention and objective of the Group to incentivise and ensure the long-term service of management personnel who are considered by the Group to be vital to the success and long-term growth of the Group. Therefore, loans (the "Lending Arrangement") were granted to certain management personnel, each of them being a borrower (together, the "Borrowers"). The Group does not require any licences or approvals under applicable laws and regulations to carry out the Lending Arrangement.

As at 31 March 2026, the Group had loan receivables of an aggregated carrying amount of RMB775 million (31 March 2025: RMB907 million), including loans of an aggregated carrying amount of RMB472 million (31 March 2025: RMB582 million) to the independent third parties, loans of an aggregated carrying amount of RMB8 million (31 March 2025: RMB9 million) to the related parties and loan receivables of an aggregated carrying amount of RMB296 million (31 March 2025: RMB316 million) to the management personnel.

As at 31 March 2026, the amount of each loan receivable from the Borrower from the independent third parties varied from RMB4 million to RMB345 million, which bear interests at fixed interest rates in the range of 8% to 12% per annum. The maturity period of each loan receivable from the Borrower varied with the range from 13 to 36 months. All these loan receivables were secured by the pledges of certain assets of the Borrowers.

The total number of Borrowers under the Lending Arrangement was fourteen as at 31 March 2026. The aggregated carrying amount of loan receivables due from the largest Borrower was RMB345 million, whereas the aggregated carrying amount of loan receivables due from the five largest Borrowers was RMB522 million, representing approximately 44.5% and 67.3% of the aggregated carrying amount of loan receivables of the Company as at 31 March 2026, respectively.

The Lending Arrangement includes the subscription loans provided to certain management personnel for their subscription of shares of the Company as part of the Company's share incentive arrangement (the "Management Subscription Loans"). For further details, please refer to the section headed "Issue of New Shares to Management Personnel".

As at 31 March 2026, the aggregate outstanding amount of the Management Subscription Loans was approximately RMB296 million.

The amount of provision for impairment in respect of the loan receivables of the Group as at 31 March 2026 was approximately RMB392 million, as compared to approximately RMB176 million as at 31 March 2025. The net increase in impairment provision during the Reporting Period was RMB216 million, of which approximately RMB181 million was related to the Management Subscription Loans. Such increase was mainly due to the decrease in fair value of certain loan collaterals during the current period. As affected by the market and economic environment, the collaterals of certain Borrowers have depreciated. The Group has engaged an external valuer to assist in determining the expected credit loss ("ECL") of these receivables based on the three-stage impairment model set out in IFRS 9 "Financial Instruments". As appraised by an independent valuer, the value of the existing collaterals was insufficient to fully cover the total outstanding amount of relevant loans. Therefore, the impairment provision for the relevant loans as at 31 March 2026 was increased.

The Group determined the provision for impairment of loan receivables based on the "three-stage" impairment model as set out in IFRS 9 "Financial Instruments" by referring to the changes in credit quality since initial recognition and the Group measured credit risk using probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"). The key judgments and assumptions mainly included determination of significant increase in credit risk, definition of default and credit impaired assets, projecting the PD, LGD and EAD and forward-looking information incorporated in the ECL models.

The Group will actively communicate with the Borrowers, including but not limited to demanding the Borrowers to increase collaterals and realising collaterals to recover the loans. The Company has gradually scaled down its loan receivables business and is actively settling the existing loan receivables from the Borrowers. The Group will also continuously monitor the fluctuations in collateral value and credit status of the Borrowers.

In order to ensure the recoverability of the loans granted and the adequacy of collaterals under the Lending Arrangement, the Group has adopted and followed a series of strict credit assessment policies and procedures to regulate the operation of the Lending Arrangement. Internal manuals which set out, among others, (i) documents and information required for each loan application; (ii) the general framework of the Group's credit assessment process including but not limited to the factors to be considered such as a potential borrower's background, financial and repayment abilities, credit worthiness and intended use of the loan; and (iii) the approval process for each type of loan application, have been distributed to and reviewed by relevant personnel. On the basis that the operation of the Group's principal business would not be affected and that sufficient idle cash has been set aside, loans applications would be reviewed and approved, on a case-by-case basis, by the majority of the investment decision committee of the Group (the "Committee"), the members of which comprise three Directors. The applicable percentage ratios in respect of each loan application would be computed to ensure compliance with the Listing Rules. The Committee would conduct a thorough assessment of a potential borrower's eligibility by conducting background searches to obtain information regarding a potential borrower's background, financial and repayment abilities (including but not limited to reviewing financial statements of companies and income proof of individuals), credit worthiness, asset proof (if securities or collaterals are involved) and the intended use of the loan. Upon the entering into of a loan agreement under the Lending Arrangement, the Group would regularly collect and review information regarding the Borrowers' financial positions through conducting background searches and engaging an independent valuer to review the value of any collateral to evaluate whether there are any risks of default. In the event risks of default are identified, the Company would consider exercising its rights in accordance with the terms of the relevant loan agreements, including but not limited to demanding for the repayment of the principal amount and interest accrued, realising of security interests, and demanding for additional collaterals (where applicable).

The Group will continue to monitor the Borrowers' ability for repayment and the value of the collaterals in accordance with its internal control policy and procedures to ensure recovery of the relevant loans.

Further details of the loan receivables are set out in Note 24 of the consolidated financial statements.

Pledge of assets

As at 31 March 2026, the Group entered into a loan agreement and a security contract with a bank, which was pledged by the HSBC Infinite Wealth Insurance Plan., amounting to approximately RMB197 million (31 March 2025: Nil).

Capital commitments

In September 2020, the Group entered into a limited partnership agreement with Xiamen Yuanfeng Investment LLP., with a total committed investment amount of RMB200 million. As at 31 March 2026, the Group had paid a capital contribution of RMB170 million with a remaining balance of RMB30 million as capital commitments.

In January 2021, the Group entered into a limited partnership agreement with CPE Global Opportunities Fund II, L.P., with a total committed investment amount of US$30 million. As at 31 March 2026, the Group had paid a capital contribution of US$21 million with a remaining balance of US$9 million (equivalent to approximately RMB60 million) as capital commitments.

In February 2021, the Group entered into a limited partnership agreement with Yunfeng Fund IV, L.P., with a total committed investment amount of US$20 million. As at 31 March 2026, the Group paid a capital contribution of US$15 million with a remaining balance of US$5 million (equivalent to approximately RMB35 million) as capital commitments.

In July 2023, the Group entered into a limited partnership agreement with EnvisionX Partners Fund, L.P., with a total committed investment amount of US$6 million. As at 31 March 2026, the Group had paid a capital contribution of US$4 million with a remaining balance of US$2 million (equivalent to approximately RMB14 million) as capital commitments.

In November 2023, the Group entered into a limited partnership agreement with CPE Global Select Fund, L.P., with a total committed investment amount of US$10 million. As at 31 March 2026, the Group had paid a capital contribution of US$2 million with a remaining balance of US$8 million (equivalent to approximately RMB52 million) as capital commitments.

Foreign Exchange Risk

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. However, the Group has cash and bank deposits as well as other financial assets denominated in Hong Kong dollars ("HKD") and United States dollars ("USD") in the Company and its subsidiaries of which the functional currency are different from HKD and USD. The Group will closely monitor the exposure and will take specific measures when necessary to make sure the foreign exchange risk is manageable and within control.

Significant Investments and Acquisitions

No significant investments were held by the Group as at 31 March 2026 and no material acquisitions or disposals of the Group's subsidiaries, associates and joint ventures took place during the twelve months ended 31 March 2026.

INVESTOR RELATIONS REPORT

Investor relations management is an important task of the Company that requires long-term attention and systematic development. The Company's management and investor relations team have been committed to building strong two-way communication channels with investors. On one hand, we disclose the Company's financial performance and operations in a truthful, accurate, fair and timely manner to facilitate investors' understanding of the Company; on the other hand, we promote the Company's integrity, self-discipline, and standardised operations, and continually improve the Company's operation, management and governance structure in order to maximise the corporate value and shareholders' interests.

We summarise our investor relations achievements for the past financial year 2025/2026 as below:

1． Results Release and Investor Summit:

The Company released the annual results for the financial year 2024/2025 and the interim results for the financial year 2025/2026 in June and November 2025 respectively, and announced the Company's latest performance, as well as the Company's future development direction and strategy in a prompt and timely manner after such release. Meanwhile, information relating to the results is also uploaded onto the Company's website for investors to view in a timely manner after the release of results. In addition, the management and investor relations team of the Company also participated in non-deal roadshows and investment summits organised and hosted by investment banks to increase contact and communication with global investors.

2． Ongoing Daily Communication:

In daily operation, the Company conducts ongoing communication with investors and analysts through multiple channels and levels of communication, which mainly include:

- ***Face-to-Face Meetings and Telephone Conferences:***

  In the financial year 2025/2026, face-to-face meetings and telephone conferences with investors and analysts were held proactively to announce the Company's operating performance in a timely manner.

- ***Investor Store Visits:***

  In the financial year 2025/2026, store visits were arranged for investors and analysts in Beijing and other locations based on their needs.

- ***Company Website:***

  The Investor Relations section in our corporate website (http://www.dxsport.com) is updated in a continuous and timely manner to disseminate the Company's relevant information, so that investors can understand our latest development in time. Meanwhile, we have an investor relations e-mail box to receive inquiries and suggestions from investors, and we will respond them promptly.

- ***Investor and Media Enquiry Hotline:***

  The investor and media enquiry hotline is manned by the investor relations department, which ensures that the hotline is open during working hours to answer all questions and queries from shareholders, potential investors, analysts and the media in a timely manner.

3． AGM:

In accordance with the Listing Rules of the Hong Kong Stock Exchange, we regularly organise and convene annual general meetings, at which the Company's business strategies and investment plans are discussed equitably and transparently with shareholders to maintain and respect the legitimate rights and interests of all shareholders, especially the small and medium-sized shareholders.

4． Prospects:

Looking ahead, spearheaded by the Company's management, we will continue to implement proactive investor relations efforts, communicate well with shareholders, analysts, potential investors and the public, and disclose the Company's financial performance and operations in a truthful, accurate, fair and timely manner, as well as to further tap into capital market and establish a stable and reasonable shareholder structure in the long term.

Meanwhile, we welcome all shareholders, analysts, and potential investors to share with us their views and valuable suggestions about the Company via mail, e-mail, and telephone, in order for us to constantly improve our corporate operation and administration.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board is responsible and has general powers for the management and conduct of our business. The table below shows certain information in respect of members of our Board:

Name	Age	Position
Mr. Chen Yihong (陳義紅)	68	Chairman and Executive Director
Ms. Chen Chen (陳晨)	39	Chief Executive Officer, President, Co-Chairman and Executive Director
Mr. Lyu Guanghong (呂光宏)	47	Chief Financial Officer and Executive Director
Mr. Gao Yu (高煜)	52	Independent Non-Executive Director
Ms. Tang Songlian (唐松蓮)	44	Independent Non-Executive Director
Mr. Zhou Zhiyi (周志毅)	61	Independent Non-Executive Director
Mr. Du Zhongbing (杜中兵)	52	Independent Non-Executive Director

EXECUTIVE DIRECTORS

Mr. Chen Yihong (陳義紅), aged 68, is the founder, chairman and executive director of the Company. Mr. Chen is primarily responsible for the management of the board, company investment operations and corporate planning. Mr. Chen joined the Company in March 2007. Mr. Chen has extensive experience in the sporting goods industry in China. From 1991 to 2005, Mr. Chen was the vice-general manager, general manager and chief executive officer of Beijing Li Ning Sports Goods Co., Ltd. (北京李寧體育用品有限公司) and the executive director of Li Ning Company Limited, a company listed on Hong Kong Stock Exchange. Mr. Chen had completed an executive Master's in business administration degree from Guanghua School of Management of Peking University (北京大學光華管理學院) in 2002. Mr. Chen had completed "China CEO Program" of Cheung Kong Graduate School of Business (長江商學院) in 2009.

Ms. Chen Chen (陳晨), aged 39, is the chief executive officer, president, co-chairman and executive director of the Company. Ms. Chen joined the Company in 2012. Ms. Chen is primarily responsible for overseeing the marketing and design of Kappa products of the Company. Ms. Chen served as product planning representative in the apparel planning team of the Company from 2012 to 2013. Ms. Chen was promoted as the manager of the marketing department and the apparel design department and the vice president of the brand department in 2013. Prior to her appointment as the co-president of the Company since 9 February 2018, Ms. Chen has been appointed as the executive director and a member of the executive committee of the Company since 4 December 2014. Ms. Chen obtained her bachelor degree in Fashion Design Technology — Surface Textiles from University of the Arts — London College of Fashion, London, the United Kingdom in 2010. Ms. Chen Chen had been appointed as an independent non-executive director of Beijing Geekplus Technology Co., Ltd. (北京極智嘉科技股份有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2590) with effect from 8 July 2025.

Ms. Chen is the daughter of Mr. Chen Yihong (陳義紅), chairman of the Board and executive director of the Company.

Mr. Lyu Guanghong (吕光宏), aged 47, is the chief financial officer and executive director of the Company with effect from 17 April 2020. Mr. Lyu is principally responsible for preparing annual financial budget of the Group, organising and directing accounting audit, taxation planning and financial analysis, capital resources allocation of the Group, operation of investment projects and wealth management projects of the Group, organising statutory audit and information disclosure of the Group, maintaining long-term cooperation with shareholders and investors of the Company, formulating and optimising internal control and internal audit system of the Company, establishing and supervising the execution of audit plan as well as preventing and controlling management risks of the Company. Mr. Lyu joined the Group in October 2008. He acted as the manager of the finance department from November 2013 to February 2015. Prior to his appointment as the executive director and chief financial officer of the Company, Mr. Lyu has been the director of the investment and fund management department of the Company since February 2015, during which he was responsible for investment management, listing compliance, investor relations and other internal management of the Group.

Prior to joining the Group, from September 2004 to September 2008, Mr. Lyu was the deputy manager of the financial audit department at China Jushi Co., Ltd. (中國巨石股份有限公司) (stock code: 600176.SH) ("China Jushi"). His major duties included financial analysis and taxation of China Jushi.

Mr. Lyu obtained his bachelor's degree in economics and master's degree in management from Nankai University (南開大學). He is a member of the Chinese Institute of Certified Public Accountants and an intermediate accountant.

Mr. Lyu is currently a director of Shanghai Kappa Kids Sporting Goods Co., Ltd. (上海卡帕動力兒童用品有限公司), an indirect wholly-owned subsidiary of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Gao Yu (高煜), aged 52, is the independent non-executive director of the Company and joined the Company in July 2007.

Mr. Gao has been working in the Morgan Stanley group of companies from August 2005 to July 2022 and was a managing director of the Private Credit and Equity Division, the co-chief investment officer of Private Equity Asia and head of China Investment business, the chairman of RMB Fund's investment committee of Morgan Stanley Asia Limited as well as the member of Morgan Stanley's China Management Committee.

He is a non-executive director of China Feihe Limited (中國飛鶴有限公司) which is listed on the main board of Hong Kong Stock Exchange.

Mr. Gao had resigned as a director of Shandong Buchang Pharmaceuticals Co., Ltd. (山東步長製藥股份有限公司) which is listed on Shanghai Stock Exchange with effect from 28 June 2024.

Prior to joining Morgan Stanley Asia Limited, he worked in Citigroup's Investment Banking Division in Asia for about five years. Mr. Gao had also worked in Donaldson, Lufkin & Jenrette Inc's Capital Markets Group in New York.

Mr. Gao graduated from Stanford University with a Master's degree in engineering economic systems and operations research as well as from Tsinghua University (清華大學) in Beijing with dual Bachelors' degrees in engineering and economics.

Ms. Tang Songlian (唐松蓮), aged 44, is the independent non-executive director of the Company and joined the Company on 20 December 2024.

Ms. Tang is a professor at the School of Business and Management of Donghua University (東華大學工商管理學院) and a certified public accountant in China. She was the deputy professor, deputy department head and secretary of the party branch of the School of Business of East China University of Science and Technology (華東理工大學商學院) from 2011 to 2021 and a lecturer of the School of Business of East China University of Science and Technology (華東理工大學商學院) from 2009 to 2011. Ms. Tang was a visiting scholar at the City University of New York from 2014 to 2015. Ms. Tang graduated from Hunan University in the PRC in 2003 with a Bachelor degree in Accounting. Ms. Tang graduated from Hunan University in the PRC in 2006 with a Master's degree in Accounting. In 2009, Ms. Tang graduated from Shanghai Jiao Tong University with a PHD in Finance. From 2017 to 2023, Ms. Tang served as an independent director of Shanghai Cimic Tile Co., Ltd.* (上海悦心健康集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002162). From 2020 to 2023, Ms. Tang also served as an independent director at Shanghai Yaoji Technology Co., Ltd.* (上海姚記科技股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002605). Since 2022, Ms. Tang has served as an independent director of Shanghai No.1 Pharmacy Co Ltd* (上海第一醫藥股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600833) and an independent non-executive director and chairman of the audit committee of Linmon Media Limited (檸萌影視傳媒有限公司), a company listed on The Stock Exchange of Hong Kong (the "Stock Exchange") (Stock Code: 9857).

Mr. Zhou Zhiyi (周志毅), aged 61, is the independent non-executive director of the Company and joined the Company on 30 March 2026.

Mr. Zhou has over 35 years experience in corporate management, marketing strategy and business development in the consumer products sector and currently serves as the chairman of the board of Sichuan Jixiangju Food Company Limited. Previously, Mr. Zhou also served as the director of the marketing department of the greater China region of Kraft Foods (China) Co., Ltd., the president of the China region of Lee Kum Kee Group, the president of the China region of Sinar Mas Group (oils and foodstuffs) and the chairman of Shanghai Adream Development Center. Mr. Zhou graduated from the China Central Radio and TV University (now known as the Open University of China) with a bachelor's degree in corporate management in 1986.

Mr. Du Zhongbing (杜中兵), aged 52, is the independent non-executive director of the Company and joined the Company on 13 April 2026.

Mr. Du is the founder, executive Director and chairman of the Board of Banu International Holding Ltd ("Banu International"). Mr. Du founded Banu Hotpot in 2001 and has served as a director of Banu International since its establishment. In June 2025, Mr. Du was re-designated as an executive director and chairman of the board of directors of Banu International. Mr. Du is responsible for formulating the overall development strategy and business planning of Banu Hotpot, and overseeing the strategy implementation and overall operation. In 2001, driven by an original aspiration to prepare a quality hotpot for family and friends, Mr. Du founded Banu Hotpot. In 2015, Mr. Du introduced the philosophy of "product-centricism (產品主義)", emphasising a return to the essence of dining, which quickly emerged as a new trendsetter in the catering industry, influencing industry peers and shaping consumer expectations. Mr. Du attended Cheung Kong Graduate School of Business in China from November 2017 to May 2019.

SENIOR MANAGEMENT

The senior management of the Company is composed of all the executive Directors of the Company, namely, Mr. Chen Yihong, Ms. Chen Chen and Mr. Lyu Guanghong. Please refer to the above section headed "Executive Directors" for their biographical details.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE "CG CODE")

The Company is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes considerable effort to identifying and formalising best practices. The Company has complied with all the Code Provisions set out in the CG Code as contained in Appendix C1 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") for the twelve months ended 31 March 2026 ("twelve months Period").

The Company has applied the principles of the Corporate Governance Code to its corporate governance structure and practices as described in this report. Details of the Company's corporate governance practices can be found in the Corporate Governance Report set out in the Company's annual report for the twelve months ended 31 March 2026.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as the standard for securities transactions by directors. The Company has made specific enquiries of all the directors and all the directors confirmed that they have complied with the required standards set out in the Model Code for the twelve months ended 31 March 2026.

COMPLIANCE WITH THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") REPORTING GUIDE

During the twelve months Period, the Company has complied with rule 13.91 of the Listing Rules and the provisions set out in Appendix C2 of the Listing Rules as "Environmental, Social and Governance Reporting Guide", and made disclosures concerning relevant information in the "Environmental, Social and Governance Report" of the Company. The ESG report will be presented in a separate report which will be published on the Exchange's website at www.hkexnews.hk and the Company's website at www.dxsport.com in due course.

THE BOARD OF DIRECTORS

The overall management of the Company's business is vested in the Board. Pursuant to the Articles of Association and the Terms of Reference of the Executive Committee adopted by the Board, the Board has delegated the day-to-day management of the Company's business to the Executive Committee (see details on pages 65 to 66 below), and focuses its attention on matters affecting the Company's overall strategic policies, finances and shareholders related matters. These include financial statements, dividend policy, significant changes in accounting policies, annual operating budget, strategies for future growth, major financing arrangements, major investments and risk management strategies.

It is the Board's role to foster a corporate culture to guide the behaviours of its employees, and ensure that the Company's vision, mission, values and business strategies are aligned to it.

As at the date of this Report, the Board comprises seven members, of whom three are executive Directors, and four are independent non-executive Directors.

Executive Directors:

Mr. Chen Yihong *(Chairman)*
Ms. Chen Chen *(Chief Executive Officer, President and Co-Chairman)*
Mr. Lyu Guanghong *(Chief Financial Officer)*

Independent Non-Executive Directors:

Mr. Gao Yu
Ms. Tang Songlian
Mr. Zhou Zhiyi (appointed on 30 March 2026)
Mr. Du Zhongbing (appointed on 13 April 2026)

Biographical details of the current Directors and the relationships between the Directors are set out in the section headed "Directors and Senior Management" of this annual report. Among the members of the Board, Ms. Chen Chen is the daughter of Mr. Chen Yihong, chairman of the Board and executive director of the Company. Save as aforesaid, none of the members of the Board is related to one another.

The composition of the Board is well balanced with each director having sound knowledge, experience and/or expertise relevant to the business operations and the future development of the Group. All directors are aware of their collective and individual responsibilities to the shareholders and each ensures that he can give sufficient time and attention to the affairs of the Group. The Company has either entered into service contracts or formal letters of appointment with each Director setting out the key terms and conditions of his/her employment or appointment. Each of the executive Directors has entered into a service contract with the Company for a term of three years, and each of the independent non-executive Directors is appointed for a specific term of 1 year. The appointment of the independent non-executive Directors shall automatically renew at the expiry and shall continue for further successive periods of one year, subject to a maximum of three years.

In order to ensure that independent views and input of the independent non-executive directors are made available to the Board, the Nomination Committee and the Board are committed to assessing the Directors' independence annually with regards to all relevant factors related to the Independent Non-executive Directors professional advice. The Company has received annual confirmation from each independent non-executive Director about his independence under Rule 3.13 of the Listing Rules, and continues to consider each of them to be independent.

As disclosed in the announcement of the Company dated 31 December 2025, Mr. Liu Xiaosong ("Mr. Liu") tendered his resignation as an independent non-executive Director, a member of the Audit Committee, the chairman of the remuneration committee of the Board and a member of the Nomination Committee with effect from 31 December 2025, in order to devote more time to his personal commitments. Following the resignation of Mr. Liu, the Company failed to meet the requirements set out in (i) Rule 3.10(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") that the Company must have at least three INEDs; (ii) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members; (iii) Rule 3.25 of the Listing Rules that the Remuneration Committee must be chaired by an INED and comprise a majority of INEDs; and (iv) Rule 3.27A of the Listing Rules that the Nomination Committee must comprise a majority of INEDs.

Upon the appointment of Mr. Zhou Zhiyi as an independent non-executive Director, a member of the Audit Committee, the chairman of the Remuneration Committee and a member of the Nomination Committee, all with effect from 30 March 2026, the Company has complied with Rules 3.10(1), 3.21, 3.25 and 3.27A of the Listing Rules.

As disclosed in the announcement of the Company dated 13 April 2026, Mr. Du Zhongbing ("Mr. Du") has been appointed as an independent non-executive Director, member of the Audit Committee and a member of the Environmental, Social and Governance Committee of the Company with effect from 13 April 2026.

Save as disclosed above, during the year ended 31 March 2026, the Board had complied with Rules 3.10 and 3.10A of the Listing Rules.

All Directors have disclosed to the Company the number and nature of offices they held in other public companies or organisations and other significant commitments, with the identity of the public companies or organisations, and an indication of the time involved. They are also reminded to notify the Company and confirm to the Company any change of such information in a timely manner pursuant to the disclosure requirements of the Listing Rules. The Board is of the view that each Director has given sufficient time and attention to the affairs of the Company for the year under review.

At each AGM of the Company, at least one third of the directors (or, if the number of directors is not divisible by three, such number as is nearest to and less than one third) must retire as directors 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.

In accordance with Article 87 of the Company's articles of association, Ms. Chen Chen, Mr. Gao Yu, Mr. Zhou Zhiyi and Mr. Du Zhongbing shall retire from the office by rotation and, being eligible, shall offer themselves for re-election at the forthcoming Annual General Meeting ("AGM").

Mr. Chen Yihong (re-elected as an executive Director on 20 August 2025), Mr. Lyu Guanghong (re-elected as an executive Director on 20 August 2025) and Ms. Tang Songlian (re-elected as an independent non-executive director on 20 August 2025 shall hold office until they are required to retire in accordance with the Company's articles of association.

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

The Company has arranged appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Company.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT PROGRAMME

Pursuant to Code Provision C.1.4 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant.

The Company has put in place an on-going training and professional development programme for directors.

Each newly appointed director would receive an induction package covering the statutory and regulatory obligations of a director of a listed company. The Company also provides training to develop and refresh the directors' knowledge and skills. Mr. Zhou Zhiyi and Mr. Du Zhongbing were appointed as an independent non-executive director on 30 March 2026 and 13 April 2026 respectively. They confirm that they have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 23 March 2026 and 8 April 2026 respectively, and understand their obligations as directors of the Company under the Listing Rules.

All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has sent reading materials to directors on regulatory updates or information relevant to the Company or its business.

During the twelve months Period, the Directors participated in the following training:

	Attending seminars/ briefings relating to rules and regulations	**Reading newspapers, journals and updates relating to the economy and business management and duties of directors**
Executive Directors		
Chen Yihong	√	√
Chen Chen	√	√
Lyu Guanghong	√	√
Independent Non-executive Directors		
Gao Yu	√	√
Liu Xiaosong (resigned on 31 December 2025)	√	√
Tang Songlian	√	√
Zhou Zhiyi (appointed on 30 March 2026)	√	√
Du Zhongbing (appointed on 13 April 2026)	√	√

BOARD AND COMMITTEES MEETINGS

During the twelve months Period, the Board held 12 meetings. The attendance of the directors at Board meetings, principal Board Committee meetings, Annual General Meeting ("AGM") on 20 August 2025 is set out in the table below.

	Attendance of					
	Board meetings	Audit committee meetings	Remuneration committee meeting	Nomination committee meeting	The Environmental, Social and Governance committee meetings	AGM*
Executive Directors						
Chen Yihong	12/12	N/A	2/2	N/A	N/A	1/1
Chen Chen	12/12	N/A	N/A	2/2	2/2	1/1
Lyu Guanghong	12/12	N/A	N/A	N/A	2/2	1/1
Independent Non- Executive Directors						
Gao Yu	12/12	3/3	N/A	2/2	N/A	1/1
Liu Xiaosong (resigned on 31 December 2025)	9/9	2/2	N/A	N/A	N/A	1/1
Tang Songlian	12/12	3/3	2/2	N/A	2/2	1/1
Zhou Zhiyi (appointed on 30 March 2026)	N/A	N/A	N/A	N/A	N/A	
Du Zhongbing (appointed on 13 April 2026)	N/A	N/A	N/A	N/A	N/A	

* The Company's external auditor had also attended the AGM.

BOARD COMMITTEES

As an integral part of good corporate governance, the Board has established the following Board Committees to oversee particular aspects of the Company's affairs. Each of the Audit Committee, Remuneration Committee, Nomination Committee, Executive Committee and Environmental, Social and Governance Committee is governed by its respective Terms of Reference, which are available on the Company's website at www.dxsport.com. All committees are provided with sufficient resources to discharge their duties, and they are also authorised to obtain external legal or other independent professional advice if they consider it necessary to do so.

AUDIT COMMITTEE

Members: Ms. Tang Songlian (Chairman), Mr. Gao Yu, Mr. Zhou Zhiyi and Mr. Du Zhongbing. The Audit Committee consists solely of independent non-executive Directors.

Under its Terms of Reference, the duties of the Audit Committee include financial and efficiency aspects as described below. Amongst other things, the Audit Committee is required to oversee the relationship with the Company's external auditor, to review the financial information of the Company, and to review and monitor the Company's financial reporting system, risk management and internal control systems. The Audit Committee is primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of such engagement. The Audit Committee discusses with the external auditor the nature and scope of audit and reporting obligations before the audit commences, and is responsible for reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. Apart from giving pre-approval of all audit services, the Audit Committee also develops and implements policy on the engagement of external auditor to supply non-audit services.

With respect to financial information of the Company, the Audit Committee monitors the integrity of financial statements, annual and interim reports and accounts, together with the preliminary announcement of results and other announcements regarding the Company's financial information to be made public. Apart from considering issues arising from the audit, the Audit Committee discusses any matters that auditor may wish to raise either privately or together with executive Directors and any other persons. The Audit Committee is also required to review the effectiveness of the Company's financial controls, risk management and internal control systems. In addition, the Audit Committee has to ensure co-ordination between the internal and external auditor, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function and its other duties under the Corporate Governance Code.

The Audit Committee met three times during the twelve months Period. The major work performed by the Audit Committee included:

(i) Review and recommend the Board's approval of the external audit plan and internal audit plan for the twelve months Period;

(ii) Review and recommend the Board's approval of the annual financial statements as at 31 March 2025, interim financial statements for the six months ended 30 September 2025;

(iii) Review of the external audit report and internal audit report during the twelve months Period;

(iv) Approval of the remuneration and terms of engagement of Deloitte Touche Tohmatsu ("Deloitte") which was appointed as auditors of the Company with effect from 30 September 2024; and

(v) Review the risk management and internal control system for its effectiveness during the twelve months Period.

REMUNERATION COMMITTEE

Members: Mr. Zhou Zhiyi (chairman), Mr. Chen Yihong and Ms. Tang Songlian. Among the three members, Mr. Chen Yihong is an executive Director and the remaining two members are independent non-executive Directors.

Under its Terms of Reference, the principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration, determining the remuneration packages of all executive Directors and making recommendations to the Board of the remuneration of non-executive Directors, assessing performance of executive directors, approving the terms of executive directors' service contract, and reviewing and/or approving matters relating to share scheme under Chapter 17 of the Listing Rules, performed by the remuneration committee.

The Remuneration Committee met twice during the twelve months Period. The major work performed by the Remuneration Committee during the twelve months Period included reviewing and determining the Directors' remuneration for the year ended 31 March 2026, approving matters relating to share schemes under Chapter 17 of the Listing Rules.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration of the members of the senior management by band for the year ended 31 March 2026 is set out below:

Remuneration bands	Number of persons
Below HK$100,000	1
HK$100,000 to HK$1,000,000	3
HK$1,000,001 to HK$2,000,000	4
HK$2,000,001 to HK$3,000,000	0
HK$3,000,001 to HK$4,000,000	1

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in note 12 and note 14 to the consolidated financial statements, respectively.

NOMINATION COMMITTEE

Members: Ms. Chen Chen (appointed as chairman and member of nomination committee on 21 May 2025), Mr. Gao Yu and Mr. Zhou Zhiyi. Among the three members, Ms. Chen Chen is an executive Director and the remaining two members are independent non-executive Directors.

Under its Terms of Reference, the principal responsibilities of the Nomination Committee include:

(a) to review the structure, size and composition 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;

(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of independent non-executive directors of the Company and review the independent non-executive directors' annual confirmations on their independence and where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent;

(d) to support the Company's regular evaluation of the Board's performance;

(e) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive;

(f) to seek independent professional advice to perform its responsibilities where necessary; and

(g) to report back to the Board on its decisions or recommendations (unless there are legal or regulatory restrictions on its ability to do so) and to prepare a summary of its work during the year for inclusion in the Company's corporate governance (including a report the policies, procedures, process and criteria it has adopted to select and recommend candidates for directorship during the year).

The Nomination Committee met twice during the twelve months Period. The major work performed by Nomination Committee during the twelve months Period included reviewing the structure, size, composition and diversity of the board, assess the independence of independent non-executive directors of the Company, nominating suitable candidates to the Board for it to consider and make recommendations to shareholders for election as directors at general meetings, selecting and recommending candidates for directorship, and approving the amendment of Terms of Reference of Nomination Committee during the year. Having reviewed the Board composition, the Nomination Committee recognises the importance and benefits of the gender diversity among the Board members for the Group's strategic and sustainable development.

The Nomination Committee was also satisfied with the Board diversity in terms of independence, skills, industry and professional experiences, gender and age, cultural and educational background as well as length of services of the Board members. The Nomination Committee will review the Board diversity from time to time.

Nomination Policy

The Board had adopted the Nomination Policy implemented by the Company's Nomination Committee (the "NC"). The Nomination Policy is applicable for all Directors of the Company. The factors listed below would be used as reference by the NC in assessing the suitability of a proposed candidate.

- Reputation for integrity
- Accomplishment and experience
- Commitment in respect of available time
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

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

The nomination procedures for selecting suitable candidates by the NC are mainly set out as follows:

- the Secretary of the NC shall call a meeting of the NC, and invite nominations of candidates from Board members if any, for consideration by the NC prior to its meeting. The NC may also put forward candidates who are not nominated by Board members.

- For filling a casual vacancy, the NC shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the NC shall make nominations to the Board for its consideration and recommendation.

- The Company's website sets out the procedures for shareholders to propose a person for election as a Director. For any person that is nominated by a Shareholder, the Nomination Committee shall evaluate such candidate based on the selection criteria set out in the Nomination Policy and make recommendation to the Board if appropriate. Recommendation shall then be made to Shareholders in a supplementary circular for the proposed election of such candidate at a general meeting.

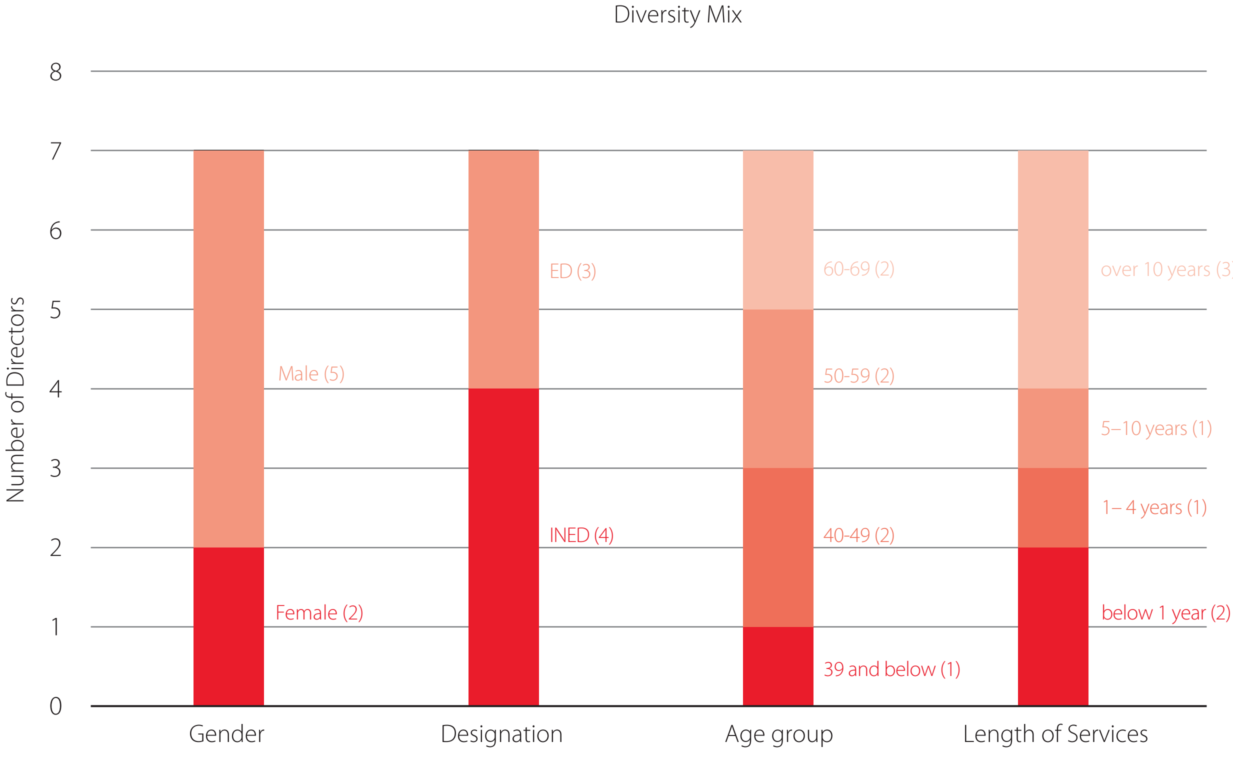
Directors' Remuneration Policy

The Board will conduct a regular review with reference to companies with comparable business or scale and recommend Directors' remuneration adjustments to the Board, if appropriate. Directors' remuneration was determined by reference to his/her duties and responsibilities, experience, performance and market conditions.

Board Diversity Policy

The Board adopted the board diversity policy ("Board Diversity Policy") in accordance with the requirement set out in the CG Code. Such policy aims to set out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates shall be based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision shall be based on merit and contribution that the selected candidates shall bring to the Board. The Nomination Committee monitors, from time to time, the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy.

As at the date of this report, the Board's diversified composition was summarised in the following chart:



Remarks:
INED – Independent non-executive Director
ED – Executive Director

The Company has also taken, and continues to take steps to promote diversity at all levels of its workforce. As of 31 March 2026, our total workforce comprised approximately 66.3% female and 33.7% male. Further details of the Group's inclusive policy, please refer to "Board Diversity" and "Equality in Employment" section of 2025/2026 ESG Report.

EXECUTIVE COMMITTEE

Members: Mr. Chen Yihong (Chairman), Ms. Chen Chen (Chief Executive Officer, President and Co-Chairman) and Mr. Lyu Guanghong (Chief Financial Officer). All of them are executive directors.

The Board is responsible for the overall management and performance of the Group and the approval of the long-term objectives and commercial strategy. The Executive Committee reports to the Board and is accountable for the day-to-day management of the operations and the implementation of strategy. This Committee is responsible to the Board for driving high level performance of the growth, efficiency and capability programs as well as for resources allocation. Detailed functions of the Executive Committee as delegated by the Board mainly include:

(i) to prepare and approve the specific operation plan, financial forecast and budget of each subsidiary of the Company in accordance to those of the Company as approved by the Board;

(ii) to monitor and oversee the implementation of the budget as approved by the Board;

(iii) to monitor and oversee the financial and operational performance of the Company and its subsidiaries;

(iv) to ascertain the business plan and company strategies as approved by the Board and develop specific implementation plan; and

(v) to appoint or remove senior management of the Company or any of its subsidiaries other than chief executive officer, chief financial officer and internal audit manager of the Company, and to recommend the appointment of chief executive officer, chief financial officer and internal audit manager of the Company.

THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE (THE "ESG COMMITTEE")

Members: Ms. Chen Chen (chairman), Mr. Lyu Guanghong, Ms. Tang Songlian and Mr. Du Zhongbing. Among the four members, Ms. Chen Chen and Mr. Lyu Guanghong are executive Directors and Ms. Tang Songlian and Mr. Du Zhongbing are independent non-executive Directors.

The ESG Committee, established on 10 March 2021, assisting the Board to meet its oversight responsibilities in relation to the Company's environmental, social and governance policies and practices. The ESG Committee met twice during the twelve months Period. The major work performed by the ESG Committee during the twelve months Period included reviewing the Group's annual environmental, social and governance ("ESG") related results, making recommendation to the Board for approval of the 2024/25 ESG Report.

The Committee is responsible for assisting the Board in overseeing the development direction of the Group's environmental, social and governance related affairs and the implementation of specific works, and regularly reports to the Board and makes related suggestions:

1) Formulates short, medium and long-term environmental, social and governance development visions, strategies and management approaches for the Group;

2) Oversees the formulation and implementation of the Group's ESG targets, and regularly reviews the progress of accomplishing those targets and the actions and support required thereof and reports on the performance to the Board;

3) assesses the materiality of the Group's ESG issues regularly, evaluates, prioritises and manages material environmental, social and governance issues; and

4) Reviews and determines the Group's ESG related risks and opportunities (including those related to climate change), and evaluates the adequacy and effectiveness of risk control related to environmental, social and governance.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the Code:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(e) to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

During the twelve months Period, the major work performed by the Board included reviewing and considering the policy and practices of corporate governance of the Company.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements of the Company for each financial year and ensuring that these financial statements give a true and fair view of the financial position of the Company and its subsidiaries, the financial performance and cash flows for that period. The directors are also responsible for ensuring that proper accounting records of the Company and its subsidiaries are kept at all times.

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.

RISK MANAGEMENT AND INTERNAL CONTROL

Aims and Objectives

The Board confirms that it assumes responsibility towards the risk management and internal control system and is responsible for reviewing its effectiveness on an ongoing basis. The risk management and internal control system aims to manage, rather than eliminate, the risks of failing to achieve business objectives, and make reasonable, but not absolute, guarantee for preventing material misstatements or losses. The Board has delegated its responsibility for risk management and internal control, together the relevant authorities, to the Audit Committee. The Audit Committee oversees the management in the design, implementation and oversight of the risk management and internal control system on behalf of the Board. The management had confirmed to the Audit Committee (and the Board) that the relevant system are appropriate and effective for the twelve months ended 31 March 2026.

Major features of the risk management and internal control system

The risk management structure of the Group and the major responsibilities of each level of the structure are described below:

The Board:

It has the ultimate responsibility and authority for internal control management, assuming the responsibility for corporate governance externally towards the Shareholders and possessing the highest power internally for initiating internal control management works. The Board has delegated its responsibility for risk management and internal control, together with the relevant authorities, to the Audit Committee.

The Audit Committee:

It is responsible for overseeing and guiding the management in the establishment and operation of the internal control system, monitoring the risk management and internal control system of the Group, and advising the Board on its effectiveness. The risk management and internal control system is reviewed for its effectiveness at least once per year, and the relevant review covers all major aspects of control, including financial, operational and compliance control. During the review, sufficient resources, adequate qualifications and experience of the staff and employees' training sessions, and enough budget should be ensured for accounting, internal audit and financial reporting functions. Internal audit department conducts initial assessment on the effectiveness of the risk management and internal control system and reports directly to the Audit Committee.

The management:

It reviews and maintains an appropriate and effective risk management and internal control system, monitors each section of daily operation to reduce operational risks, reviews investigation reports on risk management and internal control issues prepared by the internal audit and control department or external consultants and reports to the Audit Committee, and addresses the issues and provides feedbacks on a timely basis.

Internal audit and control department:

It is responsible for drafting and making amendments to the risk management and internal control system, and is in charge of determining and testing the risk criteria. The department inspects and addresses abnormal indicators for risk criteria and reports to the management or, in material cases, to the Audit Committee.

Programme for identification, assessment and management of material risks

The programme used by the Group for identification, assessment and management of material risks is conducted in accordance with the internal control framework formulated by The Committee of Sponsoring Organisations of the Treadway Commission ("COSO Commission"), summarised as follows:

(i) Control Environment

- Insistence of employees and the management on integrity and ethical values and competence for relevant works;
- The Board is independent from the management and oversees the formulation and effectiveness of the internal control system through the Audit Committee;
- The management establishes the organisational structure, reports on relationships and the appropriate rights and responsibility under the oversight of the Board to achieve the Group's goals;
- Commitment to attracting, developing and retaining talents in complement with the Group's goals;
- To implement a system of accountability for every employee in the responsibilities for internal control during the fulfilment of the Group's corporate goals;

(ii) Risk evaluation

- To ascertain clear objectives to identify and assess the risks in connection with the objectives;
- To identify and analyse from the perspective of the Group in general the risks to be assumed in order to achieve the objectives and determine the basis on which to manage such risks;
- To take into account the potential fraudulent acts in assessing the risks related to achieving goals;
- To identify and assess changes which may materially impact the internal control system;

(iii) Control activities

- To select and formulate control measures in order to reduce the risks in connection with achieving goals to an acceptable level;
- To select and formulate certain general control measures for information technology by using IT services in the pursuit for the Group's goals;
- To ascertain projected objectives with policies and ensure that the policies are implemented in practice with programmes in order to devise control measures;

(iv) Information and communications

- To gather and organise quality information relevant to the Group and the external environment in support for the internal control function;
- To communicate within the Group the information necessary to the operation of internal control, including the goals and responsibilities of internal control;
- To communicate with the external public with regards to the issues which impact the operation of internal control;

(v) Monitoring

- To select, formulate and implement continuous and/or independent assessment to ascertain the existence and normal functioning of each key element in internal control;
- To assess inadequacies in internal control when and as appropriate and notify the person-in-charge, including senior management personnel and the Audit Committee of the Board (if appropriate), about such inadequacies for adopting the remedial actions.

Internal Audit

The responsibilities of the Internal Audit and Control Department (the "IAC") include conducting internal control review based on the approved annual budget plan, and assess regularly the implementation of each financial and operational activity, programme and internal control of the Group. The IAC has unrestricted access to any information related to risk management, control and governance programme of the Group. Audit findings and the remedial plan are submitted by the IAC to the Audit Committee and the management, and internal communications are conducted regularly. The IAC will follow up regularly on all the audit findings to ensure remedies are put in place for every issue. For the twelve months ended 31 March 2026, the IAC implemented and complete 7 internal audit projects and met with the management to report the relevant findings to Audit Committee.

Whistle-blowing

To prevent illicit acts as far as possible and ensure compliance and operation by the highest moral standards, the Group has designated specific whistle-blowing policies and system in place to allow employees, business partners and other related stakeholders to report illegal or non-compliant activities involving the Group to the IAC and the Audit Committee in confidentiality and in anonymity. The identity of the whistle-blower and the relevant records of the whistle-blowing are strictly confidential.

Anti-corruption

The Company has formulated the China Dongxiang (Group) Co., Ltd. System for the Management of Non-productive Procurement and China Dongxiang (Group) Co., Ltd. Anti-corruption and Anti-bribery Reporting and Reward System in strict accordance with pertinent laws and regulations such as the Company Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China and Anti-Money Laundering Law of the People's Republic of China to safeguard the systematic development of our Group's business and establish a business image of integrity and probity.

All employees are required to follow the principles of probity and integrity and act in line with business ethics in our daily operations. We encourage and support all employees to report any incidents of improper competition or business bribery. An employee may choose to report such incident to his/her immediate supervisor in the unit where he/she works, or directly to the Group's internal audit department. The interests of any employee who voluntarily exposes and reports any improper conduct will be rigorously protected by the Group. The Group's internal audit department will carry out rigorous screening of the reported incidents. The Group reserves the right to press for criminal or civil liabilities in accordance with the law against any acts in violation of national laws and regulations. During the reporting period, there was no litigation cases on corruption against the Group or its employees for which trial had been concluded.

During the year, the Group required all staff at the managerial grade or above to sign a confirmation to ensure that members of the Group management have sufficient knowledge of and comply the System Against Improper Competition and Business Bribery, Reward and Penalty System, Employee Turnover Management System, Measures for the Administration and Use of Seals, Cash Expenditure Regulation, Confidentiality Agreement, Undertaking of Confidentiality of Salary and other internal management system of the Group. Through training and propagation in this manner, the probity awareness of Group Directors and management members has been enhanced and the Group's management system for integrity and probity has been further implemented.

Audits on subsidiaries and departments are conducted on a regular basis. During the reporting period, the Group conducted anti-corruption training for all the principals and staff of subsidiaries, fostering a sound corporate culture of probity.

Equally concerned with probity in procurement, we have established an open, fair and impartial procurement procedures, standards and regulations for the admission of suppliers, and relevant assessment procedures and supervisory mechanism. We have formulated the Cash Expenditure Regulation and the Gift Management Regulation which sets out our Group's standards and approval process for gifts. Employees are required to avoid the development of any relationships involving personal interests with third parties which are engaged in business with the Group. In the event that such relationships are formed, the employee concerned is required to inform his/her immediate supervisor and avoid any direct or indirect involvement in any business activities with the said entities. During the year, we collected personal information from the middle and senior management members of the Group to examine whether they were involved in related transactions with suppliers, so as to avoid abuse of office for personal gains.

Insider information and information disclosure

The Group is aware of and abides by the requirements of insider information and disclosure of information as set out in such laws and regulations as the Listing Rules and the Securities and Futures Ordinance, pursuant to which an information disclosure system is in place. The Group collects and understands potential insider information in accordance with the information disclosure system, and conducts discussions with the management and external legal advisors to ensure that potential insider information is accessed and confidential until disclosure as reasonable and practicable. The system regulates the handling of, and the means to publicise insider information, including:

- Designating specific reporting channels to enable each internal business unit to report on potential insider information to the relevant departments;

- Designated personnel and departments will make decision on the further actions to be taken and the means of disclosure (if any), and report to the Audit Committee (the Board); and

- Appointing specific persons as the main spokesperson to respond to external inquiries.

For the twelve months Period under review, the Board has conducted annual review of the effectiveness of the Group's risk management and internal control systems for the twelve months ended 31 March 2026 as required under the Code Provision D.2 of the CG Code, covering the material financial, operational and compliance controls, and considered the Group's risk management and internal control systems effective and adequate. The Board confirmed that the Group has complied with the relevant Code Provisions in the CG Code on internal control. The Board has also confirmed the adequacy of resources, budget, staff qualifications, experience and training programs of the Group's internal audit staff and accounting and financial reporting staff as well as those relating to the Company's ESG performance and reporting and considered that the staffing is adequate and the staff members are competent to carry out their roles and responsibilities.

EXTERNAL AUDITOR

The Company has engaged Deloitte Touche Tohmatsu ("Deloitte") as its external auditor since 30 September 2024. In order to maintain Deloitte's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, the Audit Committee, under its Terms of Reference, pre-approves all services to be provided by Deloitte and discusses with Deloitte the nature and scope of their audit and reporting obligations before the audit commences.

During the twelve months Period, the remuneration paid or payable to the Company's independent auditor, Deloitte Touche Tohmatsu ("Deloitte"), and its affiliated firms, for services rendered is analysed below:

	RMB'000
Audit services	3,400
Non-audit services	—
Total	3,400

The audit services conducted by the Auditor mainly include audit and review services for the Group. The non-audit services mainly comprised tax compliance and certain agreed-upon procedures work. The responsibilities of the independent auditor with respect to the consolidated financial statements for the twelve months Period are set out in the section "Independent Auditor's Report" on pages 89 to 188.

COMPANY SECRETARY

Ms. Wai Pui Man, the Company Secretary of the Company, confirmed that she has taken no less than 15 hours of relevant professional training during the financial year.

DIVIDEND POLICY

The Board has amended the dividend policy on 24 June 2026. The Company has adopted a target dividend payout ratio of 30% of the Group's annual net profit attributable to equity holders, subject to factors such as but not limited to the financial results; cash flow situation; balance of distributable reserves; business conditions and strategies; statutory fund reserve requirements; capital requirements and expenditure plans; future operations and earnings; interests of shareholders; any restrictions on payment of dividends; and any other factors that the Board may consider relevant of the Group when considering the declaration and payment of dividends. The form and frequency of dividend declaration and payment shall be at the sole and absolute discretion of the Board and the aforesaid target dividend payout ratio shall not constitute a binding commitment. The Board may decide to deviate from this target in any particular year if it considers such to be in the best interests of the Company and its shareholders as a whole.

The dividend policy and any future declaration and/or payment of dividends under such policy will be subject to the Board's determination and compliance with all applicable laws and regulations and the Memorandum and Articles of Association of the Company.

The Board will review the dividend policy when necessary to determine its effectiveness and has the right to update, amend and modify the dividend policy at any time.

COMMUNICATION WITH SHAREHOLDERS

Our Shareholders are very important to us. It is our responsibility to ensure that all Shareholders receive clear, timely and effective information from us.

Our website, www.dxsport.com, is a primary source of information on the Company. The site includes an archive of our business development, financial reports, public announcements, and press releases, as well as detailed information on our corporate governance practices.

The Board views the AGM as one of the principal channels to communicate with the Shareholders of the Company and an opportunity for the Shareholders to raise questions to the Board. The chairman of the Board, chief executive officer, directors and some other senior managements of the Company will be present at the AGM to explain to the Shareholders the Company's business performance, financial situation and future strategies and answer questions from the Shareholders.

To further enhance our relationship with the Shareholders and investors and to ensure that our investors have a better understanding of the Company, we have established an Investor Relations ("IR") Department to handle regular contact with our investors. An Investor Relations Report is produced hereto on page 52 to provide a more comprehensive overview of the work performed by the IR Department during the twelve months Period. During the period under review, the Board considered the shareholders' communication policy conducted is effective.

SHAREHOLDERS' RIGHT

Pursuant to Article 57 of the Articles of Association of the Company, each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

Pursuant to the Company's articles of association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such 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 requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The contact details of the Board or the Company Secretary are as below:

The Company Secretary
China Dongxiang (Group) Co., Ltd.
Postal address: Building 21, No. 2 Jingyuanbei Street,
Beijing Economic-Technology Development Area, Beijing 100176, China
Telephone: (8610) 6783 6585
Facsimile: (8610) 6785 6606
Email: ir@dxsport.com.cn

There are no provisions under the Company's articles of association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Shareholders can make any query in respect of the Company or to make a request for the Company's information to the extent such information is publicly available. The designated contact details are as above. Shareholders' questions about their shareholdings should be directed to Computershare Hong Kong Investor Services Limited, the Company's branch share registrar, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

CONSTITUTIONAL DOCUMENTS

The Company confirmed that there was no change in the Memorandum and Articles of Association of the Company during the year ended 31 March 2026.

REPORT OF THE DIRECTORS

The directors hereby present to the shareholders their report together with the audited consolidated financial statements for the twelve months ended 31 March 2026.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Group is principally engaged in brand development, design and sales of sport-related apparel, footwear and accessories and investment activities in Mainland of the People's Republic of China and overseas. The principal activities and other particulars of the subsidiaries are set out on pages 182 to 186 of the annual report.

Further discussion and analysis of these activities, including a discussion of the principal risks and uncertainties facing the Group and an 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 of the annual report. That discussion forms part of this directors' report.

The Company was incorporated in the Cayman Islands on 23 March 2007 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's shares were listed on the Main Board of the Hong Kong Stock Exchange on 10 October 2007.

GROUP'S PROFIT OR LOSS

The Group's profit or loss for the twelve months ended 31 March 2026 is set out in the consolidated statement of profit or loss and other comprehensive income on pages 97 to 98 of this annual report.

DIVIDENDS

An interim dividend of RMB1.04 cents and an interim special dividend of RMB1.04 cents, per ordinary share in respect of the six months ended 30 September 2025 was declared to Shareholders on 26 November 2025 and paid in December 2025.

The Board of the directors of the Company has not recommended to declare any final dividend or final special dividend for the twelve months ended 31 March 2026.

The Company is not aware of any arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year are set out in Note 18 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company as at 31 March 2026 are set out in note 34 to the financial statements.

FIVE YEAR SUMMARY

A summary of the results and assets and liabilities of the Company for the last five years is set out on page 8 of this annual report.

SHARE CAPITAL

Movements in the share capital of the Company during the year are set out in Note 30 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 154 to 155 of this annual report and Note 32 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2026 amounted to approximately RMB1,821,013,000.

PRE-EMPTIVE RIGHTS

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

MATERIAL CONTRACT

No contracts of significance have been entered into between the Company or any of its subsidiaries and the controlling Shareholders.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive Directors:

Mr. Chen Yihong *(Chairman)*
Ms. Chen Chen *(Chief Executive Officer, President and Co-Chairman)*
Mr. Lyu Guanghong *(Chief Financial Officer)*

Independent Non-Executive Directors:

Mr. Gao Yu
Ms. Tang Songlian
Mr. Zhou Zhiyi (appointed on 30 March 2026)
Mr. Du Zhongbing (appointed on 13 April 2026)

In accordance with Article 87 of the Company's articles of association, Ms. Chen Chen, Mr. Gao Yu, Mr. Zhou Zhiyi and Mr. Du Zhongbing shall retire from the office by rotation and, being eligible, shall offer themselves for re-election at the forthcoming Annual General Meeting ("AGM").

Mr. Chen Yihong (re-elected as an executive Director on 20 August 2025), Mr. Lyu Guanghong (re-elected as an executive Director on 20 August 2025) and Ms. Tang Songlian (re-elected as an independent non-executive director on 20 August 2025) shall hold office until they are required to retire in accordance with the Company's articles of association.

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to the independence guidelines under the Listing Rules and the Company considers such directors to be independent. Particulars of the directors' remuneration disclosed pursuant to Appendix D2 of the Listing Rules are set out in Note 12 to the consolidated financial statements. Directors' remuneration was determined by reference to his/her duties and responsibilities, experience, performance and market conditions.

DIRECTORS' SERVICE CONTRACTS

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under the section headed "Connected Transactions", no contracts of significance to which the Company, any of its subsidiaries, its holding companies or fellow subsidiaries was a party and in which a director of the Company or an entity connected with a director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the directors of the Company is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the twelve months ended 31 March 2026 and up to and including the date of this report.

TAX RELIEF AND EXEMPTION

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As of 31 March 2026, none of the Company, controlling Shareholders of the Company or the companies under the same controlling Shareholders with the Company was a party to any arrangement to entitle the Company's Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

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 cover in respect of potential legal actions against its Directors and officers.

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical details of the directors are set out on pages 53 to 55 of this annual report.

RESTRICTED SHARE AWARD SCHEME

On 10 December 2010 (the "Adoption Date"), the Board adopted the restricted share award scheme (the "Share Award Scheme") as an incentive to retain and encourage the participants for the continual operation and development of the Group. Participant(s) refers to any individual being a director (including executive and non-executive director), employee, officer, agent or consultant of the Company or any of its subsidiaries.

Pursuant to the Share Award Scheme, up to 30,000,000 existing Shares ("Restricted Shares") may be purchased by BOCI-Prudential Trustee Limited ("Trustee") from the market out of cash contributed by the Group and be held in trust for the relevant selected participants until such Shares are vested with the relevant selected participants in accordance with the provisions of the Share Award Scheme (the "Scheme Rules").

An administration committee (comprising the remuneration committee and certain senior management of the Company which shall include the chief executive officer of the Board) (the "Administration Committee") may, subject always to the Scheme Rules, from time to time, determine the number of Restricted Shares to be granted and at its absolute discretion select any selected participant (excluding any excluded employee of the Group as provided under the Scheme Rules) to be a selected participant under the Share Award Scheme. Pursuant to the Share Award Scheme, there is no amount payable on application, grant or acceptance of an award and no purchase price of Restricted Shares awarded. Accordingly, the basis of determining the purchase price of Restrictive Shares awarded is not applicable.

In addition, the maximum number of Restricted Shares which may be granted to a selected participant at any one time or in aggregate may not exceed 1% of the issued share capital of the Company as at 10 December 2010, being 56,664,010 Shares.

The Share Award Scheme was effective for a term of 10 years from the Adoption Date (i.e. 10 December 2010). On 8 December 2020, the Board resolved to extend the term of the Share Award Scheme for another 10 years and the Share Award Scheme shall be valid and effective until 10 December 2030. Save as the aforesaid, all other material terms of the Share Award Scheme remain unchanged and valid.

A selected participant will be qualified to receive the Restricted Shares which are referable to him after all the qualifying conditions having been fulfilled in accordance with the vesting schedule pursuant to the Scheme Rules.

Any Share held by the Trustee on behalf of a selected participant pursuant to the provisions hereof shall vest in such selected participant in accordance with the vesting schedule below or on such other date as shall be jointly determined by the Chairman of the Board, the Chief Executive Officer and the Co-President of the Company (or any person designated by them), at their sole discretion and stated in the relevant notification of the grant sent to the selected participant.

Vesting Date	Amount of Restricted Shares to vest
First anniversary of grant date or in case such date is not a business day, the business day immediately after.	20% (round down to the nearest integral number of Shares).
Second anniversary of grant date or in case such date is not a business day, the business day immediately after.	23% (round down to the nearest integral number of Shares).
Third anniversary of grant date or in case such date is not a business day, the business day immediately after.	27% (round down to the nearest integral number of Shares).
Fourth anniversary of grant date or in case such date is not a business day, the business day immediately after.	Balance (round down to the nearest integral number of Shares).

Pursuant to the Scheme Rules, Restricted Shares held by the Trustee which are referable to a selected participant shall not vest in the selected participant if the employment contract of the selected participant has been terminated by the Company or any of its subsidiary because of, amongst others, (i) dishonesty or serious misconduct; (ii) incompetence or negligence in the performance of his duties; (iii) becoming bankrupt; and (iv) being convicted for any criminal offence involving his integrity or honesty etc. In the event that the Restricted Shares do not vest, the grant shall automatically lapse and all the Restricted Shares shall not vest on the relevant vesting date in accordance with the vesting schedule pursuant to the Scheme Rules but shall become unvested Shares.

With a view to allow the Board to have more flexibility in the administration of the scheme, the Share Award Scheme has been amended on 6 July 2012 pursuant to which, the grant share under the Share Award Scheme are subject to the vesting schedule or any other date as determined by the Chairman of the Board and the Chief Executive Officer (or any person designated by them).

For the financial year ended 31 March 2026, none of the Restricted Shares were granted to any eligible participant pursuant to the Restricted Share Award Scheme. None of the Restricted Shares were vested, cancelled or lapsed during the period. As at 1 April 2025 and 31 March 2026, there was no unvested Restricted Shares. As at 31 March 2026, the number of Restricted Shares granted under the Scheme amounted to 7,081,000 Shares since the adoption of the Share Award Scheme, representing approximately 0.12% of the issued shares as at the Adoption Date. In 2016, 131,071 granted Restricted Shares was lapsed. As at 1 April 2025 and 31 March 2026, 23,050,071 Restricted Shares were available for grant under the Share Award Scheme. As at the date of this report, 23,050,071 Restricted Shares were available for grant under the Share Award Scheme, representing 0.39% of the issued shares of the Company as at the date of this report. The remaining life of the Share Award Scheme is approximately over four years.

Further details of the Share Award Scheme are set out in Note 41 to the consolidated financial statements.

At no time during the period was the Company or its subsidiaries a party to any arrangement to enable the Directors or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

The Company adopted a share option scheme ("Share Option Scheme") on 8 August 2019 ("Adoption Date") in order to provide an incentive for the qualified participants to work with commitment towards enhancing the value of the Company and its shares for the benefit of its shareholders and to recruit and retain high calibre employees and attract human resources whose contributions are or may be beneficial to the growth and development of the Group.

The Board may from time to time grant options to any individual who is an employee of the Group or any entity in which the Group holds any equity interest and any director of the Group or any entity in which the Group holds any equity who has contributed or will contribute to the Group as approved by the Board from time to time on the basis of their contribution to the development and growth of the Group ("Grantee").

The Share Option Scheme was adopted on 8 August 2019. Unless otherwise terminated or amended, the Share Option Scheme will remain in force for a period of 10 years starting from the Adoption Date. The remaining life of the Share Option Scheme is approximately over three years.

Participants of the Share Option Scheme are required to pay HKD1.00 for each option granted upon acceptance of the grant. The exercise price of the options is determined by the Board in its sole and absolute discretion and being at least the highest of:

(i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the offer date;

(ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and

(iii) the nominal value of the shares.

Unless approved by the shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any Grantee if the acceptance of those options would result in the total number of shares issued and to be issued to that Grantee on exercise of his options during any 12 month period exceeding 1% of the total shares then in issue.

The maximum limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time. In addition, the maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other option schemes of the Company shall not in aggregate exceed 10% of total number of issued shares as of the Adoption Date ("Scheme Mandate") which is 588,612,102 shares, representing 10% of the issued share capital of the Company as at the date of this report. During the financial year ended 31 March 2026, no share options were granted, 7,512,000 share options were exercised, and no share options were cancelled under the Share Option Scheme. During the financial year ended 31 March 2026, 9,344,000 share options were lapsed. As at 1 April 2025 and 31 March 2026, the share options available for grant under the scheme mandate is 510,972,102 and 520,316,102 respectively.

The Company may renew this limit at any time, subject to Shareholders' approval provided that the total number of Shares in respect of which may be granted under the Share Option Scheme and any other schemes of the Company under the Scheme Mandate as renewed must not exceed 10% of the total number of Shares in issue as of the date of such Shareholders' approval.

As regarded the performance targets, the vesting of the Share Options granted shall be subject to certain performance targets (being a Grantee's performance on an individual level (in respect of which, among others, each Grantee's contribution to the Group's targeted revenue, profit, sales and overall financial performance in the preceding financial year shall be taken into account) and the Group's performance in the preceding financial year on a Group level (including in particular, its revenue, profit and sales volume)) as set out in the offer letters to the Grantees, the satisfaction of which shall be determined by a committee duly authorised by the Board in such committee's absolute discretion.

To the extent an option is vested and/or exercisable pursuant to the terms and conditions of the offer of the grant of the option and subject to the terms of the Share Option Scheme of the Company, the period within which shares must be taken up by a grantee under a share option (being the exercise period as specified in an offer letter) is a period to be determined by the board of directors of the Company (the "Directors"), which shall not exceed 10 years from the date of the offer of the grant of options (the "Offer Date"). Further, HK$1.00 is to be paid as consideration on the acceptance of the grant of options within five business days from the Offer Date.

As at the date of this report, 520,516,102 share options are available for issue under the Share Option Scheme which represents approximately 8.83% of the issued shares as at the date of the annual report. Further details of the share option scheme are set out in Note 41 to the consolidated financial statements of this report.

The table below sets out the details of the movements in the share options granted to the Grantees under the Share Option Scheme as at 31 March 2026:

Category	Date of grant	Number of share options						Exercise period	Exercise price per share (HK$)	Closing price immediately before the date of grant (HK$)	Fair value of the options at the date of grant during the financial year ended 31 March 2026 and the accounting standard and policy adopted (HK$)[12]	Weighted average closing price of the options exercised immediately before the date of such options were exercised during the financial year ended 31 March 2026 (HK$)[10]	Exercise price of the options cancelled during the financial year ended 31 March 2026 (HK$)[10]	Vesting period
		Outstanding as at 1 April 2025	Granted during the financial year ended 31 March 2026[10]	Exercised during the financial year ended 31 March 2026[10]	Lapsed during the financial year ended 31 March 2026[10]	Cancelled during the financial year ended 31 March 2026[10]	Outstanding as at financial year ended 31 March 2026							
Directors														
Ms. Chen Chen	15/04/2021[5]	—	—	—	—	—	—	15/04/2021–14/04/2031	0.94	0.92	—	—	—	On or after 14/04/2024[I]
Mr. Lyu Guanghong	15/04/2021[5]	—	—	—	—	—	—	15/04/2021–14/04/2031	0.94	0.92	—	—	—	On or after 14/04/2024[I]
	18/04/2023[9]	3,900,000	—	—	260,000	—	3,640,000	18/04/2023–17/04/2033	0.33	0.33	—	—	—	18/04/2023–17/04/2026[II]
Associates of Directors														
Mr. Men Xiaochen (spouse of Ms. Chen Chen, and thus an associate of Ms. Chen Chen)	18/04/2023[9]	3,900,000	—	—	260,000	—	3,640,000	18/04/2023–17/04/2033	0.33	0.33	—	—	—	18/04/2023–17/04/2026[II]
	16/09/2019[1]	320,000	—	—	—	—	320,000	16/09/2019–15/09/2029	0.854	0.82	—	—	—	16/09/2019–15/09/2022[II]
Employees														
—	16/09/2019[1]	4,920,000	—	—	520,000	—	4,400,000	16/09/2019–15/09/2029	0.854	0.82	—	—	—	16/09/2019–15/09/2022[II]
—	07/01/2020[2]	720,000	—	—	—	—	720,000	07/01/2020–06/01/2030	0.86	0.82	—	—	—	07/01/2020–06/01/2023[II]
—	01/04/2020[3]	—	—	—	—	—	—	01/04/2020–31/03/2030	0.67	0.64	—	—	—	01/04/2020–31/03/2023[II]
—	01/09/2020[4]	—	—	—	—	—	—	01/09/2020–31/08/2030	1.09	0.99	—	—	—	01/09/2020–31/08/2023[II]
—	15/04/2021[5]	—	—	—	—	—	—	15/04/2021–14/04/2031	0.94	0.92	—	—	—	On or after 14/04/2024[I]
—	02/07/2021[6]	—	—	—	—	—	—	02/07/2021–01/07/2031	1.36	1.34	—	—	—	On or after 01/07/2024[I]
—	28/01/2022[7]	—	—	—	—	—	—	28/01/2022–27/01/2032	0.676	0.67	—	—	—	On or after 27/01/2025[I]
—	17/03/2022[8]	600,000	—	—	600,000	—	—	17/03/2022–16/03/2032	0.459	0.435	—	—	—	On or after 16/03/2025[I]
—	18/04/2023[9]	61,840,000	—	7,512,000	7,704,000	—	46,624,000	18/04/2023–17/04/2033	0.33	0.33	—	—	—	18/04/2023–17/04/2026[II]
	Total	**76,200,000**	**—**	**7,512,000**	**9,344,000**	**—**	**59,344,000**							

* Further details of the share options are set out in note 41 of the consolidated financial statement on page 160 to 162 of this annual report.

(I) All share options may be vested only on or after the third (3rd) anniversary of the grant date.

(II) Vesting period of share options as below:

Vesting schedule	Vesting portion
First (1st) anniversary of the grant date	1/3 of the share options
Second (2nd) anniversary of the grant date	an additional 1/3 of the share options (i.e. up to 2/3 of the share options in total)
Third (3rd) anniversary of the grant date	an additional 1/3 of the share options (i.e. up to 100% of the share options in total)

Notes:

1. On 16 September 2019, the Company granted an aggregate of 18,300,000 options to certain management staff and employees of the Company to subscribe for a total of 18,300,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 0.31% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 16 September 2019 for details.

2. On 7 January 2020, the Company granted an aggregate of 1,560,000 options to certain management staff and employees of the Company to subscribe for a total of 1,560,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 0.03% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 7 January 2020 for details.

3. On 1 April 2020, the Company granted an aggregate of 2,400,000 options to certain management staff of the Company to subscribe for a total of 2,400,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 0.04% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 1 April 2020 for details.

4. On 1 September 2020, the Company granted an aggregate of 1,200,000 options to certain management staff of the Company to subscribe for a total of 1,200,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 0.02% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 1 September 2020 for details.

5. On 15 April 2021, the Company granted an aggregate of 189,400,000 options to certain management staff and employees of the Company, including three executive directors of the Company (namely Mr. Zhang Zhiyong who had resigned on 29 September 2023, Ms. Chen Chen and Mr. Lyu Guanghong), to subscribe for a total of 189,400,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 3.22% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 15 April 2021 for details.

6. On 2 July 2021, the Company granted an aggregate of 3,500,000 options to certain management staff and employees of the Company to subscribe for a total of 3,500,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 0.06% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 2 July 2021 for details.

7. On 28 January 2022, the Company granted an aggregate of 1,500,000 options to certain management staff and employees of the Company to subscribe for a total of 1,500,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 0.025% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 28 January 2022 for details.

8. On 17 March 2022, the Company granted an aggregate of 600,000 options to certain management staff and employees of the Company to subscribe for a total of 600,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 0.01% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 17 March 2022 for details.

9. On 18 April 2023, the Company granted an aggregate of 76,860,000 share options to certain management staff and employees of the Company, including Mr. Lyu Guanghong, being an executive director of the Company (3,900,000 share options granted) and Mr. Men Xiaochen, being an associate (3,900,000 share options granted) of Ms. Chen Chen, an executive director of the Company, to subscribe for a total of 76,860,000 ordinary shares of HK$0.01 each in the share capital of the Company, representing approximately 1.31% of the issued share capital of the Company as at the date of grant, pursuant to the Share Option Scheme. Please refer to the announcement of the Company dated 18 April 2023 for details.

10. For the financial year ended 31 March 2026, 7,512,000 share options were exercised. For the financial year ended 31 March 2026, no share options were cancelled or granted. The exercise price of the cancelled share options are not applicable. 9,344,000 share options have lapsed during the financial year ended 31 March 2026. The weighted average closing price of the ordinary shares of the Company immediately before the dates on which the share options were exercised was approximately HK$0.451.

11. There are no participants with options granted in excess of the individual limit and no grants to suppliers of goods and services. There were no share options granted to any related entity participants, service providers of the Company. Save as disclosed, there was no share options granted to any other Directors, chief executive, substantial shareholders of the Company or their respective associates.

12. For the financial year ended 31 March 2026, no share option was granted under the Share Option Scheme. Therefore, the number of Shares which may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue for the Reporting Period was nil.

13. Save as disclosed above, no other share options were granted, exercised, lapsed or cancelled for the financial year ended 31 March 2026.

14. Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 17.07 of the Listing Rules.

RETIREMENT SCHEMES

Particulars of the retirement schemes operated by the Group are set out in Note 40 to the consolidated financial statements.

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

For the twelve months ended 31 March 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any treasury shares as defined under the Listing Rules) during the year under review. The Company did not hold any treasury shares as at 31 March 2026.

REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in note 12 and note 14 to the consolidated financial statements.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2026, the interests and short positions of the directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which have been notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 & 8 Part XV of the SFO, including interests and short positions which the directors and chief executive of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Model Code contained in the Listing Rules are as follows:

Interests in Shares, underlying Shares and debentures of the Company:

Name of Directors	Nature of interest	Number and class of securities: Long position	Number and class of securities: Short position	Approximate percentage of total issued Shares
Mr. Chen Yihong	Interest of a controlled corporation(1)	2,359,936,000 shares	—	40.03%
	Interest of a controlled corporation(3)	312,090,025 shares	—	5.3%
Ms. Chen Chen	Interest of a controlled corporation(2)	199,498,730 shares	—	3.384%
	Interest of spouse(4)	3,960,000 shares	—	0.067%
Mr. Lyu Guanghong	Beneficial owner(3)	13,640,000 shares(5)	—	0.23%

Notes:

(1) The entire issued share capital of Poseidon Sports Limited ("Poseidon") is held by Harvest Luck Development Limited ("Harvest Luck"), which is in turn wholly-owned and controlled by Mr. Chen Yihong. Mr. Chen Yihong and Harvest Luck are therefore deemed to be interested in the shares held by Poseidon.

(2) Bountiful Talent Ltd is wholly-owned and controlled by Ms. Chen Chen and Ms. Chen Chen is therefore deemed to be interested in the shares held by Bountiful Talent Ltd.

(3) 312,090,025 shares (out of which 10,000,000 shares are held by Mr. Lyu Guanghong) have been charged to Gaea Sports Limited ("GAEA"). Each of Mr. Chen Yihong, Harvest Luck, Poseidon and the Company is deemed to be interested in such shares by virtue of GAEA, being a wholly owned subsidiary of the Company and Poseidon being entitled to exercise or control the exercise of one- third or more of the voting power at general meetings of the Company.

(4) It included Mr. Men Xiaochen's interest in share options to subscribe for 320,000 shares pursuant to the share options granted by the Company on 16 September 2019 under the share option scheme adopted by the Company on 8 August 2019 at an exercise price of HK$0.854 each. It also included Mr. Men Xiaochen's interest in share options to subscribe for 3,640,000 shares pursuant to the share options granted by the Company on 18 April 2023 under the share option scheme adopted by the Company on 8 August 2019 at an exercise price of HK$0.33 each. Mr. Men Xiaochen is the spouse of Ms. Chen Chen (an executive director of the Company), and thus an associate of Ms. Chen Chen. On 30 March, 260,000 share options of Mr. Men was forfeited.

(5) It included Mr. Lyu Guanghong's interests in 10,000,000 shares. It also included Mr. Lyu Guanghong's interest in share options to subscribe for 3,640,000 shares pursuant to the share options granted by the Company on 18 April 2023 under the share option scheme adopted by the Company on 8 August 2019 at an exercise price of HK$0.33 each. On 30 March, 260,000 share options of Mr. Lyu was forfeited.

(6) The calculations are based on the total number of Shares in issue as at 31 March 2026 of 5,895,073,025 Shares.

Save as disclosed above, as at 31 March 2026, none of the directors and chief executives of the Company had or was deemed to have any interests or short position in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had 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 March 2026, other than the interests and short positions as disclosed above, the following persons have interests or short positions in the Shares, underlying Shares and debentures of the Company which fall to be disclosed to the Company under Divisions 2 & 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Part XV (s.336) of the SFO, or otherwise known to the directors:

Name of Shareholders	Nature of interest	Number of Shares		Approximate percentage of shareholding
		Long position	Short position	
Poseidon Sports Limited	Corporate interest	2,359,936,000	—	40.03%
	Interest in a controlled corporation[2]	312,090,025	—	5.3%
Harvest Luck Development Limited[1]	Interest in a controlled corporation	2,359,936,000	—	40.03%
	Interest in a controlled corporation[2]	312,090,025	—	5.3%

Notes:

(1) The entire issued share capital of Poseidon Sports Limited ("Poseidon") is held by Harvest Luck Development Limited ("Harvest Luck"), which is in turn wholly-owned and controlled by Mr. Chen Yihong. Mr. Chen Yihong and Harvest Luck are therefore deemed to be interested in the shares held by Poseidon.

(2) 312,090,025 shares (out of which 10,000,000 shares are held by Mr. Lyu Guanghong) have been charged to Gaea Sports Limited ("GAEA"). Each of Mr. Chen Yihong, Harvest Luck, Poseidon and the Company is deemed to be interested in such shares by virtue of GAEA, being a wholly owned subsidiary of the Company and Poseidon being entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of the Company.

Save as disclosed above, as at 31 March 2026, the Directors are not aware of any other person or corporation (who were not Directors or chief executive of the Company) having an interest or short position in Shares and underlying Shares of the Company representing 5% or more of the issued share capital of the Company.

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTIONS

During the year ended 31 March 2026, the Company did not enter into any transactions with its connected persons (as defined in the Listing Rules) which was subject to the reporting, announcement and/or shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

On 30 June 2023, Gaea Sports Limited ("Gaea"), an indirect wholly-owned subsidiary of the Company, entered into the 2023 renewed framework agreement (the "2023 Renewed Framework Agreement") with Mai Sheng Yue He in relation to the supply and sale of sport-related products by Gaea to Mai Sheng Yue He. Mai Sheng Yue He is an associate of Mr. Chen Yihong, the chairman and an executive Director of the Company, as it is a majority-controlled company (as defined under the Listing Rules) held by Chen Co., which is a company owned by Mr. Chen Yiliang, Mr. Chen Yiyong and Mr. Chen Yizhong, each being a brother of Mr. Chen Yihong. Mai Sheng Yue He is hence a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the 2023 Renewed Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The 2023 Renewed Framework Agreement shall be valid from 1 April 2024 to 31 March 2027 and transaction amount between Mai Sheng Yue He and Gaea for the supply and sale of goods under the 2023 Renewed Framework Agreement shall be subject to the annual caps of RMB92,000,000, RMB112,000,000 and RMB134,000,000 (each the "2023 renewed Mai Sheng Yue He Annual Cap") for the financial year ending 31 March 2025, financial year ending 31 March 2026 and the financial year ending 31 March 2027, respectively. Please refer to the announcement of the Company dated 30 June 2023 and the circular of the Company dated 31 July 2023 for further details.

For the financial year ended 31 March 2026, the transactions conducted pursuant to the arrangement under the 2023 Renewed Framework Agreement amounted to RMB43,285,000.

On 15 December 2023, Gaea was notified by Mai Sheng Yue He that it (and its subsidiaries) intended to cease acting as distributor(s) and/or purchase products from the Group for sale on consignment basis or direct sale under the 2020 Renewed Framework Agreement and the 2023 Renewed Framework Agreement. In substitution of Mai Sheng Yue He, Beijing Yi Jing Yi Dong Sportswear Company Limited and Beijing Jun Ling Sportswear Company Limited ("Assignee(s)"), being entities controlled by the ultimate controllers of Mai Sheng Yue He, shall act as the distributor(s) under the 2020 Renewed Framework Agreement and the 2023 Renewed Framework Agreement.

To effect the novation of the relevant agreements, Gaea, Mai Sheng Yue He (and/or its direct wholly-owned subsidiaries), and the Assignees had entered into:

(i) the Existing Novation Agreements, pursuant to which Mai Sheng Yue He and its certain direct wholly-owned subsidiaries transferred by novation to the respective Assignee all of their respective rights and obligations under certain specific agreements entered into under the 2020 Renewed Framework Agreement and the 2023 Renewed Framework Agreement with Gaea. Such transfer was effective from 1 January 2024; and

(ii) the Deed of Novation, pursuant to which Mai Sheng Yue He transferred by novation all its rights and obligations under the 2023 Renewed Framework Agreement to the Assignees (and their respective subsidiaries, as applicable), with effect from 1 April 2024 (the "Effective Date"). Pursuant to the Deed of Novation, the Assignees have agreed to assume, and Mai Sheng Yue He have agreed to be released from, all the rights and obligations of Mai Sheng Yue He under the 2023 Renewed Framework Agreement from the Effective Date. Accordingly, the Assignees (and their respective subsidiaries, as applicable) shall substitute Mai Sheng Yue He (and its subsidiaries, as applicable) to distribute or sell the products of the Group under the 2023 Renewed Framework Agreement from the Effective Date under the same terms and conditions (including but not limited to the annual cap amounts) of the 2023 Renewed Framework Agreement.

Please refer to the announcement of the Company dated 30 May 2024 for further details.

The independent non-executive Directors have reviewed the above 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; and (3) in accordance with the 2023 Renewed Framework Agreement (as the case may be) and on fair and reasonable terms and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have reviewed the above transactions and given written notice to the Board to confirm that the above transactions: (1) have been approved by the Board; (2) were in accordance with the pricing policies of the Group; (3) have been entered into in accordance with the relevant agreements governing such transactions; and (4) did not exceed the annual cap for the financial year ended 31 March 2026.

Apart from the connected transactions and continuing connected transactions disclosed above, all other related party transactions did not fall under the scope of "Connected Transaction" and "Continuing Connected Transaction" under Chapter 14A of the Listing Rules which are required to comply with the reporting, announcement or independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued Shares as required under the Listing Rules.

MAJOR SUPPLIERS AND CUSTOMERS

During the twelve months Period ended 31 March 2026, the purchases from the largest supplier and the aggregated purchases from the largest five suppliers amounted for 11.7% and 37.4% of the Group's total purchases, and the sales to the largest customer and the aggregated sales to the largest five customers amounted for 0.6% and 1.4% of the Group's total sales, respectively. To the best knowledge of the Directors, at no time during the financial year have the Directors, their associates or any shareholder of the Company (own more than 5% of the number of issued Shares) had any interest in these major customers and suppliers.

MATERIAL ACQUISITIONS AND DISPOSAL AND SIGNIFICANT INVESTMENTS

Save as mentioned in this report, the Group did not have any other material investments or acquire any material capital assets, or make any material acquisitions or disposals of subsidiaries and associated companies, or significant investments for the year ended 31 March 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Company has no plan for any material investments or additions of capital assets as at the date of this report.

CORPORATE GOVERNANCE

Throughout the twelve months ended 31 March 2026, the Company has complied with all the Code Provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules. Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 56 to 73 of this report.

EVENTS SUBSEQUENT TO 31 MARCH 2026

No other significant event occurred subsequent to 31 March 2026 and up to the date of this report.

AUDITOR

Deloitte Touche Tohmatsu will retire as auditor of the Company at the forthcoming AGM and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company until the conclusion of the next AGM is to be proposed at the forthcoming AGM.

On behalf of the Board
Chen Yihong
Chairman

24 June 2026

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

To the Shareholders of China Dongxiang (Group) Co., Ltd.
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Dongxiang (Group) Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 97 to 188, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory 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 March 2026, 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 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 International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of level 3 financial assets at fair value through profit or loss	
Refer to Notes 4, 23 and 48 to the consolidated financial statements. The Group has invested in certain financial assets at fair value through profit or loss ("FVTPL") with carrying amounts of approximately RMB5,703.2 million as at 31 March 2026 and among which, investments with carrying amounts of approximately RMB5,468.0 million are categorised into level 3 of the fair value hierarchy (hereafter the "Level 3 financial assets at FVTPL"). These Level 3 financial assets at FVTPL represent approximately 56.3% of the Group's total assets as at 31 March 2026. These Level 3 financial assets at FVTPL primarily comprise of private equity fund investments and other unlisted equity investments. Management of the Company determines the fair value of these investments by using valuation techniques which involved the use of certain significant unobservable inputs.	We performed the following procedures to address this key audit matter: • Understanding, evaluating and testing, on a sample basis, the relevant management's controls over the determination of fair values of the Level 3 financial assets at FVTPL. • Evaluating the appropriateness of the valuation techniques as applied by management for each type of the Level 3 financial assets at FVTPL based on our industry knowledge. • In respect of the Group's private equity fund investments: — understanding the capability of the general partners and the valuation processes and techniques that they have applied in determining of the fair values of the underlying portfolio investments of the respective funds based on the public information we searched and interviews with these general partners;

Key audit matter	How our audit addressed the key audit matter
For private equity fund investments, management has applied the net asset value ("NAV") method to determine the fair values of the related investments. Under the NAV method, management determined the fair values of private equity fund investments based on the NAV of the private equity funds with underlying assets measured at fair value as at the end of the reporting period as reported by the general partners of the respective funds, adjusted by the relevant factors that management considered as appropriate. For other unlisted equity investments, management has applied the market approach, the discount cash flow approach or making reference to recent transaction prices (if available) to determine the fair values of the related investments. The market approach involves the uses of certain valuation multiples (such as earnings before interest and tax multiple) of comparable companies and a discount for lack of marketability ("DLOM") for determining the fair values of the respective unlisted equity investments. The discount cash flow approach uses the discount rate to determine the fair values of the respective unlisted equity investments. We focus on this area due to the magnitude of these Level 3 financial assets at FVTPL and determining the fair values of these investments are inherently subjective which involved significant management's judgement and estimates in selecting the appropriate valuation techniques and significant unobservable inputs when applying these valuation techniques.	— checking the accuracy of the NAV of the respective funds as used by management in determining the fair values of the Group's interests in the respective investments by comparing with the fair value information as contained in the regular reports provided by the general partners of the respective funds (such as unaudited management/capital accounts of the respective funds and the latest audited annual financial statements); — obtaining and reviewing the related investment agreements and obtaining direct confirmations from the general partners of the respective funds regarding the Group's costs of investment and proportion of interests in these funds as at the year end; — discussing with management to understand their key considerations and assumptions in determining the adjusting factors and inspecting the underlying supporting documents provided by management; and — checking the mathematical accuracy of the fair value calculations provided by management.

Key audit matter	How our audit addressed the key audit matter
	• In respect of the Group's other unlisted equity investments: — obtaining and reviewing the related investment agreements and obtaining direct confirmations from the respective investee companies regarding the Group's costs of investment and proportion of interests in these investee companies; — evaluating the appropriateness of the comparable companies as selected by management by comparing the business profiles of the investee companies with those of the respective comparable companies based on our industry knowledge and research on market data; — comparing the valuation multiples of the comparable companies, the DLOM as well as the discount rate as adopted by management in the fair value calculations against the information as obtained from our independent internet search; and — checking the mathematical accuracy of the fair value calculations provided by management.

Key audit matter	How our audit addressed the key audit matter
Measurement of expected credit losses on loan receivables	
We identified expected credit loss ("ECL") for loan receivables as a key audit matter due to the significance of loan receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimation in evaluating the ECL of the Group's loan receivables at the end of the reporting period. As disclosed in Note 24 to the consolidated financial statements, the Group's gross carrying amount of loan receivables amounted to approximately RMB775 million, against which an allowance of RMB392 million for ECL was recorded as at 31 March 2026. As disclosed in Notes 4 and 47 to the consolidated financial statements, the measurement of ECL involves significant management's judgement and estimates, primarily on (i) determining whether there was a significant increase in credit risk or a default and identifying any credit-impaired assets; (ii) determining the appropriate key measurement parameters, such as probability of default, loss given default and forward-looking adjustment to be applied in the impairment model and (iii) estimating the future cash flows for those loan receivables which are identified as credit-impaired and require the estimations on the recoverable amounts of the collaterals on respective loan receivables (i.e. the estimated fair value of the collateralised assets, net of an estimated liquidity discounts) and also the weightings on the probabilities of different scenarios for recovering the related loan receivables. The management has engaged an independent valuer to assist in assessing the ECL of certain loan receivables.	We performed the following procedures to address this key audit matter: • Evaluating the design and implementation of key internal controls on how management estimates the loss allowance for loan receivables; • Evaluating the independent valuer's objectivity, qualifications and competence; • Understanding and evaluating the criteria and processes applied by management to identify borrowers with significant increase in credit risk or credit-impaired, and corroborated management's explanation and justifications by inspecting the underlying supporting documents, including those provided by management and those as obtained from our independent research (e.g. historical repayment records, latest information of the borrowers as obtained from internet or background search, management accounts of the borrowers and the latest status of collaterals etc.); • Assessing with the involvement of our internal valuation specialists, the rationality and appropriateness of the Group's ECL model, including certain model inputs, the calculation and also the valuation of the collaterals; • evaluating the appropriateness of the weightings (if applicable) as applied by management on the probabilities of different scenarios for recovering the related loan balances by interviewing the relevant borrowers to understand their possible repayment plans; • testing the underlying data used in the impairment model to the supporting documents provided by management; and • Performing the retrospective analysis to update our risk assessment conclusion regarding appropriateness of the ECL policy.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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.

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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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.

- 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.

INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 those charged with governance, 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 LUNG, Wing Hung, David.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
24 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

		Year ended 31 March	
		2026	2025
	Notes	**RMB'000**	RMB'000
Revenue	5	**1,715,326**	1,680,135
Cost of sales	8	**(572,024)**	(527,920)
Gross profit		**1,143,302**	1,152,215
Distribution expenses	8	**(1,069,330)**	(1,053,408)
Administrative expenses	8	**(111,928)**	(130,883)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	10	**(344,571)**	(47,362)
Other income and gains/(losses) — net	7	**201,704**	323,264
Operating (loss)/profit		**(180,823)**	243,826
Finance income	9	**11,920**	19,235
Finance expenses	9	**(10,115)**	(8,954)
Finance income — net	9	**1,805**	10,281
Share of results of investments accounted for using the equity method		**(3,535)**	(5,925)
(Loss)/profit before income tax		**(182,553)**	248,182
Income tax credit/(expense)	11	**24,513**	(41,182)
(Loss)/profit for the year		**(158,040)**	207,000
Other comprehensive (expense)/income:			
Item that may be reclassified to profit or loss			
— Currency translation differences on foreign operations		**(137,654)**	37,137
Other comprehensive (expense)/income, net of tax		**(137,654)**	37,137
Total comprehensive (expense)/income for the year		**(295,694)**	244,137

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
(Loss)/profit attributable to:			
— Owners of the Company		**(158,040)**	207,000
— Non-controlling interests		**—**	—
		(158,040)	207,000
Total comprehensive (expense)/income attributable to:			
— Owners of the Company		**(295,694)**	244,137
— Non-controlling interests		**—**	—
		(295,694)	244,137
(Losses)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB cents per share)			
— Basic (losses)/earnings per share	17	**(2.69)**	3.53
— Diluted (losses)/earnings per share	17	**(2.69)**	3.53

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	18	**122,547**	131,315
Intangible assets	19	**144,545**	152,236
Right-of-use assets	20	**47,308**	63,845
Investment properties	21	**42,999**	44,924
Investments accounted for using the equity method	22	**14,390**	8,761
Financial assets at fair value through profit or loss ("FVTPL")	23	**2,931,438**	3,338,288
Other financial assets at amortised cost	24	**479,259**	798,931
Deferred income tax assets	25	**169,907**	138,152
Other assets	29	**303,555**	107,673
Total non-current assets		**4,255,948**	4,784,125
Current assets			
Inventories	26	**318,437**	326,975
Trade receivables	27	**133,121**	111,872
Financial assets at FVTPL	23	**2,771,772**	1,242,686
Other financial assets at amortised cost	24	**95,699**	140,551
Term deposits with initial term over three months and within one year	28	**753,743**	1,777,196
Restricted cash	28	**72**	129
Cash and cash equivalents	28	**1,351,088**	1,631,452
Other assets	29	**21,972**	25,508
Assets classified as held for sale	15	**4,500**	—
Total current assets		**5,450,404**	5,256,369
Total assets		**9,706,352**	10,040,494
Equity			
Share capital and share premium	30	**728,011**	909,561
Shares held for employee share award scheme	31	**(196)**	(196)
Reserves		**8,002,474**	8,298,708
Total equity		**8,730,289**	9,208,073
Equity attributable to owners of the Company		**8,730,289**	9,208,073
Non-controlling interests		**—**	—
		8,730,289	9,208,073

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities	33	**10,947**	19,734
Deferred income tax liabilities	25	**133,352**	150,834
Borrowing	34	**197,467**	—
Total non-current liabilities		**341,766**	170,568
Current liabilities			
Derivatives	35	**93,773**	99,305
Contract liabilities	36	**21,697**	19,373
Lease liabilities	33	**28,185**	27,485
Trade payables	37	**119,047**	125,363
Bills payables	38	**—**	17,400
Accruals and other payables	39	**353,072**	361,540
Current income tax liabilities		**18,523**	11,387
Total current liabilities		**634,297**	661,853
Total liabilities		**976,063**	832,421
Total equity and liabilities		**9,706,352**	10,040,494

The consolidated financial statements on pages 97 to 188 were approved and authorised for issue by the board of directors on 24 June 2026 and are signed on its behalf by:

CHEN YIHONG

Chairman and Executive Director

CHEN CHEN

Chief Executive Officer,
President, Co-Chairman and Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Shares held for employee share award scheme RMB'000	Other reserves RMB'000 (Note 32)	Retained earnings RMB'000	Total RMB'000
Balance at 1 April 2024	56,478	965,095	(196)	806,781	7,246,600	9,074,758
Profit for the year	—	—	—	—	207,000	207,000
Other comprehensive income						
— Currency translation differences	—	—	—	37,137	—	37,137
Total comprehensive income	—	—	—	37,137	207,000	244,137
Transactions with owners in their capacity as owners						
Dividends declared and paid	—	(112,012)	—	—	—	(112,012)
Recognition of equity-settled share-based payments (Note 41)	—	—	—	1,190	—	1,190
Appropriation to statutory reserves	—	—	—	15	(15)	—
	—	(112,012)	—	1,205	(15)	(110,822)
Balance at 31 March 2025	56,478	853,083	(196)	845,123	7,453,585	9,208,073

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Shares held for employee share award scheme RMB'000	Other reserves RMB'000 (Note 32)	Retained earnings RMB'000	Total RMB'000
Loss for the year	—	—	—	—	(158,040)	(158,040)
Other comprehensive expense						
— Currency translation differences	—	—	—	(137,654)	—	(137,654)
Total comprehensive expense	—	—	—	(137,654)	(158,040)	(295,694)
Transactions with owners in their capacity as owners						
Dividends declared and paid	—	(184,377)	—	—	—	(184,377)
Recognition of equity-settled share-based payments (Note 41)	—	—	—	30	—	30
Exercise of share options (Note 41)	68	2,759	—	(570)	—	2,257
Appropriation to statutory reserves	—	—	—	265	(265)	—
	68	(181,618)	—	(275)	(265)	(182,090)
Balance at 31 March 2026	56,546	671,465	(196)	707,194	7,295,280	8,730,289

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
Cash flows from operating activities		
(Loss)/profit before income tax	**(182,553)**	248,182
Adjustments for:		
Changes in fair value of financial instruments at FVTPL	**(67,098)**	(120,740)
Depreciation of property, plant and equipment	**60,001**	57,787
Loss on disposal of property, plant and equipment	**118**	7,844
Depreciation of right-of-use assets	**39,414**	32,682
Amortisation of intangible assets	**7,839**	7,797
Depreciation of investment properties	**3,153**	2,897
Changes in provision for inventories	**4,480**	5,012
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	**344,571**	47,362
Impairment losses on property, plant and equipment	**7,542**	—
Impairment losses on right-of-use assets	**5,609**	—
Impairment losses on investment properties	**—**	5,727
Share of results of joint ventures and associates	**3,535**	5,925
Interest income from bank and term deposits	**(66,602)**	(96,901)
Dividend income from financial assets at FVTPL	**(7,048)**	(16,801)
Investment income from loan receivables and other investments measured at amortised cost	**(36,035)**	(49,016)
Foreign exchange losses/(gains), net	**44,154**	(8,030)
Investment income from life insurance contract	**(2,609)**	—
Share-based compensation expenses	**30**	1,190
Gains on disposal of investments in a joint venture and associates	**—**	(988)
Gain on early termination of leases — net	**(101)**	(253)
Interest expenses on lease liabilities	**2,072**	1,861
Interest expenses on borrowing	**1,191**	—
	161,663	131,537
Changes in working capital:		
Decrease/(increase) in inventories	**4,058**	(45,497)
(Increase)/decrease in trade receivables, other assets and other receivables	**(22,801)**	4,052
(Decrease)/increase in trade payables, bills payables, contract liabilities, accruals and other payables	**(26,688)**	59,347
Decrease in restricted cash	**57**	1,639
Cash generated from operations	**116,289**	151,078
Interest received	**11,920**	19,235
Income tax paid	**(17,588)**	(28,666)
Net cash from operating activities	**110,621**	141,647

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Note	Year ended 31 March 2026 RMB'000	2025 RMB'000
Cash flows from investing activities			
Purchase of property, plant and equipment		**(61,707)**	(65,875)
Purchase of intangible assets		**(148)**	(184)
Prepayments to right-of-use assets		**(286)**	(2,464)
Withdraw/(placement) of term deposits with initial term over three months and within one year		**929,895**	(483,083)
Interest received from term deposits with initial term over three months and within one year		**77,561**	67,149
Proceeds from disposal of property, plant and equipment		**826**	10,080
Investments in financial assets at FVTPL		**(7,127,904)**	(2,963,569)
Investments in life insurance contract		**(300,934)**	—
Investment income and disposal proceeds from financial assets at FVTPL		**6,151,789**	3,246,821
Increase in loan receivables		**(16,000)**	(13,000)
Repayment of loan receivables		**33,190**	23,160
Interest received from loan receivables		**8,053**	31,624
Interest received from other financial assets at amortised cost		**4,610**	5,612
Proceeds from disposal of investments in associates and joint ventures		**3,750**	7,330
Capital contribution to an associate		**(2,800)**	(4,700)
Proceeds from disposal of a subsidiary		**4,500**	—
Net cash used in investing activities		**(295,605)**	(141,099)
Cash flows from financing activities			
Dividends paid		**(184,377)**	(112,012)
Payments for lease liabilities		**(42,899)**	(34,116)
Proceeds from bank borrowings		**197,203**	—
Other financing activities		**(12,685)**	12,921
Exercise of share options		**2,257**	—
Net cash used in financing activities		**(40,501)**	(133,207)
Net decrease in cash and cash equivalents		**(225,485)**	(132,659)
Cash and cash equivalents at beginning of the year		**1,631,452**	1,764,656
Effects of exchange rate changes on cash and cash equivalents		**(54,879)**	(545)
Cash and cash equivalents at end of the year	28	**1,351,088**	1,631,452

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

China Dongxiang (Group) Co., Ltd. (the "Company") and its subsidiaries (together the "Group") are principally engaged in brand development, design and sales of sport-related apparel, footwear and accessories and investment activities in the People's Republic of China (the "PRC") and overseas.

The Company was incorporated in the Cayman Islands on 23 March 2007 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange" or "HKEX") since 10 October 2007. The ultimate controlling party of the Group is Mr. Chen Yihong, the Chairman and Executive director of the Company (the "Chairman").

These consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

(a) Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 31 March 2025 for the preparation of the consolidated financial statements:

Amendments to IAS21	Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

(b) New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 20	Regulatory Assets and Regulatory Liabilities[4]

1. Effective for annual periods beginning on or after a date to be determined.
2. Effective for annual periods beginning on or after 1 January 2026.
3. Effective for annual periods beginning on or after 1 January 2027.
4. Effective for annual periods beginning on or after 1 January 2029.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company (the "Directors") anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee

The Group applies the short-term lease recognition exemption to leases properties and warehouses that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments (including in-substance fixed payments).

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Share-based payments

Equity-settled share-based payment transactions

Share awards/share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration of all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based compensation reserve.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised, and the amount previously recognised in share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will continue to be held in other reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss)profit before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes (classified as construction in progress) are carried at cost, less any recognised impairment loss. Costs include 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. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of property, plant and equipment (other than freehold land and construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment on property, plant and equipment, intangible assets, right-of-use assets and investment properties

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets with finite useful lives and right-of-use assets and investment properties to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, intangible assets, right-of-use assets and investment properties (Continued)

The recoverable amount of property, plant and equipment, intangible assets, right-of-use assets and investment properties are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets of the Group are subsequently measured at FVTPL.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss include any dividend or interest earned on the financial asset and is included in the 'other income and gains/(losses) — net' line item.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *Financial Instruments*

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, other financial assets at amortised cost, term deposits with initial term over three months and within one year, restricted cash and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- Actual or expected forbearance or restructuring;
- Actual or expected significant adverse change in operating results of the borrower.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *Financial Instruments* (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due but within 90 days (inclusive), unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, when the borrower is more than 90 days past due on its contractual payments.

When one or more events that adversely affect the expected future cash flow of a financial asset occurs, the financial asset becomes a credit-impaired financial asset. Evidence of credit-impaired financial assets includes the following observable information:

- The borrower is in significant financial difficulties;
- It is becoming probably that the borrower will enter bankruptcy or other debt restructuring.

(iii) Write-off policy

The Group writes off a financial asset when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *Financial Instruments* (Continued)

(iv) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and forward looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. The ECL on these assets are assessed individually or collectively with appropriate groupings.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Types of transactions; and
- Aging.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income 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 amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, loan receivables and other financial assets at amortised cost where the corresponding adjustment is recognised through a loss allowance account.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the 'other income and gains/(losses) — net' line item;

- For financial assets measured at FVTPL, exchange differences are recognised in profit or loss in the 'other income and gains/(losses) — net' line item as part of fair value gain/(loss) on financial assets.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortised cost

Financial liabilities including trade payables, borrowing, bills payables and accruals and other payables are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income and gains/(losses) — net' line item in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of financial assets and derivatives

The fair value of financial instruments and derivatives that are not traded in active markets is determined by using valuation techniques. These techniques include the use of the net assets value provided by the respective private equity funds, valuation multiples of comparable companies and prices of recent transactions, etc. The Group uses its judgement to select a variety of valuation methods or models and make assumptions that are mainly based on market conditions existing at the end of the reporting period. For details, please refer to Notes 23, 35 and 48.

Provision of ECL for trade receivables

The Group uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. As at 31 March 2026, the Group made a provision for impairment of trade receivables of RMB22,100,000 (2025: RMB16,107,000) (Notes 27 and 47).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Provision of ECL for loan receivables

Loan receivables are assessed for ECL individually. Management of the Group estimates the ECL of loan receivables based on fair value of collaterals, past credit history and any prior knowledge of debtor insolvency, taking into consideration of forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. As at 31 March 2026, the Group made a provision for impairment of loan receivables of RMB392,395,000 (2025: RMB176,030,000) (Notes 24 and 47).

Inventory provision

Inventories are stated at the lower of cost and net realisable value. Management makes provision based on historical experience and on the estimation of future market condition and sales. Management will adjust the provision where actual net realisable value is higher or lower than previously estimated. This requires significant judgement. As at 31 March 2026, the Group recognised a provision for impairment of inventories of approximately RMB123,379,000 (2025: RMB118,899,000) (Note 26).

Life insurance contract

The life insurance contract offers returns which consist of guaranteed cash value and non-guaranteed returns. The Group may surrender life insurance contract at any time. Where upon surrender, the Group is entitled to the guaranteed cash value plus any non-guaranteed special bonus, policy value management balance (if applicable). The life insurance contract is stated in the consolidated statement of financial position at cost adjusted for expected gains, less impairment losses, if any. As at 31 March 2026, the amount of life insurance contract is RMB303,555,000 (2025: nil) (Note 29).

Current and deferred income taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will be reflected in the income tax expense and deferred income tax provisions in the period in which such determination is made. In addition, the realisation of future income tax assets is dependent on the Group's ability to generate sufficient taxable income in future years to utilise income tax benefits and tax loss carry-forwards. Deviations of future profitability from estimates or in the income tax rate would result in adjustments to the value of future income tax assets and liabilities that could have a significant effect on the income tax expenses.

Dividends derived from the Company's subsidiaries in mainland China to foreign investors are subject to withholding tax at the rate of 5% or 10%. The Group regularly assesses its needs to make distributions out of its subsidiaries in mainland China. In this regard, withholding tax will be provided in the period in which dividends are distributed or on the undistributed profits to the extent they are expected to be distributed in future.

5. REVENUE

(i) Disaggregation of revenue

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers recognised at a point in time		
— Revenue from sales of sport apparel	**1,715,326**	1,680,135

(ii) Performance obligations for contracts with customers and revenue recognition policies

(a) Sales of goods — wholesale

The Group sells a range of sport-related apparels, footwears and accessories to its distributors in China. Sales of goods are recognised when control of the products has transferred, being when products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products of the Group are often sold with sales discounts. Revenue from these sales are recognised based on the price specified in the sales contracts, net of the estimated sales discounts at the time of sale. The sales discounts are estimated based on the terms of agreements. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days, which is consistent with the market practice.

As receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Sales of goods — retail

The Group operates a chain of retail shops and outlets for selling sport apparels, footwears and accessories in China. Revenue from the sale of goods is recognised when the Group sells a product to the customer. Retail sales are usually settled in cash, by credit cards or through on-line payment platforms.

5. REVENUE (CONTINUED)

(ii) Performance obligations for contracts with customers and revenue recognition policies (Continued)

(c) Sales of goods — on-line sales

Revenue from the sale of goods on the internet is recognised when the control of the products has been transferred, which is the point of acceptance by the customers. Transactions are settled by credit or payment cards or through third party on-line payment platforms.

(d) Sales of goods — consignment sales

Consignment sales are the sales of goods of the Group under consignment arrangement with distributor which undertakes to sell the goods to end customers on behalf of the Group. Revenue is recognised by the Group when the control of the goods is transferred to the end customers.

(e) Sale of goods — return of goods and refunds

Customers have a right to return products within certain days, the Group is obliged to refund the purchases price. Therefore, a refund liability (included in other payables and accruals) and a right to the returned goods (included in other assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

(f) Sale of goods — customer loyalty programme

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discounts on future purchases. Revenue from the award points is recognised when the points are redeemed or when they expire at the end of the next year after the initial sale.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Sales of sport apparel are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENT INFORMATION

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), in order to allocate resources and to assess performance. The CODM considers and assesses the performance of the sportswear business ("China Sporting Goods") and investment activities separately:

China Sporting Goods: distribution and retail of sport apparel under Kappa brand and Phenix brand.

Investment: investments in different kinds of financial assets or treasury products.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

Year ended 31 March 2026

	China Sporting Goods RMB'000	Investment RMB'000	Total RMB'000
Revenue from external customers	1,715,326	—	1,715,326
Cost of sales	(572,024)	—	(572,024)
Segment gross profit	1,143,302	—	1,143,302
Other income and gains/(losses) — net	85,775	115,929	201,704
Segment operating profit/(loss)	68,270	(249,093)	(180,823)
Finance income	1,401	10,519	11,920
Finance expenses	(2,297)	(7,818)	(10,115)
Share of results of investments accounted for using the equity method	—	(3,535)	(3,535)
Profit/(loss) before income tax	67,374	(249,927)	(182,553)
Income tax (expense)/credit	(7,896)	32,409	24,513
Profit/(loss) for the year	59,478	(217,518)	(158,040)
Material items of income and expenses			
Depreciation of property, plant and equipment	56,227	3,774	60,001
Depreciation of right-of-use assets	39,364	50	39,414
Amortisation of intangible assets	7,702	137	7,839
Depreciation of investment properties	1,191	1,962	3,153
Selling and advertising expenses	409,544	—	409,544
Commission expenses	231,915	—	231,915
Fair value gains on financial assets at FVTPL — net	—	67,098	67,098
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	6,407	338,164	344,571

6. SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2025

	China Sporting Goods RMB'000	Investment RMB'000	Total RMB'000
Revenue from external customers	1,680,135	—	1,680,135
Cost of sales	(527,920)	—	(527,920)
Segment gross profit	1,152,215	—	1,152,215
Other income and gains/(losses) — net	51,740	271,524	323,264
Segment operating profit	50,850	192,976	243,826
Finance income	3,567	15,668	19,235
Finance expenses	(2,189)	(6,765)	(8,954)
Share of results of investments accounted for using the equity method	—	(5,925)	(5,925)
Profit before income tax	52,228	195,954	248,182
Income tax expense	(5,884)	(35,298)	(41,182)
Profit for the year	46,344	160,656	207,000
Material items of income and expenses			
Depreciation of property, plant and equipment	53,939	3,848	57,787
Depreciation of right-of-use assets	32,554	128	32,682
Amortisation of intangible assets	7,692	105	7,797
Depreciation of investment properties	601	2,296	2,897
Selling and advertising expenses	406,109	—	406,109
Commission expenses	235,116	—	235,116
Fair value gains on financial assets at FVTPL — net	—	120,740	120,740
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	2,106	45,256	47,362

6. SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's assets and liabilities by reportable segments:

	China Sporting Goods RMB'000	Investment RMB'000	Total RMB'000
As at 31 March 2026			
Cash and cash equivalents	**293,785**	**1,057,303**	**1,351,088**
Restricted cash	**—**	**72**	**72**
Term deposits with initial term over three months and within one year	**135,571**	**618,172**	**753,743**
Investments accounted for using the equity method	**—**	**14,390**	**14,390**
Financial assets at FVTPL	**—**	**5,703,210**	**5,703,210**
Deferred income tax assets	**56,781**	**113,126**	**169,907**
Right-of-use assets	**47,308**	**—**	**47,308**
Other assets	**739,473**	**927,161**	**1,666,634**
Segment assets	**1,272,918**	**8,433,434**	**9,706,352**
Deferred income tax liabilities	**4,100**	**129,252**	**133,352**
Current income tax liabilities	**12,767**	**5,756**	**18,523**
Lease liabilities	**39,132**	**—**	**39,132**
Other liabilities	**380,024**	**405,032**	**785,056**
Segment liabilities	**436,023**	**540,040**	**976,063**
As at 31 March 2025			
Cash and cash equivalents	397,503	1,233,949	1,631,452
Restricted cash	—	129	129
Term deposits with initial term over three months and within one year	—	1,777,196	1,777,196
Investments accounted for using the equity method	—	8,761	8,761
Financial assets at FVTPL	—	4,580,974	4,580,974
Deferred income tax assets	96,541	41,611	138,152
Right-of-use assets	53,324	10,521	63,845
Other assets	755,455	1,084,530	1,839,985
Segment assets	1,302,823	8,737,671	10,040,494
Deferred income tax liabilities	3,404	147,430	150,834
Current income tax liabilities	11,086	301	11,387
Lease liabilities	46,933	286	47,219
Other liabilities	398,535	224,446	622,981
Segment liabilities	459,958	372,463	832,421

6. SEGMENT INFORMATION (CONTINUED)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3.

The Group is principally engaged in brand development, design, and sales of sport-related apparel, footwear and accessories in Mainland of the PRC as well as investment activities in the PRC and overseas.

As at 31 March 2026, the total non-current assets (other than financial instruments and deferred income tax assets) located in the PRC amounted to approximately RMB655,307,000 (2025: RMB486,672,000) and those located in other countries and regions amounted to approximately RMB20,037,000 (2025: RMB22,082,000).

7. OTHER INCOME AND GAINS/(LOSSES) — NET

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
Fair value gains of financial instruments at FVTPL	**67,098**	120,740
Franchise fee income	**74,467**	40,545
Interest income from term deposits with initial term over three month and within one year	**54,682**	77,666
Investment income from loan receivables	**29,112**	42,301
Government subsidy income (Note)	**5,484**	13,927
Net foreign exchange (losses)/gains	**(37,620)**	14,832
Dividend income from financial assets at FVTPL	**7,048**	16,801
Investment income from life insurance contract	**2,609**	—
Investment income from investments measured at amortised costs	**6,923**	6,715
Impairment losses recognised on property, plant and equipment	**(7,542)**	—
Impairment losses recognised on right-of-use assets	**(5,609)**	—
Gains on disposal of investments in a joint venture and associates	**—**	988
Impairment losses on investment properties	**—**	(5,727)
Loss on disposal of property, plant and equipment	**(118)**	(7,844)
Others	**5,170**	2,320
	201,704	323,264

Note: The government subsidy income recognised for the years ended 31 March 2026 and 2025 represent the government grants income received from local government in the PRC for the Group's contribution to the local economic growth. These grants are related to costs and recognised in profit or loss upon their receipts as there are no unfulfilled conditions or contingencies relating to these grants.

8. EXPENSES BY NATURE

The expenses included in cost of sales, distribution expenses and administrative expenses are analysed as follows:

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
Selling and advertising expenses	**409,544**	406,109
Cost of inventories included in cost of sales	**572,024**	527,920
Commission expenses (Note i)	**231,915**	235,116
Outsourcing labour costs	**162,712**	160,518
Staff costs (excluding staffs of product design and development department):		
Salaries, bonus and other welfares and benefits	**85,666**	83,472
Pension — defined contribution plans (Note 40)	**8,013**	7,582
Share-based compensation (Note 41)	**30**	1,190
Total	**93,709**	92,244
Depreciation of property, plant and equipment (Note 18)	**57,702**	57,787
Depreciation of right-of-use assets (Note 20)	**39,555**	32,963
Less: capitalised in construction in progress	**(141)**	(281)
Depreciation of right-of-use assets charge to profit or loss	**39,414**	32,682
Product design and development expenses (Note ii)	**46,247**	40,710
Expenses relating to short-term leases and variable leases	**40,761**	39,935
Logistic and warehouse operation fees	**32,699**	31,975
Legal and consulting expenses	**8,039**	23,602
Travelling expenses	**14,256**	14,900
Amortisation of intangible assets (Note 19)	**7,839**	7,797
Auditor's remuneration	**3,400**	3,400
Others	**33,021**	37,516
Total cost of sales, distribution expenses and administrative expenses	**1,753,282**	1,712,211

Notes:

i. These commission expenses were paid or payable to distributors under those consignment sales arrangement as described in Note 5(ii) (d).

ii. The salaries, bonus and other welfares and benefits amounted to RMB29,080,000 (2025: RMB27,903,000), and pension amounted to RMB2,734,000 (2025: RMB2,675,000) for staffs of product design and development department are included in "product design and development expenses" line but not included in staff cost.

9. FINANCE INCOME — NET

	Year ended 31 March 2026 RMB'000	2025 RMB'000
Finance income:		
— Interest income	**11,920**	19,235
Finance expenses:		
— Net foreign exchange losses	**(6,534)**	(6,802)
— Interests on lease liabilities	**(2,072)**	(1,861)
— Others	**(1,509)**	(291)
	(10,115)	(8,954)
Finance income — net	**1,805**	10,281

10. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES OR IMPAIRMENT GAINS) ON FINANCIAL ASSETS

	Year ended 31 March 2026 RMB'000	2025 RMB'000
Impairment losses recognised in respect of:		
— trade receivables	**5,993**	2,802
— other financial assets at amortised cost	**338,578**	44,560
	344,571	47,362

Details of impairment assessment are set out in Note 47.

11. INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 March 2026 RMB'000	2025 RMB'000
Current income tax		
— Corporate income tax	**18,699**	6,687
— Withholding and remit tax recognised	**6,025**	20,318
Deferred income tax (Note 25)	**(49,237)**	14,177
	(24,513)	41,182

11. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

The Company was incorporated in the Cayman Islands. Under the laws of the Cayman Islands, there is no income, estate, corporation, capital gains or other taxes payable by the Company.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the years ended 31 March 2026 and 2025. Singapore profits tax have not been provided as there are no estimated assessable profits arising in or derived from Singapore during the years ended 31 March 2026 and 2025.

Provision for the PRC corporate income tax is calculated based on the statutory tax rate of 25% on the assessable income of the group companies for the years ended 31 March 2026 and 2025.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's consolidated annual revenue is expected to be less than EUR 750 million in at least two of the four fiscal years preceding the tested year, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the PRC statutory corporate income tax rate applicable to profits or losses of the consolidated entities as follows:

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
(Loss)/profit before income tax	**(182,553)**	248,182
Tax calculated at the PRC corporate income tax rates	**(45,638)**	62,046
Tax effects of		
— Differences in applicable tax rates in different jurisdictions	**(7,423)**	(62,796)
— WHT and remit tax recognised	**6,025**	20,318
— Net impact of the decrease in the retained earnings of the PRC subsidiaries to be distributed	**(4,070)**	(13,507)
— Tax losses and temporary differences for which no deferred income tax asset was recognised	**11,969**	37,654
— Utilisation of previously unrecognised temporary differences and tax losses	**(21,385)**	(14,215)
— Adjustments of current income tax for prior periods	**881**	1,945
— Expenses or losses not deductible for tax purpose	**4,753**	4,049
— Others	**30,375**	5,688
	(24,513)	41,182

12. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the directors' and the chief executive's emoluments are as follows:

Name of Directors	Year ended 31 March 2026 Fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonuses RMB'000 (Note i)	Pension — defined contribution plans RMB'000	Total RMB'000
Executive directors					
Mr. Chen Yihong	**175**	**1,270**	**140**	**—**	**1,585**
Ms. Chen Chen	**175**	**2,586**	**290**	**69**	**3,120**
Mr. Lyu Guanghong ("Mr. Lyu")	**175**	**1,017**	**105**	**69**	**1,366**
Independent non-executive directors					
Ms. Tang Songlian	**199**	**—**	**—**	**—**	**199**
Mr. Gao Yu	**199**	**—**	**—**	**—**	**199**
Mr. Liu Xiaosong (Note ii)	**149**	**—**	**—**	**—**	**149**
Mr. Zhou Zhiyi (Note ii)	**1**	**—**	**—**	**—**	**1**
	1,073	**4,873**	**535**	**138**	**6,619**

Name of Directors	Year ended 31 March 2025 Fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonuses RMB'000 (Note i)	Pension — defined contribution plans RMB'000	Total RMB'000
Executive directors					
Mr. Chen Yihong	177	782	164	—	1,123
Ms. Chen Chen	177	2,591	406	66	3,240
Mr. Lyu	177	951	156	66	1,350
Independent non-executive directors					
Mr. Chen Guogang (Note ii)	105	—	—	—	105
Ms. Tang Songlian (Note ii)	57	—	—	—	57
Mr. Gao Yu	201	—	—	—	201
Mr. Liu Xiaosong	201	—	—	—	201
	1,095	4,324	726	132	6,277

12. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

The emoluments disclosed above for executive directors were for the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Notes:

i. Discretionary bonuses represent the amounts of performance bonuses paid or payable for the years ended 31 March 2026 and 2025.

ii. Mr. Liu Xiaosong resigned from his position of independent non-executive director with effect from 31 December 2025, while Mr. Zhou Zhiyi was appointed as an independent non-executive director with effect from 30 March 2026. Mr. Chen Guogang resigned from his position of independent non-executive director with effect from 8 October 2024, while Ms. Tang Songlian was appointed as an independent non-executive director with effect from 20 December 2024.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Mr. Lyu was granted share options in respect of his services to the Group under the share option scheme of the Company. During the year, the share-based compensation relating to the share options granted to Mr. Lyu was RMB16,000 (2025: RMB78,000). The share-based compensation relating to the share options granted to Mr. Lyu is not included in the details of emoluments above.

13. LOANS, QUASI-LOANS AND OTHER DEALINGS IN FAVOUR OF DIRECTORS

There are loans in favour of Mr. Lyu during the years ended 31 March 2026 and 2025.

Name of director	Loan principal amount	Outstanding carrying amount at the beginning of the year	Outstanding carrying amount at the end of the year	Maximum outstanding during the year	Amounts fallen due but not been paid	Provisions for doubtful debts made	Term	Interest rate	Security
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
As at 31 March 2026									
Mr. Lyu	9,948	10,367	9,716	10,367	—	(6,052)	Due on 25 April 2028	1%	Shares of the Company
As at 31 March 2025									
Mr. Lyu	10,504	10,269	10,367	10,367	—	—	Due on 25 April 2028	1%	Shares of the Company

Note: Mr. Zhang Zhiyong had resigned as the chief executive officer, the president, an executive director and a member of the executive committee of the Company with effect from 29 September 2023 and was then appointed as the special assistant to the Chairman of the Company. The loan receivable due from Mr. Zhang Zhiyong was included as loans to management personnel in Note 24.

14. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group for the year ended 31 March 2026 included three (2025: three) directors of the Company, details of whose remuneration are included in the disclosures in Note 12 above. Details of the remuneration of the remaining two (2025: two) highest paid individuals for the year are as follows:

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
Salaries and other benefits	**2,324**	2,027
Discretionary bonuses	**240**	342
Pension — defined contribution plans	**137**	133
Share-based compensation	**31**	155
	2,732	2,657

The number of the highest paid employees who are not the Directors or chief executive of the Group whose remuneration fell within the following bands is as follows:

	Number of individuals Year ended 31 March	
	2026	2025
Emolument bands:		
Hong Kong Dollars ("HKD") 1,000,001 to HKD1,500,000	**2**	1
HKD1,500,001 to HKD2,000,000	**—**	1
	2	2

Certain non-director and non-chief executive highest paid employees were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 41.

During the year ended 31 March 2026, no emoluments were paid by the Group to the Directors or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2025: nil).

15. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

On September 17, 2025, the Group signed a contract with a third party to transfer all the equity of a wholly-owned subsidiary to this third party at a transaction price of RMB4,500,000. The transaction is expected to be completed within 12 months. The assets and liabilities of the subsidiary are classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). The subsidiary is included in the Group's investment activities for segment reporting purposes (see note 6). No impairment loss has been recognised for the relevant assets and liabilities.

The major classes of assets of the group classified as held for sale are as follows:

	As at 31 March 2026 RMB'000
Right-of-use asset	**4,500**
Total assets classified as held for sale	**4,500**

16. DIVIDENDS

The total dividends paid during the year ended 31 March 2026 amounted to RMB185,101,000 or RMB3.14 cents per ordinary share (2025: RMB112,452,000 or RMB1.91 cents per ordinary share), of which RMB724,000 (2025: RMB440,000) were paid to the shares held for the restricted share award scheme of the Company ("Restricted Share Award Scheme") as mentioned in Note 41(i).

No final dividend or final special dividend has been proposed for the year ended 31 March 2026 since the end of the reporting period.

17. (LOSSES)/EARNINGS PER SHARE

The calculation of the basic and diluted (losses)/earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 March	
	2026 RMB'000	2025 RMB'000
(Loss)/profit		
(Loss)/profit attributable to owners of the Company	**(158,040)**	207,000

17. (LOSSES)/EARNINGS PER SHARE (CONTINUED)

	Year ended 31 March	
	2026	2025
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**5,869,623**	5,864,511
Effect of dilutive potential ordinary shares:		
Share options under 2019 Share Option Scheme (defined in Note 41(ii))	**14,626**	151
	5,884,249	5,864,662

	Year ended 31 March	
	2026	2025
	RMB cents	RMB cents
(Losses)/earnings per share		
Basic (losses)/earnings per share	**(2.69)**	3.53
Diluted (losses)/earnings per share	**(2.69)**	3.53

The number of shares adopted in the calculation of the basic (loss)/earnings per share has been arrived at after adjusting the effect of shares held for the Restricted Share Award Scheme during the year. The calculation of diluted loss per share for the year ended 31 March 2026 has not taken into account the effect of the Company's share option schemes. As the Group incurred losses for the year ended 31 March 2026, the inclusion of these potential ordinary shares would result in decrease in loss per share.

18. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RMB'000	Buildings RMB'000	Office furniture and equipment RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
As at 1 April 2024	21,649	144,431	57,384	1,846	127,848	2,363	355,521
Additions	—	—	2,298	539	52,629	6,521	61,987
Disposals	(14,391)	(2,500)	(13,063)	(245)	(31,680)	—	(61,879)
Transfers to investment properties	—	(25,543)	—	—	—	(5,907)	(31,450)
Transfers	—	332	—	—	—	(332)	—
Currency translation differences	233	317	—	—	—	—	550
As at 31 March 2025	7,491	117,037	46,619	2,140	148,797	2,645	324,729
Additions	**—**	**264**	**825**	**168**	**56,064**	**4,527**	**61,848**
Disposals	**—**	**—**	**(2,486)**	**(434)**	**(578)**	**(2,389)**	**(5,887)**
Transfers to investment properties	**—**	**—**	**—**	**—**	**—**	**(1,228)**	**(1,228)**
Transfers	**—**	**—**	**3,555**	**—**	**—**	**(3,555)**	**—**
Currency translation differences	**(213)**	**(861)**	**—**	**—**	**(149)**	**—**	**(1,223)**
As at 31 March 2026	**7,278**	**116,440**	**48,513**	**1,874**	**204,134**	**—**	**378,239**
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
As at 1 April 2024	—	(64,730)	(50,794)	(1,525)	(82,247)	—	(199,296)
Charge for the year	—	(6,030)	(1,864)	(119)	(49,774)	—	(57,787)
Disposals	—	765	11,538	182	31,470	—	43,955
Transfers to investment properties	—	19,812	—	—	—	—	19,812
Currency translation differences	—	(98)	—	—	—	—	(98)
As at 31 March 2025	—	(50,281)	(41,120)	(1,462)	(100,551)	—	(193,414)
Charge for the year	**—**	**(5,336)**	**(1,811)**	**(137)**	**(52,717)**	**—**	**(60,001)**
Disposals	**—**	**—**	**2,369**	**340**	**14**	**2,220**	**4,943**
Currency translation differences	**—**	**272**	**—**	**—**	**50**	**—**	**322**
Impairment loss recognised in profit or loss	**(1,281)**	**(4,041)**	**—**	**—**	**—**	**(2,220)**	**(7,542)**
As at 31 March 2026	**(1,281)**	**(59,386)**	**(40,562)**	**(1,259)**	**(153,204)**	**—**	**(255,692)**
NET CARRYING VALUES							
As at 31 March 2026	**5,997**	**57,054**	**7,951**	**615**	**50,930**	**—**	**122,547**
As at 31 March 2025	7,491	66,756	5,499	678	48,246	2,645	131,315

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note:

During the year ended 31 March 2026, the Group agreed to lease certain buildings to a third party for a lease term of 3 years. Accordingly, the related buildings with carrying amount of approximately RMB1,228,000 were reclassified as the Group's investment properties (Note 21).

During the year ended 31 March 2025, the Group agreed to lease certain land use rights and buildings to a third party for a lease term of 12 years. Accordingly, the related land use rights and buildings with carrying amount of approximately RMB2,034,000 and RMB5,731,000 were reclassified as the Group's investment properties (Note 21).

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives as follows:

• Buildings	20–40 years
• Office furniture and equipment	2–15 years
• Vehicles	5 years
• Leasehold improvements	2–5 years or over lease term, whichever is shorter

The Group's freehold land is located in Japan and is stated at cost less accumulated impairment losses (if any). Cost represents consideration paid for the purchase of the land. Freehold land is not subject to depreciation.

There is no pledge of the Group's property, plant and equipment as at 31 March 2026 and 2025.

The Group's buildings were built on land located in Beijing, Jiangsu province and Xinjiang Uygur Autonomous Region, the PRC. The related land use rights are all with lease terms within 50 years and classified as the Group's right-of-use assets (Note 20).

19. INTANGIBLE ASSETS

	KAPPA trademarks RMB'000 (Note i)	Phenix trademarks and other brands RMB'000 (Note i)	Computer software RMB'000	Total RMB'000
COST				
As at 1 April 2024	280,994	8,605	32,968	322,567
Additions	—	—	184	184
Disposals (Note ii)	—	—	(20,555)	(20,555)
As at 31 March 2025	280,994	8,605	12,597	302,196
Additions	**—**	**—**	**148**	**148**
As at 31 March 2026	**280,994**	**8,605**	**12,745**	**302,344**
AMORTISATION				
As at 1 April 2024	(128,204)	(2,993)	(31,521)	(162,718)
Charge for the year	(7,025)	(215)	(557)	(7,797)
Eliminated on disposals (Note ii)	—	—	20,555	20,555
As at 31 March 2025	(135,229)	(3,208)	(11,523)	(149,960)
Charge for the year	(7,025)	(215)	(599)	(7,839)
As at 31 March 2026	**(142,254)**	**(3,423)**	**(12,122)**	**(157,799)**
CARRYING VALUES				
As at 31 March 2026	**138,740**	**5,182**	**623**	**144,545**
As at 31 March 2025	145,765	5,397	1,074	152,236

Notes:

i. The KAPPA trademarks represent the perpetual rights of the use of KAPPA trademarks in the PRC and Macao. The KAPPA trademarks for the PRC and Macao were purchased by the Group from a third party in 2006 at a consideration of United States Dollar ("USD") 35,000,000 (equivalent to approximately RMB280,994,000).

   The Phenix trademark for Japan was acquired in April 2008.

ii. Certain outdated and fully amortised computer software were written off during the year ended 31 March 2025.

Intangible assets are amortised on a straight-line method over their estimated useful lives as follows:

- KAPPA and Phenix trademarks and other brands 40 years
- Computer software 2–5 years

20. RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Leased properties and warehouses RMB'000	Total RMB'000
COST			
As at 1 April 2024	25,259	80,548	105,807
Addition	—	31,839	31,839
Modification	—	15,947	15,947
Early termination of a lease	—	(11,156)	(11,156)
Elimination at end of leases	—	(22,689)	(22,689)
Transfers to investment properties upon change of use (Note 21)	(3,137)	—	(3,137)
As at 31 March 2025	22,122	94,489	116,611
Addition	**—**	**23,123**	**23,123**
Modification	**—**	**11,902**	**11,902**
Early termination of a lease	**—**	**(3,334)**	**(3,334)**
Elimination at end of leases	**—**	**(23,404)**	**(23,404)**
Reclassified as held for sales (Note 15)	**(11,259)**	**—**	**(11,259)**
As at 31 March 2026	**10,863**	**102,776**	**113,639**
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
As at 1 April 2024	(5,645)	(44,609)	(50,254)
Charge for the year	(530)	(32,433)	(32,963)
Early termination of a lease	—	6,659	6,659
Elimination at end of leases	—	22,689	22,689
Transfers to investment properties upon change of use (Note 21)	1,103	—	1,103
As at 31 March 2025	(5,072)	(47,694)	(52,766)
Charge for the year	**(364)**	**(39,191)**	**(39,555)**
Early termination of a lease	**—**	**1,436**	**1,436**
Elimination at end of leases	**—**	**23,404**	**23,404**
Impairment loss recognised in profit or loss	**(5,609)**	**—**	**(5,609)**
Reclassified as held for sale (Note 15)	**6,759**	**—**	**6,759**
As at 31 March 2026	**(4,286)**	**(62,045)**	**(66,331)**
CARRYING VALUES			
As at 31 March 2026	**6,577**	**40,731**	**47,308**
As at 31 March 2025	17,050	46,795	63,845

20. RIGHT-OF-USE ASSETS (CONTINUED)

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
Expense relating to short-term leases	**35,550**	32,163
Variable lease payments not included in the measurement of lease liabilities	**5,211**	7,772
The cash outflow for leases as operating activities	**39,340**	33,580
The cash outflow for leases as financing activities	**42,899**	34,116

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

The Group leases land, property and warehouse to operate its business. These leases are typically made for fixed terms of 2 to 3 years. Lease terms are negotiated on an individual basis and contain different payment terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group's lease agreements do not contain any extension, early termination option or purchase option for lessee.

The Group regularly entered into short-term leases for property and warehouse. As at 31 March 2026 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 8.

Some property leases contain variable payment terms that are linked to sales generated from operations of stores and the rental payments for these stores are calculated based on a range of 8% to 23% on the sales as generated from the operations of the respective stores. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 10% increase in sales across all stores in the Group with such variable lease contracts would increase total lease payments by approximately RMB521,000 for the year ended 31 March 2026 (2025: RMB777,000).

21. INVESTMENT PROPERTIES

	Investment properties RMB'000
COST	
As at 1 April 2024	41,460
Transfer from property, plant and equipment (Note 18)	11,638
Transfer from right-of-use assets (Note 20)	2,034
As at 31 March 2025	55,132
Transfer from property, plant and equipment (Note 18)	**1,228**
As at 31 March 2026	**56,360**
DEPRECIATION	
As at 1 April 2024	(1,584)
Provided for the year	(2,897)
As at 31 March 2025	(4,481)
Provided for the year	**(3,153)**
As at 31 March 2026	**(7,634)**
IMPAIRMENT	
As at 1 April 2024	—
Provided for the year	**(5,727)**
As at 31 March 2026 and 2025	**(5,727)**
CARRYING VALUES	
As at 31 March 2026	**42,999**
As at 31 March 2025	44,924

Depreciation of investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated remaining useful lives of 30 to 40 years.

As at 31 March 2026, the fair values of the investment properties of the Group as determined by an independent professional valuation firm amounted to approximately RMB82,490,000 (31 March 2025: RMB82,600,000). The Group has recognised impairment losses of RMB5,727,000 for certain investment properties based on the estimated fair value for the year ended 31 March 2026.

Depreciation of investment properties for the years ended 31 March 2026 and 2025 have all been charged to 'other income and gains/(losses) — net'.

21. INVESTMENT PROPERTIES (CONTINUED)

Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable annually. There are no variable lease payments that depend on an index or rate.

Minimum lease payments receivable on leases of investment properties are as follows:

	As at 31 March	
	2026	2025
	RMB'000	RMB'000
Within 1 year	**3,200**	5,200
Between 1 and 2 years	**3,333**	3,200
Between 2 and 3 years	**3,360**	3,333
Between 3 and 4 years	**3,360**	3,360
Between 4 and 5 years	**3,500**	3,360
More than 5 years	**20,358**	20,258
	37,111	38,711

22. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at 31 March	
	2026	2025
	RMB'000	RMB'000
Cost of investments in associates (Note i)	**24,850**	15,686
Share of post-acquisition loss and other comprehensive expense in associates	**(10,460)**	(6,925)
	14,390	8,761

Note:

i. During the year ended 31 March 2026, the Group increased investment in Xingyuelonghua Sports Development Co., Ltd. with cash payment of RMB2,800,000 and the right to use the trademark equals to RMB6,364,000.

22. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of entities	Place of business/ country of incorporation	Proportion of ownership interest As at 31 March 2026	Proportion of ownership interest As at 31 March 2025	Carrying Amount As at 31 March 2026 RMB'000	Carrying Amount As at 31 March 2025 RMB'000	Principal activities
Xingyuelonghua Sports Development Co., Ltd.	PRC	**45%**	45%	**14,390**	8,761	Retail sales of sports-related products, apparel and accessories
Feixue Yuedong Sports Development Zhangjiakou Co., Ltd.	PRC	**40%**	40%	**—**	—	Retail sales of sports-related products, apparel and accessories

No financial information of the associates is disclosed since these entities listed above are not individually or aggregately material.

23. FINANCIAL ASSETS AT FVTPL

Financial assets measured at FVTPL include the following:

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Non-current portion		
— Private equity fund investments and others	**2,835,237**	3,208,434
— Other unlisted equity investments	**96,201**	129,854
	2,931,438	3,338,288
Current portion		
— Listed equity securities	**224,590**	501,144
— Private equity fund investments and others	**1,557,344**	668,223
— Other unlisted equity investments	**39,317**	43,478
— Knock out notes	**950,521**	29,841
	2,771,772	1,242,686

23. FINANCIAL ASSETS AT FVTPL (CONTINUED)

During the year, the following gains/(losses) were recognised in profit or loss:

	Year ended 31 March	
	2026 **RMB'000**	2025 RMB'000
Fair value (losses)/gains on listed equity securities	**(6,442)**	210,232
Fair value gains on private equity fund investments and others	**99,879**	70,811
Fair value losses on other unlisted equity investments	**(17,515)**	(76,383)
Fair value losses on listed REITs investment	**—**	(6,326)
Fair value gains on wealth management products	**4,927**	4,316
Fair value (losses)/gains on knock out notes	**(15,236)**	2,752
	65,613	205,402

Further details of financial assets at FVTPL are given in Note 48.

24. OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Non-current portion:		
Loans to third parties (Note i)	**395,623**	450,630
Loans to management personnel (Notes ii and 44(ii))	**165,099**	176,352
Loans to ex-management personnel (Note ii)	**130,966**	139,779
Investments in corporate bonds and treasury note (Note iii)	**136,536**	139,375
Deposits paid and others	**31,308**	26,889
Less: allowance for credit losses	**(380,273)**	(134,094)
Total	**479,259**	798,931
Current portion:		
Loans to third parties (Note i)	**75,903**	131,733
Loans to related parties (Note 44(ii))	**7,671**	8,791
Receivable from disposal of a joint venture	**—**	3,750
Deposits paid and others	**30,641**	44,847
Less: allowance for credit losses	**(18,516)**	(48,570)
Total	**95,699**	140,551

24. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

As at 31 March 2026 and 2025, other financial assets at amortised cost were denominated in the following currencies.

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
RMB	**324,065**	483,976
USD	**136,536**	139,375
HKD	**114,357**	316,131
	574,958	939,482

Notes:

i. The balances represented the loans advanced to independent third parties. As at 31 March 2026, the gross amount of loan receivables due from independent third parties amounted to approximately RMB471,526,000 (2025: RMB582,363,000) which bear interests at fixed interest rates in the range of 8% to 12% (2025: nil to 12%) per annum. The amount of each loan receivables varies from RMB3,756,000 to RMB225,049,000 (2025: RMB3,756,000 to RMB220,517,000).

   As at 31 March 2026 and 2025, the Group's loan receivables were secured by various collaterals such as equity interests in certain companies, investment return under private equity funds, deposits as well as certain properties in the PRC. Details of the credit risk assessment of loan receivable are disclosed in Note 4.

ii. The balances represented the loans as advanced to certain management personnel for their subscription of the Company's shares during the years ended 31 December 2017 and 2018. The outstanding balances due from those personnel who are no longer having any employment relationship with the Group are classified as loans to ex-management personnel. All these loans bear interests at a fixed rate of 1% per annum and have an extended terms of repayment of 5 years (repayable on or before April 2028). All the shares of the Company as subscribed by the borrowers were pledged as collaterals for these loans. As at 31 March 2026, the Group performed the impairment test of the loans to management personnel and ex-management personnel under ECL model and an impairment allowance of RMB181,708,000 was recognised after considering the fair value of the collaterals.

iii. On 2 November 2023, the Group acquired certain corporate bonds as issued by the Apple Inc. with an aggregate nominal principal amount of USD15,000,000 from the open market at a total consideration of USD13,860,000 (equivalent to approximately RMB98,337,000 at date of acquisition). The corporate bonds are unsecured, bear interest at a fixed coupon rate of 2.9% per annum (payable semi-annually in arrears) and will mature on 12 September 2027.

   On 6 December 2023, the Group acquired the treasury notes as issued by the Federal Government of the United States with an aggregate nominal principal amount of USD5,100,000 from the open market at a total consideration of USD5,100,000 (equivalent to approximately RMB36,186,000 at date of acquisition). The treasury notes are unsecured, bear interest at a fixed coupon rate of 4.625% per annum (payable semi-annually in arrears) and will mature on 30 September 2028.

25. DEFERRED INCOME TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Total deferred income tax assets	**178,522**	151,430
Offsetting with deferred income tax liabilities	**(8,615)**	(13,278)
Net deferred income tax assets	**169,907**	138,152
Total deferred income tax liabilities	**141,967**	164,112
Offsetting with deferred income tax assets	**(8,615)**	(13,278)
Net deferred income tax liabilities	**133,352**	150,834

The gross movements in deferred income tax assets are as follows:

	Tax losses RMB'000	**Provision for impairment of inventories** RMB'000	**Provision for impairment of trade receivables and other financial assets at amortised cost** RMB'000	**Fair value changes of investments in financial assets** RMB'000	**Lease liabilities** RMB'000	**Other accrued expenses** RMB'000	**Total** RMB'000
At 1 April 2024	92,520	17,352	36,835	5,196	9,236	2,375	163,514
(Charged)/credited to profit or loss	(25,182)	1,981	5,239	(102)	2,592	3,388	(12,084)
At 31 March 2025	67,338	19,333	42,074	5,094	11,828	5,763	151,430
(Charged)/credited to profit or loss	(25,017)	1,101	40,105	11,329	(3,213)	2,787	27,092
At 31 March 2026	**42,321**	**20,434**	**82,179**	**16,423**	**8,615**	**8,550**	**178,522**

25. DEFERRED INCOME TAX (CONTINUED)

As at 31 March 2026, deferred income tax assets of approximately RMB55,666,000 (2025: RMB64,369,000) have not been recognised in respect of tax losses amounting to approximately RMB222,665,000 (2025: RMB257,476,000) which can be carried forward against future taxable income due to the unpredictability of future profit streams. The tax losses mainly resulted from accumulated operating losses of the subsidiaries of the Group. The unrecognised tax losses with expiry dates are disclosed in the following table:

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
2025	**—**	29,236
2026	**33,995**	56,932
2027	**84,933**	84,933
2028	**59,870**	65,105
2029	**21,259**	21,270
2030	**22,608**	—
Total	**222,665**	257,476

As at 31 March 2026, the Group has deductible temporary differences of RMB46,109,000 (2025: RMB43,840,000) related to provision for inventories and impairment losses on financial assets. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The gross movements in deferred income tax liabilities are as follows:

	Withholding income tax on profit distribution of PRC subsidiaries RMB'000	**Fair value changes of investments in financial assets** RMB'000	**Right-of-use assets** RMB'000	**Others** RMB'000	**Total** RMB'000
At 1 April 2024	38,249	109,734	8,977	5,059	162,019
(Credited)/charged to profit or loss	(13,507)	12,886	2,463	251	2,093
At 31 March 2025	24,742	122,620	11,440	5,310	164,112
(Credited)/charged to profit or loss	(4,071)	(15,746)	(2,457)	129	(22,145)
At 31 March 2026	**20,671**	**106,874**	**8,983**	**5,439**	**141,967**

26. INVENTORIES

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Finished goods	**441,816**	445,874
	441,816	445,874
Less: provision for inventories	**(123,379)**	(118,899)
	318,437	326,975

The cost of inventories sold recognised as cost of sales amounted to approximately RMB572,024,000 for the year ended 31 March 2026 (2025: RMB527,920,000), which has considered the net increase in provision for inventories of approximately RMB4,480,000 (2025: net increase RMB5,012,000).

27. TRADE RECEIVABLES

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Trade receivables		
— Third parties	**149,967**	122,057
— Related parties (Note 44(ii))	**5,254**	5,922
	155,221	127,979
Less: allowance for credit losses	**(22,100)**	(16,107)
Trade receivables, net	**133,121**	111,872

As at April 1, 2024, trade receivables from contracts with customers amounted to RMB142,535,000.

27. TRADE RECEIVABLES (CONTINUED)

The Group's sales are mainly made on credit limits and the Group would deny credit sales to customers if the trade receivables from these customers exceeded their credit limits. Customers are normally granted credit terms within 30 to 90 days. The aging analysis of trade receivables based on recognition date as at 31 March 2026 and 2025 is as follows:

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Within 30 days	**68,231**	74,153
31 to 180 days	**64,890**	37,719
	133,121	111,872

As at 31 March 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB27,989,000 (2025: RMB30,821,000) which are past due as at the reporting date. Out of the past due balances, RMB3,919,000 (2025: RMB3,590,000) has been past due 90 days or more and is not considered as in default since the Group is satisfied with the subsequent settlements and the credit quality of these customers had not seen deteriorated.

Details of impairment assessment of trade receivables are set out in Note 47.

28. CASH AND BANK BALANCES

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Cash and cash equivalents (Note i)	**1,351,088**	1,631,452
Term deposits with initial term over three months and within one year (Note ii)	**753,743**	1,777,196
Restricted cash	**72**	129
	2,104,903	3,408,777

Notes:

i. Cash and cash equivalents include current deposits and term deposits with initial term within three months.

ii. These term deposits earn interests at fixed rates based on prevailing market rates. The interest rates on term deposits with initial term over three months and within one year range from 3.45% to 4.18% per annum as at 31 March 2026 (2025: 3.79% to 5.15%).

28. CASH AND BANK BALANCES (CONTINUED)

As at 31 March 2026 and 2025, the cash and bank balances were denominated in the following currencies.

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
RMB	**793,449**	765,480
USD	**1,279,341**	2,065,376
HKD	**21,707**	564,480
Japanese Yen ("JPY")	**10,179**	13,213
Others	**227**	228
	2,104,903	3,408,777

As at 31 March 2026, cash and cash equivalents of RMB3,985,000 (2025: RMB3,991,000) are deposits held in certain on-line payment platforms which can be withdrawn at any time at the Group's discretion.

29. OTHER ASSETS

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Non-current portion:		
Prepayments for investments measured at FVTPL	**—**	107,673
Life insurance contract (Note)	**303,555**	—
Total	**303,555**	107,673
Current portion:		
Distributions receivable	**4,075**	—
Prepayments	**7,792**	6,752
Value-added tax recoverable	**10,105**	18,756
Total	**21,972**	25,508

Note: As at 31 March 2026, the amount of life insurance contract is RMB303,555,000 (2025: nil) to insure an executive director. Under the contract, the beneficiary and contract holder is Bright Pacific ("BP"), a direct wholly-owned subsidiary of the Company, and the total notional premium amount is approximately USD50,000,000 (equivalent to approximately RMB345,970,000). BP paid a gross premium of USD43,500,000 (equivalent to approximately RMB300,934,000). The life insurance contract offers returns which consist of guaranteed cash value and non-guaranteed returns. BP may surrender life insurance contract at any time. Where upon surrender, BP is entitled to the guaranteed cash value plus any non-guaranteed special bonus, policy value management balance (if applicable). The life insurance contract was stated in the consolidated statement of financial position at cost adjusted for expected gains, less impairment losses, if any.

30. SHARE CAPITAL AND SHARE PREMIUM

Share capital

	Number of shares	Share capital HKD'000
Ordinary shares of HKD0.01 each		
Authorised		
At 1 April 2024, 31 March 2025, and 31 March 2026	10,000,000,000	100,000
Issued and fully paid		
At 1 April 2024, 31 March 2025	5,887,561,025	58,876
Exercise of share options	7,512,000	75
At 31 March 2026	**5,895,073,025**	**58,951**

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Equivalent nominal value of ordinary shares presented as	**56,546**	56,478

Share premium

	Share premium RMB'000
At 1 April 2024	965,095
Dividends declared and paid (Note 16)	(112,012)
At 31 March 2025	853,083
Dividends declared and paid (Note 16)	(184,377)
Exercise of share options	2,759
At 31 March 2026	**671,465**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

31. SHARES HELD FOR EMPLOYEE SHARE AWARD SCHEME

	Number of shares		Nominal value of shares	
	As at 31 March 2026	As at 31 March 2025	**As at 31 March 2026 RMB'000**	As at 31 March 2025 RMB'000
Shares held for employee share award scheme	**23,050,071**	23,050,071	**196**	196

These shares are held by the Company's Trust (defined in Note 41) for the purpose of issuing shares under the Company's employee share scheme. The consideration paid for the purchases of these shares for the scheme in excess of the nominal value of the shares have been presented as a reduction in the Group's other reserves.

32. OTHER RESERVES

The movements in other reserves during the year are as below:

	Capital reserve RMB'000 (Note i)	Share-based compensation reserve RMB'000	Statutory reserves RMB'000 (Note ii)	Exchange reserves RMB'000 (Note iii)	Shares held for Restricted Share Award Scheme RMB'000	Total RMB'000
Year ended 31 March 2025						
At 1 April 2024	283,522	14,941	93,944	481,129	(66,755)	806,781
Foreign currency translation reserve (Note iii)	—	—	—	37,137	—	37,137
Recognition of equity-settled share-based payments	—	1,190	—	—	—	1,190
Appropriation to statutory reserves	—	—	15	—	—	15
At 31 March 2025	283,522	16,131	93,959	518,266	(66,755)	845,123
Year ended 31 March 2026						
At 1 April 2025	**283,522**	**16,131**	**93,959**	**518,266**	**(66,755)**	**845,123**
Foreign currency translation reserve (Note iii)	**—**	**—**	**—**	**(137,654)**	**—**	**(137,654)**
Recognition of equity-settled share-based payments	**—**	**30**	**—**	**—**	**—**	**30**
Exercise of share options	**—**	**(570)**	**—**	**—**	**—**	**(570)**
Appropriation to statutory reserves	**—**	**—**	**265**	**—**	**—**	**265**
At 31 March 2026	**283,522**	**15,591**	**94,224**	**380,612**	**(66,755)**	**707,194**

32. OTHER RESERVES (CONTINUED)

Notes:

i. The capital reserve represents mainly the difference between the fair value of shares of the Company issued and the carrying amount of the net assets of the subsidiaries acquired under the group reorganisations as completed in 2007.

ii. The Company's subsidiaries incorporated in the PRC are required to make appropriations to statutory reserves from their profits for the year after offsetting accumulated losses carried forward from prior years as determined under the PRC accounting regulations and before distribution to equity holders. The percentages to be appropriated to such statutory reserves are determined according to the relevant regulations in the PRC, and further appropriation is optional when the accumulated fund reached 50% or more of the registered capital of the respective subsidiaries.

iii. Foreign currency translation reserve represents the difference arising from the translation of the financial statements of group entities that have a functional currency different from RMB into the presentation currency of the Company and the Group (i.e. RMB), when preparing these consolidated financial statements.

33. LEASE LIABILITIES

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Lease liabilities payable:		
Within one year	**28,185**	27,485
Within a period of more than one year but not exceeding two years	**9,271**	16,080
Within a period of more than two years but not exceeding five years	**1,676**	3,654
	39,132	47,219
Less: Amount due for settlement within 12 months shown under current liabilities	**(28,185)**	(27,485)
Amount due for settlement after 12 months shown under non-current liabilities	**10,947**	19,734

The lease liabilities are measured at the present value of the lease payments that are not yet paid. The incremental borrowing rates applied to lease liabilities range from 3.26% to 3.52% (31 March 2025: 3.52% to 4.75%) per annum as at 31 March 2026.

34. BORROWING

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Fixed-rate bank loans	**197,467**	—
Secured	**197,467**	—

As at 31 March 2026, the Group's fixed-rate borrowing carries interest at an annual interest rate of 3.56%. The borrowing is pledged by the HSBC Infinite Wealth Insurance Plan (Note 29).

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	Bank loans	
	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
The carrying amounts of the borrowings are repayable:		
Within a period of more than two years but not exceeding three years	**197,467**	—
Amounts shown under non-current liabilities	**197,467**	—

The bank loans bear lump-sum repayment of principal and accrued interest upon maturity.

35. DERIVATIVES

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Derivatives	**93,773**	99,305

During the years ended 31 March 2026 and 2025, the Group entered into certain derivative agreements with investment banks, of which certain quantities of the underlying securities listed on the New York Stock Exchange ("NYSE") and HKEX are agreed to be settled at an agreed price when certain agreed events occurred. Such investments were designated as derivatives and stated at fair value as at 31 March 2026 and 2025. The fair value changes of the derivatives of RMB1,485,000 (2025: RMB97,265,000) were recognised in profit or loss.

36. CONTRACT LIABILITIES

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Advance from customers	**21,697**	19,373

As at 1 April 2024, contract liabilities from customers amounted to RMB18,835,000.

Revenue recognised during the year ended 31 March 2026 related to contract liabilities balance at the beginning of the year amounted to RMB19,373,000 (2025: RMB18,835,000), respectively.

37. TRADE PAYABLES

The ageing analysis of trade payables based on goods receipt date is as follows:

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Within 30 days	**65,785**	76,330
31 to 180 days	**42,393**	35,550
Over 180 days	**10,869**	13,483
	119,047	125,363

38. BILLS PAYABLES

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Within 30 days	**—**	17,400

As at 31 March 2025, the Group has issued domestic letters of credit (the "L/Cs") to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank before the maturity date of the L/Cs at 3 April 2025. The duration of the L/Cs is 34 days with an interest rate of 2.4% per annum, and the interests in respective of the maturity period had been already paid upfront by the Company on the issuance date of the L/Cs. The Group continues to recognise these bills payables as the Group are obliged to make payments to the relevant banks on due dates of the L/Cs, without further extension. In the consolidated statement of cash flows, settlements of these L/Cs by the Group are included within operating cash flows based on the nature of the arrangements. As at 31 March 2026, the Group has settled all L/Cs previously issued.

39. ACCRUALS AND OTHER PAYABLES

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Suppliers' deposits	**74,701**	74,123
Deposits of investment	**72,000**	72,000
Payables for marketing expenses	**70,938**	63,420
Salaries and welfare payable	**14,377**	15,221
Amounts due to related parties (Note 44(ii))	**26,350**	15,900
Other taxes and levies payable	**15,952**	11,112
Payables for legal and professional fees	**15,265**	16,357
Creditor's deposit	**—**	12,921
Payables for logistics fees	**9,477**	7,310
Payables for investment	**25,145**	26,260
Refund payables	**—**	15,385
Proceeds received from subsidiary held for sale	**4,500**	—
Others	**24,367**	31,531
	353,072	361,540

40. RETIREMENT BENEFITS PLANS

The employees of the Group participate in defined contribution retirement benefit plans organised by the relevant local governments in the PRC. The Group is required to make monthly defined contributions to these plans at rate 16% (2025: 16%) of the PRC employees' basic salaries for the year, depending upon the applicable local regulations.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed in Hong Kong. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the Group and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the defined contribution payments as disclosed above.

41. SHARE BASED COMPENSATION SCHEMES

(i) Restricted Share Award Scheme

The Company adopted the Restricted Share Award Scheme on 10 December 2010. The objective of the Restricted Share Award Scheme is to encourage and retain selected participants including directors and employees of the Group, to work with the Group and to provide additional incentive for them to achieve performance goals. Under the scheme, the China Dongxiang (Group) Co., Ltd. Restricted Share Award Scheme Trust (the "Trust") was established in Hong Kong and purchased 30,000,000 shares of the Company from the open market in December 2010. No further purchase of shares of the Company has been made since December 2010. The total amount of RMB87,138,000 paid to acquire the shares was financed by the Company by way of contributions made to the Trust. As the financial and operational policies of the Trust are governed by the Group and the Group benefits from the Trust's activities, the Trust is consolidated in the Group's financial statements as a special purpose entity.

When restricted shares are granted to selected participants, the fair value of the restricted shares awarded based on the market value of the Company's shares on the date of grant is charged as employee expenses in the consolidated statement of profit or loss and other comprehensive income of the Group.

The Scheme has a term of 10 years and will end on 10 December 2020. On 8 December 2020, the Board of the Company resolved to extend the term of the scheme for another 10 years and the scheme will end on 10 December 2030. Save as the aforesaid, all other material terms of the scheme remain unchanged and valid.

During the years ended 31 March 2026 and 2025, no shares were granted under the Restricted Share Award Scheme and hence no amount was charged as an expense in profit or loss.

(ii) The 2019 Share Option Scheme

Pursuant to the shareholders' resolution passed on 8 August 2019, the Group adopted a share option scheme (the "2019 Share Option Scheme"). The 2019 Share Option Scheme will remain in force for a period of 10 years commencing from the respective grant date. The vesting period for the options granted is 1–3 years from the respective grant date. An option may be exercised in accordance with whether a service or a non-market performance condition is met.

The purpose of the 2019 Share Option Scheme is to provide an incentive for the qualified participants to work with commitment towards enhancing the value of the Company and its shares for the benefit of its shareholders and to recruit and retain high calibre employees and attract human resources whose contributions are or may be beneficial to the growth and development of the Group.

Participants of the Share Option Scheme are required to pay HKD1.00 for each option granted upon acceptance of the grant. The exercise price of the options is determined by the Board in its sole and absolute discretion and being at least the highest of:

(i) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets on the offer date.

(ii) the average of the closing prices of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date.

(iii) the nominal value of the shares.

41. SHARE BASED COMPENSATION SCHEMES (CONTINUED)

(ii) The 2019 Share Option Scheme (Continued)

Under the share option scheme, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 588,612,102 shares of the Company, being 10% of the total number of shares in issue immediately prior to the date on which dealings in the Shares commenced on the Hong Kong Stock Exchange.

On 18 April 2023, 76,860,000 new share options were granted under the 2019 Share Option Scheme. The Group has used binomial model to determine the fair value of the share options granted. Key assumptions are set as below:

Spot price at the grant date	HKD0.33
Exercise price	HKD0.33
Expected volatility	38.8%
Expected dividend yield	6.0%
Contractual option life	10 years
Annual risk-free interest rate	3.2%

For the year ended 31 March 2026, the Group recognised share option expenses of RMB30,000 (2025: RMB1,190,000) in profit or loss.

Movements in the number of share options outstanding during the year ended 31 March 2026 under this scheme and their weighted average exercise prices are as follows:

	Year ended 31 March			
	2026		2025	
	Weighted average exercise price (per share) HKD	**Outstanding options (thousands)**	Weighted average exercise price (per share) HKD	Outstanding options (thousands)
As at 1 April	**0.371**	**75,600**	0.709	200,000
Exercised	**0.330**	**(7,512)**	—	—
Lapsed/forfeited	**0.361**	**(8,744)**	0.915	(124,400)
As at 31 March	**0.378**	**59,344**	0.371	75,600
Exercisable at end of the year	**0.402**	**39,854**	0.433	30,220

41. SHARE BASED COMPENSATION SCHEMES (CONTINUED)

(ii) The 2019 Share Option Scheme (Continued)

Share options outstanding at 31 March 2026 and 2025 have the following expiry date and exercise prices:

	As at 31 March 2026		As at 31 March 2025	
Expiry date	**Exercise price (per share) HKD**	**Share options (thousands)**	Exercise price (per share) HKD	Share options (thousands)
15 September 2029	**0.854**	**4,720**	0.854	5,240
6 January 2030	**0.860**	**720**	0.860	720
31 March 2030	**0.670**	**—**	0.670	—
31 August 2030	**1.090**	**—**	1.090	—
14 April 2031	**0.940**	**—**	0.940	—
1 July 2031	**1.360**	**—**	1.360	—
27 January 2032	**0.676**	**—**	0.676	—
16 March 2032	**0.459**	**—**	0.459	—
17 April 2033	**0.330**	**53,904**	0.330	69,640
		59,344		75,600
Weighted average remaining contractual life of options outstanding at end of year		**6.73 years**		7.77 years

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities	Borrowing	Total
	RMB'000	RMB'000	RMB'000
As at 1 April 2024	38,902	—	38,902
Cash flows	(34,116)	—	(34,116)
Addition to new leases	29,375	—	29,375
Modification	15,947	—	15,947
Early termination of leases	(4,750)	—	(4,750)
Interest on lease liabilities	1,861	—	1,861
As at 31 March 2025	47,219	—	47,219
Cash flows	**(42,899)**	**197,203**	**154,304**
Addition to new leases	**22,837**	**—**	**22,837**
Modification	**11,902**	**—**	**11,902**
Early termination of leases	**(1,999)**	**—**	**(1,999)**
Interest expenses	**2,072**	**1,191**	**3,263**
Foreign exchange	**—**	**(927)**	**(927)**
As at 31 March 2026	**39,132**	**197,467**	**236,599**

43. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2026, the Group entered into certain new lease agreements for the use of leased properties, and warehouses. On the lease commencement, the Group recognised right-of-use assets of RMB22,837,000 (31 March 2025: RMB29,375,000) and lease liabilities of RMB22,837,000 (31 March 2025: RMB29,375,000), respectively.

During the year ended 31 March 2026, the Group also remeasured the lease liabilities by RMB11,902,000 due to lease modification and made a corresponding adjustment of RMB11,902,000 to the right-of-use assets.

During the year ended 31 March 2026, the Group early terminated certain leases, derecognised the right-of-use assets of RMB1,898,000 and lease liabilities of RMB1,999,000, resulting in a gain of RMB101,000 recognised in profit or loss. During the year ended 31 March 2025, the Group early terminated certain leases, derecognised the right-of-use assets of RMB4,497,000 and lease liabilities of RMB4,750,000, resulting in a gain of RMB253,000 recognised in profit or loss.

44. RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group is Mr. Chen Yihong, the Chairman. Therefore, close family members of Mr. Chen Yihong and parties that are controlled, jointly controlled or significantly influenced by Mr. Chen Yihong or his close family members are considered to be related parties of the Company as well.

(i) Transactions with related parties

In addition to those disclosed elsewhere in these consolidated financial statements, the Group had the following transactions and balances with related parties:

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
Sales of goods to:		
— An associate of the Group	**2,964**	4,660
— Entities controlled by a close family member of the Chairman	**1,946**	1,907
	4,910	6,567
Interest income:		
— Management personnel	**102**	104
Other service income:		
— An associate of the Group	**—**	721
Commissions on consignment sales:		
— Entities controlled by a close family member of the Chairman	**41,339**	52,057
	41,441	52,882
Loans granted to:		
— An associate of the Group	**1,000**	—

(ii) Balances with related parties

Trade receivables (Note 27)

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Entities controlled by a close family member of the Chairman	**5,254**	5,922
	5,254	5,922

44. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Balances with related parties (Continued)

Other financial assets at amortised cost (Note 24)

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Current portion		
— Loan to an associate of the Group	**7,671**	8,791
— Less: allowance for credit losses	**(1,044)**	—
	6,627	8,791

Note: The loan bears interest at a rate of 5% per annum. The maturity period of the loan receivable is 72 months. The loan is secured by the inventories of the associate.

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Non-current portion		
— Loan to Management personnel	**9,716**	10,367
— Less: allowance for credit losses	**(6,052)**	—
	3,664	10,367

Trade payables (Note 37)

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
An associate of the Group	**377**	—
	377	—

44. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Balances with related parties (Continued)

Accruals and other payables (Note 39)

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Entities controlled by a close family member of the Chairman	**26,350**	15,900
	26,350	15,900

The transactions with related companies are conducted based on mutual agreements.

Except for the loans to management personnel as mentioned in Note 24 and loans to associates, the balances with the other related parties are unsecured, non-interest bearing and receivable/payable on demand.

(iii) Key management compensation

	Year ended 31 March	
	2026 RMB'000	2025 RMB'000
Salaries and other benefits	**5,398**	4,855
Discretionary bonuses	**535**	726
Share-based compensation	**16**	78
Pension — defined contribution plans	**138**	132
	6,087	5,791

45. CAPITAL COMMITMENTS

Significant capital commitment contracted for at the end of the reporting period but not recognised as liabilities is as follow:

In September 2020, the Group entered into a limited partnership agreement with Xiamen Yuanfeng Investment LLP. (廈門源峰股權投資基金合夥企業(有限合夥)), with a total committed investment amount of RMB200 million. As at 31 March 2026, the remaining balance of the investment commitment amounted to RMB30 million (2025: RMB50 million).

In January 2021, the Group entered into a limited partnership agreement with CPE Global Opportunities Fund II, L.P., with a total committed investment amount of USD30 million. As at 31 March 2026, the remaining balance of the investment commitment amounted to USD9 million (equivalent to approximately RMB60 million) (2025: USD14 million (equivalent to approximately RMB100 million)).

In February 2021, the Group entered into a limited partnership agreement with Yunfeng Fund IV, L.P., with a total committed investment amount of USD20 million. As at 31 March 2026, the remaining balance of the investment commitment amounted to USD5.0 million (equivalent to approximately RMB35.1 million) (2025: USD7.0 million (equivalent to approximately RMB51.3 million)).

In July 2023, the Group entered into a limited partnership agreement with EnvisionX Partners Fund, L.P., with a total committed investment amount of USD6 million. As at 31 March 2026, the remaining balance of the investment commitment amounted to USD2 million (equivalent to approximately RMB14 million) (2025: USD2 million (equivalent to approximately RMB14 million)).

In November 2023, the Group entered into a limited partnership agreement with CPE Global Select Fund, L.P., with a total committed investment amount of USD10 million. As at 31 March 2026, the remaining balance of the investment commitment amounted to USD7.5 million (equivalent to approximately RMB51.9 million) (2025: USD7.5 million (equivalent to approximately RMB53.8 million)).

46. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which represent lease liabilities and borrowing disclosed in Note 33 and Note 34, net of cash and cash equivalents and equity of the Group, comprising issued share capital, share premium, shares held for employee share award scheme retained earnings, and other reserves.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

47. FINANCIAL INSTRUMENT

Categories of financial instruments

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Financial assets:		
Financial assets at amortised cost	**2,812,982**	4,460,131
Financial assets at FVTPL	**5,703,210**	4,580,974

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
Financial liabilities:		
Financial liabilities at amortised cost	**634,757**	477,970
Derivatives	**93,773**	99,305
Lease liabilities	**39,132**	47,219

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, financial assets at FVTPL, other financial assets at amortised cost, term deposits with initial term over three months and within one year, restricted cash, cash and cash equivalents, derivatives, borrowing, trade payables, bills payables, accruals and other payables, and lease liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. Currency risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entities. The Group did not enter into any financial instruments to hedge its exposure to currency risk for the years ended 31 March 2026 and 2025.

As at the end of the reporting period, the Group had the following major monetary items denominated in foreign currency:

	As at 31 March 2026		As at 31 March 2025	
	USD RMB'000	**HKD RMB'000**	USD RMB'000	HKD RMB'000
Cash and bank deposits	**679,513**	**6,048**	642,947	4,491
Other financial assets at amortised cost	**—**	**114,357**	—	316,131
Accruals and other payables	**—**	**—**	12,921	—

As shown in the table above, the Group is primarily exposed to changes in RMB/USD and RMB/HKD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from the Group's cash and bank deposits (including term deposits) as well as other financial assets at amortised cost denominated in HKD and USD which are different from the functional currency of the respective group companies.

	Increase in post-tax loss Year ended 31 March 2026 RMB'000	Decrease in post-tax profit Year ended 31 March 2025 RMB'000
RMB/USD exchange rate — increase 5%	**32,622**	32,107
RMB/HKD exchange rate — increase 5%	**5,292**	14,042

For a 5% strengthening of the USD/HKD against RMB, there would be an equal and opposite impact on the post-tax profit/(loss).

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate lease liabilities (Note 33) and fixed-rate borrowings (Note 34). The Group is also exposed to cash flow interest risk in relation to variable-rate bank balances (Note 28) which carry prevailing market interests. The Group currently does not have a specified policy to manage its interest rate risk but will closely monitor their interest rate risk exposure in the future. No sensitivity analysis on cash flow interest rate risk is presented as the management considers the sensitivity on interest rate risk on bank balances is insignificant.

(iii) Other price risk

The Group's exposed to equity securities price risk which is arisen from certain listed equity investments held by the Group and classified as financial assets at FVTPL in the consolidated statement of financial position. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

As at 31 March 2026, if all the share prices of the Group's listed equity securities had risen/fallen by 10% consistently while all other variables had been held constant, the Group's post-tax profit for the year ended 31 March 2026 would have been increased/decreased by approximately RMB22,459,000 (2025: post-tax profit would have been increased/decreased by approximately RMB50,114,000).

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to its cash and cash equivalents, term deposits with initial term over three months, restricted cash, trade receivables and other financial assets at amortised cost. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loan receivables is mitigated because they are secured.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's maximum credit risk exposures, credit risk management, and the related impairment assessment, if applicable, are summarised as below.

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	12m or lifetime ECL	Gross carrying amount As at March 31 2026 RMB'000	As at March 31 2025 RMB'000
Financial assets at amortised cost				
Cash and cash equivalents	28	12m ECL	**1,351,088**	1,631,452
Term deposits with initial term over three months and within one year	28	12m ECL	**753,743**	1,777,196
Restricted cash	28	12m ECL	**72**	129
Trade receivables	27	Lifetime ECL	**155,221**	127,979
Loan receivables	24	Lifetime ECL	**775,262**	578,154
		12m ECL	**—**	329,131
Other financial assets at amortised cost (other than loan receivables)	24	12m ECL	**198,485**	214,861

Cash and cash equivalents, term deposits with initial term over three months and restricted cash

To manage risk arising from cash and cash equivalents, term deposits and restricted cash, the Group only transacts with state-owned or reputable financial institutions in mainland China and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to these financial institutions. Hence, the management of the Group considers that the credit risk on cash and cash equivalents, term deposits and restricted cash is insignificant and no loss allowance was recognised.

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually within 30 to 90 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other forward-looking factors.

The expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2026 and 2025 was determined as follows for trade receivables:

At 31 March 2026	**0–30 days RMB'000**	**31–180 days RMB'000**	**Over 180 days RMB'000**	**Total RMB'000**
Provision on collective basis				
Lifetime ECL rate (%)	**0.5**	**8.3**	**100.0**	
Gross carrying amount	**68,569**	**70,799**	**15,853**	**155,221**
Loss allowance	**(338)**	**(5,909)**	**(15,853)**	**(22,100)**

At 31 March 2025	0–30 days RMB'000	31–180 days RMB'000	Over 180 days RMB'000	Total RMB'000
Provision on collective basis				
Lifetime ECL rate (%)	0.7	12.1	100.0	
Gross carrying amount	74,664	42,893	10,422	127,979
Loss allowance	(511)	(5,174)	(10,422)	(16,107)

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

Movements in the provision for loss allowances on trade receivables are as follows:

	Year ended 31 March	
	2026	2025
	RMB'000	RMB'000
Beginning balance	**16,107**	13,305
Loss allowance recognised, net	**5,993**	2,802
Closing balance	**22,100**	16,107

Loan receivables

For loan receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of these balances based on historical settlement records and past experiences. The Group's loan receivables included loans to third parties, loans to related parties and loans to management personnel and ex-management personnel. Further details of the impairment assessment on loan receivables are described below.

The following tables show reconciliation of loss allowances that has been recognised for loan receivables.

	12m ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As of 1 April 2025	**—**	**—**	**176,030**	**176,030**
Impairment losses recognised	**—**	**—**	**338,538**	**338,538**
Derecognition (Note)	**—**	**—**	**(120,421)**	**(120,421)**
Foreign exchange difference	**—**	**—**	**(1,752)**	**(1,752)**
As of 31 March 2026	**—**	**—**	**392,395**	**392,395**
As of 1 April 2024	—	—	137,556	137,556
Impairment losses recognised	—	—	40,434	40,434
Impairment losses reversed	—	—	(1,960)	(1,960)
As of 31 March 2025	—	—	176,030	176,030

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Loan receivables (Continued)

The credit loss allowance recognised in the year is impacted by a variety of factors, such as the loan receivables experiencing significant increases in credit risk or becoming credit-impaired in the year, or loan receivables derecognised and write-offs of allowances related to assets that were written off during the year. The following tables show reconciliation of gross carrying amount of loan receivables.

	12m ECL RMB'000	Lifetime ECL (not credit impaired) RMB'000	Lifetime ECL (credit impaired) RMB'000	Total RMB'000
Gross carrying amount of loan receivables				
As of 1 April 2025	**329,131**	**—**	**578,154**	**907,285**
Addition	**18,263**	**—**	**26,860**	**45,123**
Collection	**(37,598)**	**—**	**(3,645)**	**(41,243)**
Derecognition (Note)	**—**	**—**	**(120,421)**	**(120,421)**
Foreign exchange difference	**(13,731)**	**—**	**(1,751)**	**(15,482)**
Transfer to credit-impaired	**(296,065)**	**—**	**296,065**	**—**
As of 31 March 2026	**—**	**—**	**775,262**	**775,262**
As of 1 April 2024	323,147	—	577,391	900,538
Addition	16,186	—	39,115	55,301
Collection	(5,955)	—	(48,829)	(54,784)
Transfer	(9,876)	—	9,876	—
Foreign exchange difference	5,629	—	601	6,230
As of 31 March 2025	329,131	—	578,154	907,285

Note: In November 2025, the Group entered into two separate agreements with the debtor and a third party, respectively. Pursuing to the terms of the agreements:

i. The debtor transferred its equity interest in a certain company (the "Transferred Equity Interest") to the Group to settle an outstanding loan receivable with a gross carrying amount of RMB120,421,000, which had been fully impaired prior to the agreement.

ii. The Group disposed the Transferred Equity Interest to the third party (the ultimate controller of the certain company mentioned above) for total consideration of RMB127,676,000.

As a result, the Group obtained the contractual right of cashflow amounting to RMB127,676,000 from the third party. Given the uncertainty over the recoverability of the receivable, the amount due from the third party was recognised at nil upon initial recognition.

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Loan receivables (Continued)

The Group uses a series specific policies and practice to reduce credit risk, among which the mostly widely use is collateral. The gross carrying amount of the loan receivables are analysed into secured and unsecured receivables as below:

	As at 31 March 2026			
	Current RMB'000	**Overdue 1–90 days RMB'000**	**Overdue over 91 days RMB'000**	**Total RMB'000**
Secured by collaterals	**303,736**	**—**	**471,526**	**775,262**

	As at 31 March 2025			
	Current RMB'000	Overdue 1–90 days RMB'000	Overdue over 91 days RMB'000	Total RMB'000
Secured by collaterals	329,131	—	578,154	907,285

As at 31 March 2026 and 2025, the Group's loan receivables were secured by various collaterals such as equity interest in certain companies, investment return under private equity funds, real estates, deposits as well as shares of the Company subscribed by the management personnel and ex-management personnel.

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other financial assets at amortised cost (other than loan receivable)

For other financial assets at amortised cost such as listed corporate bonds, treasury note, deposits and advances to employees that have a low risk of default, management assessed the related credit loss with the consideration of forward-looking factors. The movements in the provision for loss allowance on other financial assets at amortised cost (other than loan receivables) are as follows:

	Year ended 31 March	
	2026 **RMB'000**	2025 RMB'000
Beginning balance	**6,634**	728
Loss allowance recognised, net	**40**	6,086
Write-off	**(40)**	(217)
Foreign exchange difference	**(240)**	37
Closing balance	**6,394**	6,634

The Group has significant cash and bank balances and term deposits issued by banks with maturity within one year and liquidity risk is considered to be minimal. The Group controls its liquidity risks by maintaining sufficient cash and cash equivalents and liquid term deposits, which are generated mainly from the operating and investing cash flow.

The following table details the Group's remaining contractual maturity for its financial liabilities and derivative instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

47. FINANCIAL INSTRUMENT (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk

	Interest rates	Within 1 year RMB'000	1–2 years RMB'000	2–5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 March 2026						
Non-derivatives						
Borrowing	**3.56%**	**—**	**—**	**218,019**	**218,019**	**197,467**
Trade payables	**—**	**119,047**	**—**	**—**	**119,047**	**119,047**
Accruals and other payables	**—**	**318,243**	**—**	**—**	**318,243**	**318,243**
Lease liabilities	**3.26%–3.52%**	**28,613**	**9,705**	**1,887**	**40,205**	**39,132**
Total non-derivatives		**465,903**	**9,705**	**219,906**	**695,514**	**673,889**
At 31 March 2025						
Non-derivatives						
Trade payables	—	125,363	—	—	125,363	125,363
Bills payables	2.40%	17,400	—	—	17,400	17,400
Accruals and other payables	—	335,207	—	—	335,207	335,207
Lease liabilities	3.52%–4.75%	27,838	16,887	4,128	48,853	47,219
Total non-derivatives		505,808	16,887	4,128	526,823	525,189

As disclosed in Note 35, the Group had entered into certain derivative agreements with investment banks, of which certain quantities of the underlying securities listed on the NYSE and the HKEX are agreed to be settled within the next twelve months at an agreed price when certain agreed events occurred. Such investments were designated as derivatives and stated at fair value as at 31 March 2026 and 2025.

48. FAIR VALUE MEASUREMENTS

The Group's Financial assets at FVTPL and derivative financial instruments are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these assets and liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Fair value hierarchy

At 31 March 2026	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at FVTPL				
— Private equity fund investments and others	**—**	**10,628**	**4,381,953**	**4,392,581**
— Listed equity securities	**224,590**	**—**	**—**	**224,590**
— Other unlisted equity investments	**—**	**—**	**135,518**	**135,518**
— Knock out notes	**—**	**—**	**950,521**	**950,521**
Total financial assets	**224,590**	**10,628**	**5,467,992**	**5,703,210**
Financial liabilities				
Derivatives	**—**	**—**	**(93,773)**	**(93,773)**
At 31 March 2025				
Financial assets				
Financial assets at FVTPL				
— Private equity fund investments and others	—	60,252	3,816,405	3,876,657
— Listed equity securities	501,144	—	—	501,144
— Other unlisted equity investments	—	—	173,332	173,332
— Knock out notes	—	—	29,841	29,841
Total financial assets	501,144	60,252	4,019,578	4,580,974
Financial liabilities				
Derivatives	—	—	(99,305)	(99,305)

48. FAIR VALUE MEASUREMENTS (CONTINUED)

Reconciliation of Level 3 instruments

	Private equity fund investments and others RMB'000	Other unlisted equity investments RMB'000	Knock out notes RMB'000	Listed REITs investment RMB'000	Derivatives RMB'000	Totals RMB'000
Opening balance 1 April 2024	3,719,225	262,194	—	6,326	(1,456)	3,986,289
Acquisitions	462,089	7,179	61,009	—	—	530,277
Disposals	(428,785)	(7,338)	(33,927)	—	—	(470,050)
Transfer from Level 3 to Level 1 (Note a)	—	(14,190)	—	—	—	(14,190)
Other income and gains/(losses) — net (Note b)	51,255	(76,383)	2,752	(6,326)	(97,265)	(125,967)
Currency translation difference	12,621	1,870	7	—	(584)	13,914
Closing balance 31 March 2025	3,816,405	173,332	29,841	—	(99,305)	3,920,273
Opening balance 1 April 2025	**3,816,405**	**173,332**	**29,841**	**—**	**(99,305)**	**3,920,273**
Acquisitions	**1,235,914**	**—**	**1,426,704**	**—**	**—**	**2,662,618**
Disposals	**(715,490)**	**(16,030)**	**(506,352)**	**—**	**—**	**(1,237,872)**
Other income and gains/(losses) — net (Note b)	**89,267**	**(17,515)**	**(15,236)**	**—**	**1,485**	**58,001**
Currency translation difference	**(44,143)**	**(4,269)**	**15,564**	**—**	**4,047**	**(28,801)**
Closing balance 31 March 2026	**4,381,953**	**135,518**	**950,521**	**—**	**(93,773)**	**5,374,219**

Notes:

a. Since 5 April 2024, one of the other unlisted equity investments has been listed on the National Association of Securities Dealers Automated Quotations ("NASDAQ") and the fair value of that investment as at 31 March 2025 is determined based on quoted market price (instead of Recent transaction approach). Accordingly, that investment with carrying amount of RMB14,190,000 has been transferred from Level 3 to the Level 1 fair value category.

b. The amounts as disclosed in the table above include the unrealised gains or losses recognised in profit or loss attributable to balances held at the end of the reporting period as follows:

	Private equity fund investments and others RMB'000	Other unlisted equity investments RMB'000	Knock out notes RMB'000	Listed REITs investment RMB'000	Derivatives RMB'000	Totals RMB'000
Year ended 31 March 2026	**86,651**	**(17,515)**	**(15,236)**	**—**	**1,485**	**55,385**
Year ended 31 March 2025	49,341	(76,383)	2,752	(6,326)	(97,265)	(127,881)

48. FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation techniques used in fair value measurements

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

Description	Fair value at 31 March 2026 RMB'000	Fair value at 31 March 2025 RMB'000	Valuation technique	Significant unobservable inputs	Range of inputs As at 31 March 2026	Range of inputs As at 31 March 2025	Relationship of unobservable inputs to fair value
Financial assets							
Private equity fund Investments and others (Note i)	**4,381,953**	3,816,405	Net asset value	N/A	**N/A**	N/A	N/A
Other unlisted equity investments (Note ii)	**96,202**	122,676	Market comparable companies	Earnings before interest and tax multiples ("EV/EBIT"), DLOM	**EV/EBIT: 16.21 DLOM: 20%**	EV/EBIT: 11.99 DLOM: 20%	Increased or decreased EV/EBIT by 1 would increase or decrease fair value by approximately RMB5,843,000 (2025: RMB9,904,000). Increased or decreased DLOM by 5% would decrease or increase fair value by approximately RMB6,017,000 (2025: RMB7,688,000).
	32,397	43,478	Discounted Cash Flow	Discount rate	**Discount rate: 16.09%**	Discount rate: 17.16%	Increased or decreased discount rate by 1% would decrease or increase fair value by approximately RMB294,000 (2025: RMB208,000).
	6,919	7,178	Recent transaction approach	N/A	**N/A**	N/A	N/A
Knock out notes (Note iii)	**950,521**	29,841	Option-pricing model	Expected volatility	**N/A**	N/A	The higher the expected volatility, the higher the fair value.
Total financial assets	**5,467,992**	4,019,578					
Financial liabilities							
Derivatives (Note iv)	**(93,773)**	(99,305)	Option pricing model	Expected volatility	**N/A**	N/A	The higher the expected volatility, the higher the fair value.

48. FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation techniques used in fair value measurements (Continued)

Notes:

i. The Group determines the fair value of its private equity fund investments and others as at the reporting date based on the net asset values of the private equity funds (with underlying assets and liabilities measured at fair value) as reported by the general partners of the funds and adjusted by other relevant factors that management considered as appropriate.

ii. For other unlisted equity investments, the fair values are determined by using the market comparable companies approach, recent transaction approach as well as discount cash flow approach. For the market comparable companies approach, the significant unobservable inputs include the valuation multiples (such as EV/EBIT ratio) and DLOM. Management determines the valuation multiples with reference to the multiples of respective comparable companies, as adjusted by the lack of marketability that market participants would consider when estimating the fair value of these investments. For the recent transaction approach, management determined the fair value using the implied equity value derived from an recent transaction in the unlisted equity instruments. For the discount cash flow approach, management determined the fair value using discount rate in line with estimated risk level.

iii. The amount represented the Group's short-term investments in knock out notes which in substance are equity-index notes with the maturity less than 12 months, which were issued by reputable multinational financial institutions (such as Royal Bank of Canada and Bank Julius Baer). Management determined the fair value of these notes based on the statements provided by the issuing financial institutions. The related valuation technique was option pricing model and valuation inputs were developed by the issuing financial institutions which were not made available to the Group.

iv. The amount recognised is to reflect the derivative agreements entered into between the Group and certain reputable multinational financial institutions (such as Morgan Stanley and Bank Julius Baer) with contract terms less than 12 months. According to the derivative agreements, certain quantities of the underlying securities listed on the NYSE and the HKEX are agreed to be gross settled between the Group and the issuing financial institutions at an agreed price when certain agreed events occurred. Management determines the fair value of these derivatives based on the statements provided by the respective issuing financial institutions. The related valuation technique is option pricing model and valuation inputs were developed by the issuing financial institutions which were not disclosed to the Group.

Valuation processes

The Group has a team of personnel that manages the valuation on these Level 3 instruments for financial reporting purposes. The team manages the valuation exercise of these level 3 instruments based on available information obtained from the relevant counter parties (including the general partners of the private equity funds, the management of unlisted investees, the issuing financial institutions of the knock out notes and other derivative products as well as the financial institutions sponsoring and managing the wealth management products, etc.), at least twice every financial year, which coincides with the Group's semi-annually reporting dates. External valuation experts may also be involved and consulted when it is necessary. The valuation process is under the management's supervision and the valuation results are finally reviewed by the Group's CFO.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management considers that the carrying amounts of the other financial assets and financial liabilities measured at amortised cost in the consolidated financial statements approximate their fair values.

49. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of entities	Place of incorporation and kind of legal entity	Particulars of issued/ registered capital	Principal activities and place of operation	Ownership interest held by the Group As at 31 March 2026	As at 31 March 2025
Hong Kong Dongxiang Sports Development Holdings Limited	Hong Kong, limited liability company	10,000 ordinary shares of HKD1 each	Investment holding, Hong Kong	**100%**	100%
Brilliant King Group Ltd	British Virgin Island, limited liability company	USD1	Investment holding, British Virgin Island	**100%**	100%
Bright Pacific Enterprises Limited	British Virgin Island, limited liability company	USD100	Investment holding, British Virgin Island	**100%**	100%
Achilles Sports Pte. Ltd.	Singapore, limited liability company	100,000 ordinary shares of USD1 each	Owns trademark, Singapore	**100%**	100%
Gaea Sports Limited	Hong Kong, limited liability Company	1 ordinary share of HKD1	Investment holding, Hong Kong	**100%**	100%
Beijing Dongxiang Sports Development Co., Ltd.	The PRC, limited liability company	RMB10,000,000	Design and sales of sport-related footwear, apparel and accessories, PRC	**100%**	100%
Shanghai Kappa Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB800,000,000	Design and sales of sport-related footwear, apparel and accessories, PRC	**100%**	100%
Shanghai Taitan Sporting Goods Co., Ltd. (i)	The PRC, limited liability company	RMB1,500,000	Design, production and sales of sport- related footwear, apparel and accessories, PRC	**100%**	100%
Coeus Sporting Goods Trading (Shanghai) Co., Ltd. (i)	The PRC, limited liability company	USD23,900,000	Sales of sport-related footwear, apparel and accessories, PRC	**100%**	100%
Shanghai Gabbana Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB200,000,000	Design and consulting services, PRC	**100%**	100%
Shanghai Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB666,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%

49. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of entities	Place of incorporation and kind of legal entity	Particulars of issued/ registered capital	Principal activities and place of operation	Ownership interest held by the Group As at 31 March 2026	Ownership interest held by the Group As at 31 March 2025
Haerbin Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Hebe Fashions Pte. Ltd.	Singapore, limited liability company	Singapore Dollar 1	Investment holding, Singapore	**100%**	100%
Cronus Sports Pte. Ltd.	Singapore, limited liability company	Singapore Dollar 1	Investment holding, Singapore	**100%**	100%
Japan Dongxiang Co., Ltd.	Japan, limited liability company	JPY1,000,000	Investment holding, Japan	**100%**	100%
Beijing Happy Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB203,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Dalian Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Shenzhen Criust Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB143,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Zhengzhou Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Wuhan Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%

49. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of entities	Place of incorporation and kind of legal entity	Particulars of issued/ registered capital	Principal activities and place of operation	Ownership interest held by the Group As at 31 March 2026	As at 31 March 2025
Hunan Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Hangzhou Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Tianjin Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Nanjing Curetes Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB283,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Beijing Curetes Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Taicang Taitan Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB91,000,000	Design, production and sales of sports-related footwear, apparel and accessories, PRC	**100%**	100%
Shanghai Kappa Kinetic Kids Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB24,000,000	Design, sales of children's clothing	**100%**	100%
Tibet Plutus Enterprise Management Co., Ltd.	The PRC, limited liability company	RMB576,000,000	Investment	**100%**	100%

49. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of entities	Place of incorporation and kind of legal entity	Particulars of issued/ registered capital	Principal activities and place of operation	Ownership interest held by the Group As at 31 March 2026	Ownership interest held by the Group As at 31 March 2025
Tibet Youde Enterprise Management Co., Ltd. (ii)	The PRC, limited liability company	RMB2,000,000	Investment	**100%**	100%
Tibet Leize Enterprise Management Co., Ltd. (ii)	The PRC, limited liability company	RMB10,000,000	Investment	**100%**	100%
Tibet Rhea Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB5,000,000	Purchase for children's garments	**100%**	100%
Shanghai Tethys Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB20,000,000	Sales company	**100%**	100%
Kunming Heti Sporting Goods Co. Ltd.	The PRC, limited liability company	RMB1,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Lanzhou Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Shanghai Rongfu Investment Management Center (Limited Partnership)	The PRC, limited liability company	RMB351,000,000	Investment	**100%**	100%
CPE Assets Allocation Fund D, L.P.	Cayman Islands, limited partnership	USD146,299,264	Investment	**100%**	100%
Fuyun Koktokay Charlie Snow House Co., LTD	The PRC, limited liability company	RMB100,000	Hotel management and tourism	**100%**	100%

49. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of entities	Place of incorporation and kind of legal entity	Particulars of issued/ registered capital	Principal activities and place of operation	Ownership interest held by the Group As at 31 March 2026	Ownership interest held by the Group As at 31 March 2025
Fuyun County Koktokay Black Diamond Club Hotel Management Co. LTD	The PRC, limited liability company	RMB500,000	Hotel management and tourism	**100%**	100%
Fuyun County Koktokay Heshun Service Co. LTD	The PRC, limited liability company	RMB500,000	Tourism service	**100%**	100%
Xinjiang Snow Dongxiang Real Estate Co., Ltd	The PRC, limited liability company	RMB10,000,000	Real estate development and operation	**100%**	100%
Xinjiang Ice Dongxiang Real Estate Co., Ltd	The PRC, limited liability company	RMB20,000,000	Real estate development and operation	**100%**	100%
Sichuan Creates sporting goods Co., Ltd.	The PRC, limited liability company	RMB1,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Shanghai Fengyi Wuxi Sports Culture Development Co., Ltd.	The PRC, limited liability company	RMB73,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Fuyun County Jinfu Trading Co., Ltd.	The PRC, limited liability company	RMB3,500,000	Accommodation services	**100%**	100%
Fuyun Phenix Club Hotel Management Co., Ltd.	The PRC, limited liability company	RMB1,000,000	Hotel management and tourism	**100%**	100%
Qingdao Crius Sporting Goods Co., Ltd.	The PRC, limited liability company	RMB3,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Beijing Fengyi Wuxi Sports Culture Development Co., Ltd.	The PRC, limited liability company	RMB1,000,000	Retail sales of sports-related products, apparel and accessories, imports and exports, PRC	**100%**	100%
Beijing Kappa Enterprise Management Development Co., Ltd.	The PRC, limited liability company	RMB2,000,000	Design and sales of sport-related footwear, apparel and accessories, PRC	**100%**	100%

Notes:

i. These subsidiaries are wholly foreign owned enterprises with limited liability established in mainland China.

ii. The Group does not have directly or indirectly legal ownership in equity of these structured entities. Nevertheless, under certain contractual arrangements entered into with the registered owners of these structured entities, the Company and its legally owned subsidiary control these companies by way of controlling the voting rights, governing their financial and operating policies, appointing or removing the majority of the management of their controlling authorities, and casting the majority of votes at meetings of such authorities. Accordingly, the Group has rights to exercise power over these structured entities, receives variable returns from its involvement in these structured entities, and has the ability to affect those returns through its power over these structured entities. As a result, they are consolidated as structured entities of the Group.

50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000
ASSETS		
Non-current assets		
Interests in subsidiaries	**10,185,735**	10,185,705
	10,185,735	10,185,705
Current assets		
Other financial assets at amortised cost	**203**	457
Amounts due from subsidiaries	**1,400,068**	1,593,033
Term deposits with initial term over three months and within one year	**247,441**	267,682
Cash and cash equivalents	**274,690**	309,875
	1,922,402	2,171,047
Total assets	**12,108,137**	12,356,752
EQUITY		
Share capital	**56,546**	56,478
Reserves	**11,887,614**	12,132,415
Total equity	**11,944,160**	12,188,893
LIABILITIES		
Current liabilities		
Amounts due to subsidiaries	**163,977**	167,099
Accruals and other payables	**—**	760
Total liabilities	**163,977**	167,859
Total equity and liabilities	**12,108,137**	12,356,752

50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in the Company's reserves

	Share premium reserve RMB'000	Retained earnings RMB'000	Capital reserve RMB'000	Share-based compensation reserve RMB'000	Total RMB'000
Year ended 31 March 2025					
At 1 April 2024	964,820	576,195	10,059,941	6,010	11,606,966
Profit for the year	—	636,711	—	—	636,711
Share-based compensations	—	—	—	1,190	1,190
Dividend paid	(112,452)	—	—	—	(112,452)
At 31 March 2025	852,368	1,212,906	10,059,941	7,200	12,132,415
Year ended 31 March 2026					
At 1 April 2025	**852,368**	**1,212,906**	**10,059,941**	**7,200**	**12,132,415**
Loss for the year	**—**	**(61,919)**	**—**	**—**	**(61,919)**
Recognition of equity-settled share-based payments	**—**	**—**	**—**	**30**	**30**
Exercise of share options	**2,759**	**—**	**—**	**(570)**	**2,189**
Dividend paid	**(185,101)**	**—**	**—**	**—**	**(185,101)**
At 31 March 2026	**670,026**	**1,150,987**	**10,059,941**	**6,660**	**11,887,614**

China Dongxiang (Group) Co., Ltd. 中國動向（集團）有限公司

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