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

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2025

FINANCIAL HIGHLIGHTS

		Year ended	
		28 February 2025	29 February 2024
Revenue	RMB million	**27,012.9**	28,933.2
Gross profit	RMB million	**10,383.4**	12,080.8
Operating profit	RMB million	**1,592.7**	2,786.5
Profit attributable to the Company's equity holders	RMB million	**1,286.0**	2,213.0
Gross profit margin	%	**38.4**	41.8
Operating profit margin	%	**5.9**	9.6
Profit margin attributable to the Company's equity holders	%	**4.8**	7.6
Earnings per share – basic and diluted	RMB cents	**20.74**	35.69
Dividend per share			
– interim, paid	RMB cents	**14.00**	16.00
– final, proposed	RMB cents	**2.00**	5.00
– special, proposed	RMB cents	**12.00**	15.00
Average trade receivables turnover period	days	**14.1**	15.1
Average trade payables turnover period	days	**8.0**	15.0
Average inventory turnover period	days	**134.9**	136.1

		As at	
		28 February 2025	29 February 2024
Gearing ratio	%	**Net cash**	Net cash
Current ratio	times	**2.4**	3.2

ANNUAL RESULTS

The board of directors (the "**Board**" or "**Directors**") of Topsports International Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 28 February 2025, together with comparative information, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 28 FEBRUARY 2025

	Note	Year ended 28 February 2025 RMB million	Year ended 29 February 2024 RMB million
Revenue	4	**27,012.9**	28,933.2
Cost of sales	6	**(16,629.5)**	(16,852.4)
Gross profit		**10,383.4**	12,080.8
Selling and distribution expenses	6	**(7,943.8)**	(8,356.0)
General and administrative expenses	6	**(995.5)**	(1,115.4)
Other income	5	**150.2**	175.9
(Provision for)/reversal of impairment of trade receivables		**(1.6)**	1.2
Operating profit		**1,592.7**	2,786.5
Finance income	7	**84.6**	120.0
Finance costs	7	**(117.7)**	(147.3)
Finance costs, net		**(33.1)**	(27.3)
Profit before income tax		**1,559.6**	2,759.2
Income tax expense	8	**(274.9)**	(547.9)
Profit for the year		**1,284.7**	2,211.3
Attributable to:			
Equity holders of the Company		**1,286.0**	2,213.0
Non-controlling interests		**(1.3)**	(1.7)
		1,284.7	2,211.3
		RMB cents	RMB cents
Earnings per share for profit attributable to equity holders of the Company for the year			
Basic and diluted earnings per share	9	**20.74**	35.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2025

	Year ended	
	28 February 2025	29 February 2024
	RMB million	RMB million
Profit for the year	**1,284.7**	2,211.3
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Exchange differences	**-**	0.1
Items that may be subsequently reclassified to profit or loss		
Exchange differences	**32.4**	34.7
Total comprehensive income for the year	**1,317.1**	2,246.1
Attributable to:		
Equity holders of the Company	**1,318.4**	2,247.8
Non-controlling interests	**(1.3)**	(1.7)
	1,317.1	2,246.1

CONSOLIDATED BALANCE SHEET
AS AT 28 FEBRUARY 2025

	Note	As at **28 February 2025** **RMB million**	 29 February 2024 RMB million
ASSETS			
Non-current assets			
Property, plant and equipment		**541.4**	638.7
Right-of-use assets		**1,818.5**	1,821.4
Intangible assets		**1,045.8**	1,059.4
Long-term deposits, prepayments and other receivables		**207.3**	214.9
Financial assets at fair value though profit or loss		**45.9**	45.9
Deferred income tax assets		**257.2**	204.6
		3,916.1	3,984.9
Current assets			
Inventories	11	**6,004.0**	6,283.8
Trade receivables	12	**751.9**	1,329.6
Deposits, prepayments and other receivables		**646.4**	863.6
Short-term pledged bank deposits		**996.7**	126.1
Cash and cash equivalents		**2,587.4**	1,956.0
		10,986.4	10,559.1
Total assets		**14,902.5**	14,544.0

CONSOLIDATED BALANCE SHEET
AS AT 28 FEBRUARY 2025

	Note	As at 28 February 2025 RMB million	29 February 2024 RMB million
LIABILITIES			
Non-current liabilities			
Lease liabilities		**1,121.4**	1,098.1
Deferred income tax liabilities		**226.0**	249.0
		1,347.4	1,347.1
Current liabilities			
Trade payables	13	**343.4**	387.1
Other payables, accruals and other liabilities		**941.0**	1,087.6
Short-term borrowings	14	**2,130.0**	720.1
Lease liabilities		**813.5**	890.0
Current income tax liabilities		**268.2**	261.7
		4,496.1	3,346.5
Total liabilities		**5,843.5**	4,693.6
Net assets		**9,059.0**	9,850.4
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**-**	-
Other reserves		**1,886.5**	1,804.9
Retained earnings		**7,172.3**	8,044.0
		9,058.8	9,848.9
Non-controlling interests		**0.2**	1.5
Total equity		**9,059.0**	9,850.4

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2025

	Year ended	
	28 February 2025	29 February 2024
	RMB million	RMB million
Cash flows from operating activities		
Net cash generated from operations	**4,099.3**	3,729.4
Income tax paid	**(344.0)**	(600.4)
Net cash generated from operating activities	**3,755.3**	3,129.0
Cash flows from investing activities		
Payments for purchases of property, plant and equipment and intangible assets	**(372.8)**	(396.9)
Payments for acquisition a subsidiary, net of cash acquired	**-**	(2.5)
Proceeds from disposals of property, plant and equipment	**0.6**	2.4
Payment for purchase of financial assets at fair value through profit or loss	**-**	(45.9)
Proceeds from disposal of financial assets at fair value through profit or loss	**-**	20.0
Interest received	**74.7**	224.8
Net cash used in investing activities	**(297.5)**	(198.1)
Cash flows from financing activities		
Proceeds from short-term borrowings	**4,080.0**	1,710.1
Repayments of short-term borrowings	**(2,670.1)**	(2,535.0)
Placement of short-term pledged bank deposits	**(1,146.7)**	(372.1)
Withdrawal of short-term pledged bank deposits	**276.1**	1,532.0
Payments for lease liabilities (including interest)	**(1,241.3)**	(1,421.6)
Interest paid for short-term borrowings	**(15.9)**	(13.2)
Dividends paid	**(2,108.5)**	(2,232.5)
Net cash used in financing activities	**(2,826.4)**	(3,332.3)
Net increase/(decrease) in cash and cash equivalents	**631.4**	(401.4)
Cash and cash equivalents at beginning of the year	**1,956.0**	2,357.4
Cash and cash equivalents at end of the year	**2,587.4**	1,956.0

NOTES

1 General information

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

The Company was incorporated in the Cayman Islands on 5 September 2018 as an exempted company with limited liability under the Companies Law (2018 Revision) of the Cayman Islands, Cap.22, (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 10 October 2019. As at 28 February 2025 and 29 February 2024, no entity holds more than 50% equity interest in the Company and the directors of the Company considered there is no controlling party of the Company.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated and have been approved for issue by the Board on 21 May 2025.

2 Basis of preparation

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

IFRS Accounting Standards comprise the following authoritative literature:

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

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

(a) Amended standards adopted by the Group

The Group has applied the following amendments to standards for the first time for the annual reporting period commencing 1 March 2024:

- IAS 1 (Amendments) – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- IFRS 16 (Amendments) – Lease Liability in a Sale and Leaseback
- IAS 7 and IFRS 7 (Amendments) – Supplier Finance Arrangements

2 Basis of preparation (Continued)

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

A number of amendments to standards and interpretations have been issued but are not effective for the year beginning on or after 1 March 2025 and have not been early adopted by the Group. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

Amendments to IAS 21	Lack of Exchangeability(1)
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments(2)
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (Amendments)	Annual Improvement to IFRS Accounting Standards – Volume 11(2)
IFRS 18 (New Standard)	Presentation and Disclosure in Financial Statements(3)
IFRS 19 (New Standard)	Disclosures for Subsidiaries without Public Accountability(3)
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture(4)

(1) Effective for the Group for annual period beginning on 1 March 2025.
(2) Effective for the Group for annual period beginning on 1 March 2026.
(3) Effective for the Group for annual period beginning on 1 March 2027.
(4) Effective date to be determined.

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

3 Segment information

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

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

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

As at 28 February 2025 and 29 February 2024, substantially all of the non-current assets of the Group were located in the PRC.

4 Revenue

	Year ended	
	28 February 2025 RMB million	29 February 2024 RMB million
Sale of goods	**26,815.5**	28,724.4
Concessionaire fee income	**145.9**	169.9
Others	**51.5**	38.9
	27,012.9	28,933.2

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

For the year ended 28 February 2025 and 29 February 2024, no revenue derived from transactions with any single customer represent 10% or more of the Group's total revenue.

5 Other income

	Year ended	
	28 February 2025 RMB million	29 February 2024 RMB million
Government incentives (note)	**150.1**	159.3
Others	**0.1**	16.6
	150.2	175.9

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

6 Expenses by nature

	Year ended 28 February 2025 RMB million	Year ended 29 February 2024 RMB million
Cost of inventories recognized as expenses included in cost of sales	**16,582.3**	16,816.2
Staff costs	**2,746.4**	2,931.1
Lease expenses (mainly including concessionaire fee expenses)	**2,304.3**	2,741.8
Depreciation on right-of-use assets	**989.7**	1,166.8
Depreciation on property, plant and equipment	**449.5**	484.0
Amortization of intangible assets	**21.2**	21.0
Write-off of property, plant and equipment	**1.3**	2.7
Write-off of intangible assets	**-**	0.5
Losses on disposal of property, plant and equipment	**0.9**	0.1
Impairment of inventories recognized as expenses included in cost of sales	**47.2**	36.2
Impairment of property, plant and equipment included in selling and distribution expenses	**14.3**	8.6
Impairment of right-of-use assets included in selling and distribution expenses	**105.0**	88.1
Other tax expenses	**73.5**	100.2
Auditors' remuneration	**5.5**	6.3
Others	**2,227.7**	1,920.2
Total cost of sales, selling and distribution expenses and general and administrative expenses	**25,568.8**	26,323.8

7 Finance costs, net

	Year ended 28 February 2025 RMB million	Year ended 29 February 2024 RMB million
Interest income from bank deposits	**84.6**	119.9
Exchange gains	**-**	0.1
Finance income	**84.6**	120.0
Interest expense on bank borrowings	**(19.4)**	(17.0)
Interest expense on lease liabilities	**(98.3)**	(130.3)
Finance costs	**(117.7)**	(147.3)
Finance costs, net	**(33.1)**	(27.3)

8 Income tax expense

	Year ended 28 February 2025 RMB million	Year ended 29 February 2024 RMB million
Current income tax - PRC corporate income tax		
- Current year	**242.1**	394.1
- Under-provision in prior years	**17.7**	3.1
- Withholding tax	**90.7**	104.8
Deferred income taxes	**(75.6)**	45.9
Income tax expense	**274.9**	547.9

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

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. Subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% (2024: 16.5%). No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong. During the year, most of the PRC established subsidiaries of the Company are subject to the PRC corporate income tax rate of 25% (2024: 25%) except that certain subsidiaries are subject to various preferential tax treatments.

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

9 Earnings per share

(a) Basic

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

		Year ended 28 February 2025	Year ended 29 February 2024
Profit attributable to equity holders of the Company	RMB million	**1,286.0**	2,213.0
Weighted average number of ordinary shares for the purpose of basic earnings per share	thousand of shares	**6,201,222**	6,201,222
Basic earnings per share	RMB cents	**20.74**	35.69

(b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share outstanding for the respective years ended 28 February 2025 and 29 February 2024.

10 Dividends

(a) At a meeting held on 18 October 2023, the directors declared an interim dividend of RMB16.00 cents or equivalent to HK$16.89 cents per ordinary share (totaling RMB992.2 million) for the six months ended 31 August 2023, which was paid and has been reflected as an appropriation of retained earnings for the year ended 29 February 2024.

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

(c) At a meeting held on 22 May 2024, the directors recommended a final dividend of RMB5.00 cents or equivalent to HK$5.32 cents per ordinary share (totaling RMB310.1 million) and a special dividend of RMB15.00 cents or equivalent to HK$15.97 cents per ordinary share (totaling RMB930.2 million) for the year ended 29 February 2024. These dividends have been approved on AGM held on 19 July 2024, which were paid and have been reflected as an appropriation of retained earnings during the year ended 28 February 2025.

(d) At a meeting held on 21 May 2025, the directors recommended a final dividend of RMB2.00 cents or equivalent to HK$2.15 cents per ordinary share (totaling RMB124.0 million) and a special dividend of RMB12.00 cents or equivalent to HK$12.88 cents per ordinary share (totaling RMB744.1 million) for the year ended 28 February 2025. These proposed dividends are not reflected as dividend payable in the financial statements, but will be reflected in the year ending 28 February 2026.

11 Inventories

	As at	
	28 February 2025 RMB million	29 February 2024 RMB million
Merchandise for sale	**6,222.6**	6,455.2
Less: provision for impairment losses	**(218.6)**	(171.4)
	6,004.0	6,283.8

The cost of inventories amounting to RMB16,582.3 million (2024: RMB16,816.2 million) and the provision of impairment for inventories, net amounting to RMB47.2 million (2024: RMB36.2 million) were included in cost of sales during the year ended 28 February 2025.

12 Trade receivables

	As at 28 February 2025 RMB million	29 February 2024 RMB million
Trade receivables	**758.6**	1,334.7
Loss allowance	**(6.7)**	(5.1)
	751.9	1,329.6

The Group's concessionaire sales through department stores and sales through e-commerce platforms are generally collectible within 30 days and 15 days from the invoice date respectively. As at 28 February 2025, the aging analysis of trade receivables, based on invoice date, is as follows:

	As at 28 February 2025 RMB million	29 February 2024 RMB million
0 to 30 days	**730.8**	1,300.9
31 to 60 days	**9.6**	22.2
61 to 90 days	**7.0**	2.5
Over 90 days	**11.2**	9.1
	758.6	1,334.7
Loss allowance	**(6.7)**	(5.1)
	751.9	1,329.6

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

13 Trade payables

The credit periods granted by suppliers generally range from 0 to 60 days. As at 28 February 2025, the aging analysis of trade payables, based on invoice date, is as follows:

	As at	
	28 February 2025 RMB million	29 February 2024 RMB million
0 to 30 days	**339.1**	386.8
31 to 60 days	**3.5**	0.2
Over 60 days	**0.8**	0.1
	343.4	387.1

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

14 Short-term borrowings

	As at	
	28 February 2025 RMB million	29 February 2024 RMB million
Unsecured bank borrowings (note (a))	**400.0**	300.0
Secured bank borrowing (note (b))	**1,730.0**	420.1
	2,130.0	720.1

Notes:

(a) As at 28 February 2025, the Group's unsecured bank borrowings carried interest at fixed rates with weighted average interest rate of 1.2% (2024: 2.8%) per annum. The carrying amounts of the Group's short-term borrowings are denominated in RMB which approximate their fair values.

(b) As at 28 February 2025, borrowings of RMB1,730.0 million (2024: RMB420.1 million) were secured by the short-term pledged bank deposits of RMB996.7 million (2024: RMB126.1 million). The carrying amount is denominated in RMB which approximates its fair value. The borrowing carried interest at fixed rate with weighted average interest rate of 1.2% (2024: 1.3%) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

In 2024, amidst a complex and challenging external landscape and sluggish global economic recovery, the Chinese economy has steadfastly adhered to the principle of pursuing progress while maintaining stability, with its annual GDP registered a robust 5.0% year-on-year growth. Meanwhile, geopolitical conflicts, mounting pressure on exports, and flagging domestic demand have converged to impede the recovery momentum of consumption. The total retail sales of social consumer goods recorded year-on-year growth of 3.5%, falling short of the economic growth rate over the same period. Against this backdrop, the consumption landscape is experiencing imperceptible yet transformative shifts. Correspondingly, the sports industry market has entered a new phase characterized by intensified competition for market share alongside value enhancement. Amidst the growing rationality in consumer behavior, the market is witnessing a distinct trend of polarization, with divergent dynamics emerging across different segments: mass-market segments show heightened price sensitivity; while simultaneously, growing interest in diverse experiences and specialized athletic pursuits has fueled the expansion of formerly relatively niche activities such as trail running, skiing, and tennis. In parallel with evolving consumer preferences, the retail sector is rapidly transforming toward seamless Omni-channel integration, premiumized experience upgrade, and technology-enabled operations. Amidst the persistent strain on footfall in physical stores, the progressive integration and seamless convergence of online and offline operations have emerged as the new norm in the industry. In particular, social e-commerce and live-streaming channels are undergoing continuous expansion. Meanwhile, Omni-channel inventory management, along with in-depth product analysis have become imperative areas of focus. Additionally, emerging technologies, particularly artificial intelligence, are creating new opportunities to elevate shopping experiences and drive operational efficiencies.

As the most prominent retail operator in China’s sporting goods industry, Topsports keenly appreciates the unwavering dedication in the adage of “sharpening a sword over twenty-five years” - a testament to the trials and triumphs of long-term commitment. During this financial year, fluctuations in macroeconomic demand and a decline in offline footfall have significantly affected the Group’s overall performance, heightening operational challenges on multiple fronts. Fortunately, our twenty-five years of experience have given us the courage and strength to stay “fearless despite countless trials”. Throughout the financial year, we refined our Omni-channel capabilities through increasingly granular and agile resource allocation, enabling real-time adaptation to emerging challenges. While our operating performance faced headwinds from macroeconomic conditions and industry cyclicality, the Company maintained robust cash generation-safeguarding the essential foundation of our retail operations and strengthening our platform for sustainable business development and long-term value creation. Concurrently, we enhanced the comprehensive and systematic nature of our integrated Omni-channel retail operations while actively expanding into emerging categories and innovative business models aligned with evolving consumer preferences. We remain steadfast in our belief that maintaining close consumer relationships-understanding their needs and aspirations while delivering enriched experiential value-constitutes the cornerstone of our long-term development strategy. The essence of retail excellence lies in precisely connecting and balancing market supply with consumer demand. By financial year-end, we established meaningful connections with over 80 million users in the demand side; On the supply side, we’ve continuously expanded our brand partnership matrix, covering four major categories: recreational sports, leisure sports, performance sports, and IP culture. We have particularly strengthened our presence in specialized segments such as professional running and outdoor experiences. By consistently leveraging detailed consumer insights and brand collaborations, we are committed to continuously deepening the emotional bonds and enhancing the value delivery to consumers. By doing so, we aim to offer a more diverse range of products and richer experiential value, catering to both the mass market and niche segments.

FINANCIAL REVIEW

In this financial year, affected by weakening consumer demand and continuous declining footfall of offline stores, the Group's revenue declined by 6.6% year-on-year to RMB27,012.9 million. To address inventory pressures stemming from sales declines, we collaborated with brand partners to counter these challenges, including accelerating the integration and turnover of Omni-channel inventory, ramping up overall promotional activities, making tactical optimization of online and offline sales mix. Notably, the pace and scale of these adjustments were amplified in the second half of the financial year. As a result of the above factors, the Group's gross profit margin declined by 3.4 percentage points year-on-year to 38.4%, while profit attributable to equity holders of the Company decreased by 41.9% year-on-year to RMB1,286.0 million. The profit margin attributable to equity holders of the Company decreased by 2.8 percentage points year-on-year to 4.8%. By the end of this financial year, our inventory control has yielded tangible results. As of 28 February 2025, inventory value decreased by 4.5% compared to 29 February 2024, and by 1.9% compared to 31 August 2024. The total inventory has been effectively controlled, with inventory turnover days showing improvement both year-on-year and half-on-half.

Cash stands as the immutable bedrock of sustainable business operations. Despite challenging market conditions, we maintained robust cash generation capabilities throughout this period of volatility. As of 28 February 2025, our cash and cash equivalents reached RMB2,587.4 million, increased 32.3% year-on-year. During the year, while profit before tax declined 43.5% year-on-year, due to effective operating working capital management, net cash generated from operating activities increased 20.0% to RMB3,755.3 million. Accordingly, the Board has recommended a final dividend of RMB2.00 cents per ordinary share and a special dividend of RMB12.00 cents per ordinary share for the financial year ended 28 February 2025, which, together with the interim dividend of RMB14.00 cents per ordinary share, amounts to a total dividend of RMB28.00 cents per ordinary share for the financial year ended 28 February 2025, representing a payout ratio of 135.0%. Since our listing in 2019, the Group has distributed cumulative dividends of RMB12.96 billion, with an aggregate payout ratio of 104.2%. In a volatile market environment, we maintain a dividend payout ratio that outpaces the industry average, this achievement serves as a powerful testament to our resolute dedication to generating robust, sustainable cash flows and our proactive strategy of delivering long-term value to shareholders.

BUSINESS REVIEW

Omni-channel Retail: Evolving to Be All-inclusive, Systematic, and Agile

This year, our Omni-channel strategy has been adhered to the principle of "efficiency first, ecosystem synergy", staying focused on the consumer while developing an all-inclusive, systematic, and agile retail network that provides consistent yet varied consumer experiences. We draw insights from consumers and detect subtle trends hidden within the surging market waves. We have consistently reinforced our retail foundation by expanding Omni-channel layouts while focusing on innovating retail occasions and elevating consumer experiences.

More Streamlined and Focused Offline Network Integration

In formulating the store layout strategy, we've followed the principle of "Select + Optimize" with efficiency as our central focus. We've made "Each Brand with Unique Approach" adjustments to our retail store mix, taking into account the distinct brand characteristics of our partners, consumer profiles, and product attributes. This approach allows us to respond wisely to market demands and expedite the closure of underperforming stores to alleviate operational pressures caused by declining offline foot traffic. As of 28 February 2025, we operated 5,020 directly-operated stores, representing a year-on-year decrease of 18.3% in total store count and a 12.4% reduction in the gross selling area. Compared to 31 August 2024, the total number of stores decreased by 13.6%, with the gross selling area declining by 10.0%.

Changes in the number of stores, gross selling area, and selling area per store during the year:

	As at 28 / 29 February			
	2022	2023	2024	**2025**
Number of stores				
At the beginning of the year	8,006	7,695	6,565	**6,144**
Opening of new stores	906	429	526	**258**
Closure of stores	(1,217)	(1,559)	(947)	**(1,382)**
Net decrease in the number of stores	(311)	(1,130)	(421)	**(1,124)**
At the end of the year	7,695	6,565	6,144	**5,020**
YoY change in gross selling area	5.4%	(6.8%)	(0.8%)	**(12.4%)**
YoY change in selling area per store	9.6%	9.2%	6.0%	**7.2%**

For the new store openings and renovations, we enforce highly stringent screening criteria, meticulously manage store space, and prioritize on floor area efficiency. During this year, our new store openings mainly concentrated on establishing anchor stores of major brands and further enriching the existence of performance niche brands, highlighting the stores' enhanced retail service capabilities throughout consumer shopping experiences. In renovating existing stores, the Group prioritized on efficiency improvements. Regarding our store closure strategy, we have combined market conditions with brand strategies to accelerate the closure of underperforming stores, thereby mitigating the negative impact of low foot traffic on the operation performance of our physical stores.

We are relentlessly elevating the sports retail experience, strategically accelerating our market presence by aligning with the dynamic interests of young consumers. Our approach is designed to seamlessly fulfill their dual requirements for practical functionality and engaging social experiences, creating immersive and multifaceted shopping journeys that resonate with their lifestyle preferences. In collaboration with our brand partners, we've embarked on an exploration of next-generation store formats, innovatively crafting a diverse array of immersive offline retail experience spaces that redefine the shopping journey. These include adidas HALO concept stores and FUTURE OF STYLE concept stores, JORDAN WORLD OF FLIGHT store, HOKA brand retail stores specializing in runner services, and KAILAS mountaineering concept stores, which have transformed stores into vibrant hubs where urban culture seamlessly converges with dynamic sporty lifestyles.

This financial year, selling area per store grew 7.2% year-on-year, which is slightly higher than the same period last year but the overall trend remains consistent. This result further underscores our "Each Brand with Unique Approach" to store adjustments. Overall, we deeply recognize the fundamental role that physical stores play in the sports industry. We are committed to upgrading stores with untapped potential and meticulously refining their experiential value. By catering to the increasingly diverse preferences of consumers and precisely planning store areas, we aim to strike an ideal balance between delivering exceptional experiences and achieving optimal store performance.

Building a More Extensive and Systematic Online Matrix

During the financial year, we thrived to enhance on our all-inclusive online portfolio of "platform e-commerce, content e-commerce, and private domain operations". During the year, the growth of our online business has served as a tactical countermeasure, amidst the inventory challenges and volatile offline footfall. Gazing ahead, we've tailored and refined a strategic matrix, aligning it with the unique attributes of diverse online channels and the nuanced preferences of distinct consumer segments.

In the domain of platform e-commerce, we adopted a multi-faceted approach, concentrating on cultivating a robust store cluster matrix. We expedite product rollouts and refine search functions, capitalizing on the extensive variety of our product portfolio offerings and the synergistic strengths of multiple brands to steadily reinforce our market presence and drive deeper penetration. In content e-commerce, interest-driven engagement is at the core. We focus on developing an account matrix, accelerating audience penetration through collaborative campaigns of best-selling product combinations, and scaling successful cases for widespread replication. For private domain operations, we focus on deepening user relationships, creating "service + sales" closed loops through community engagement, enhanced data insights, and accurate recommendation. At the same time, Topsports also leveraged social community marketing initiatives, partnerships with local lifestyle platforms, and strategic cross-industry partnerships with third parties to re-direct traffic to offline stores, helping to partially alleviate the pressure on in-store foot traffic.

By the end of the year, our Douyin and WeChat video acccounts have exceeded 500, and our mini-program stores had surpassed 2,300. During the year, our sales performance on Douyin ranked No.1 in the platform's sports and outdoor category. Moreover, we maintained seamless connections with users through over 100,000 WeCom groups, and our private domain mini-program consistently maintained the No.1 placement in WeChat mini-program's sports-and-outdoor category ranking published by Tencent. This financial year, online retail sales, including public domain and private domain, experienced double-digit growth compared to the previous year and accounted for mid-30% of total retail sales.

Comprehensive Inventory Circulation Support

The development of our Omni-channel ecosystem relies on efficient, full-spectrum merchandise management. Amid macroeconomic and consumer demand fluctuations, we prioritize merchandise efficiency, implementing "Omni-channel inventory sharing" to efficient circulation and precision management. Across channels, we enforce "targeted support within synergized channels", ensuring full inventory sharing and elevating the effective utilization rate of inventory to online channel year-on-year. These measures have unlocked sales potential and operational efficiency. Meanwhile, we've partnered with brands to formulate strategies, and eased channel inventory pressures with steady improvements through execution of these targeted initiatives.

Our Omni-channel inventory integration and precise management achieved expected progress during the past financial year. The Group's inventory at the financial year-end was effectively managed, with improved turnover efficiency.

Omni-channel Retail: Enhanced Digital Platform with Intelligent and Efficient Solutions

Throughout the financial year, technological advancements and the widespread adoption of artificial intelligence (AI) have injected new momentum into our retail operations, empowering operations. In light of this, Topsports' digital transformation strategy centers on the core principles of "Precise + Efficient", encompassing the entire retail ecosystem of "people + products + places". We are advancing toward a vision of "seamless user connectivity, operational agility, and cross-occasional integration". This strategy is built and executed upon a full coverage of Omni-channel user-engagement touch points while responding to the specific demands of each core business unit to ensure operational alignment. We drive platform capability upgrades through technological empowerment with the target of scale expansion and cost-effectiveness.

For example, on the customer engagement front, we successfully implemented cross-platform member data integration, resulting in a nearly 9 times year-on-year increase in new member acquisition on our newly expanded platforms, substantially scaling our user base. Additionally, by deploying sophisticated targeting tools, we diversified our sales channels to include gift cards and premium vouchers, driving a 15% year-on-year increase in average transaction value during the Chinese New Year shopping festival. On the product front, our AI-powered recommendation engine generated approximately 4 times the GMV compared to previous conventional methods. Following the upgrade of our product management platform, we achieved significant improvements in content management efficiency, expanding our product database by 50%. This enhancement establishes a solid foundation for agile inventory deployment across multiple retail occasions. Regarding our distribution channels, the Company strategically expanded into new business environments through external platforms such as the Taobao-Tmall ecosystem and Meituan's flash delivery service. We also further upgraded online tools. These initiatives delivered impressive results, including a 17% year-on-year improvement in mini-program conversion rates and a 20% year-on-year increase in average session duration.

We have also intensified our efforts to harness AI across our retail ecosystem. Our in-house "Dolphin AI" platform is now embedded within key operational workflows throughout the business. Our smart recommendation engine has delivered impressive results, generating nearly RMB100 million in sales since launch and accounting for approximately 10% of our private domain revenue. AI-powered content generation now handles 40% of content-drafting for our private domain marketing channels, dramatically streamlining our content production pipeline. By automating several back-office functions, we've cut processing times by half and redirected these resources toward other key strategic business.

Users: Operational Excellence, Enhanced Value

Evolving external conditions and fluctuations in consumer demands continue to heighten the challenge for businesses to gain precise user insights and strengthen user loyalty. In the face of traffic plateaus and rising user acquisition costs, Topsports has chosen to adopt a consumer-centric perspective, building a diversified user value system that taps into consumers' potential value and forming a healthy ecosystem with strengthening the bond and fostering deeper connections with users.

On the customer acquisition front, we diversified user acquisition methods to attain new user groups through contextualized marketing, engaging experiences, and cross-industry collaborations across all channels. During the year, Topsports user base continued to grow steadily, reaching nearly 86 million users. As Topsports achieves breakthrough presence in more scenarios and platforms, we have also integrated user data across multiple platforms, enabling users to enjoy more consistent rights and experiences across all Topsports' Omni-channel ecosystems.

While continuing to expand our customer base, we recognize that deepening engagement with existing users' needs is vital in today's existing market competition. To this end, we have implemented sophisticated customer segmentation and behavioral analysis to deliver personalized product recommendations and targeted marketing initiatives. During the year, Topsports published "White Paper on Sports Consumption Among China's Pan-Youth Population" offering comprehensive insights into emerging demographics, evolving demands, and new opportunities in the sports retail sector, enabling us to accurately track consumption patterns and preferences among youth.

We also hosted a variety of marketing initiatives and community events to enhance customer engagement, while driving increased activity and conversion rates through refreshed campaign formats, expanded membership benefits, and more tailored value propositions for our loyalty program participants. Beyond our established calendar of regular member events, such as the May Day card collection, 99 Member Month, Chinese New Year Shopping Festival, and themed events in popular tourist destinations, we launched collaborative collections with beloved characters IP like "DUCKYO FRIENDS" and "Teletubbies". Our brand identity continues to evolve through proprietary initiatives such as the IP "TOP Run Free" running platform, the IP "Ignite Your Sports Life" community program, and the public welfare IP "GREENBOX" sustainability project. Working with our brand partners, we facilitated in-store meet-and-greets with prominent NBA stars, engaging younger consumers through innovative marketing approaches that expand the "sports+" lifestyle concept and strengthen brand affinity.

As a result of these initiatives, members accounted for 93.2% of total in-store retail sales (including VAT). Repeat-purchase members contributed approximately 70% to overall member consumption, maintaining a substantial and stable contribution despite fluctuations in the broader consumer environment. Our focus on cultivating loyalty among high-value members continues to yield positive results. While these premium customers represent only a mid-single-digit percentage of our active membership base, they generate nearly 40% of total member sales. Their average transaction value consistently exceeds the membership average significantly, demonstrating substantially higher spending potential and retention compared to general members.

	As at			
	31 August 2023	29 February 2024	31 August 2024	**28 February 2025**
Cumulative user base* (Million)	73.1	76.3	81.0	**86.0**
Percentage of in-store retail sales (including VAT) contributed by members during the period#	92.7%	93.4%	93.7%	**93.2%**

* *Users include members and potential members (i.e. non-member WeChat followers)*
\# *The Period refers to semi-annual data as of 31 August and annual data as of 28 / 29 February.*

Pioneering New Business Models and Services: Tapping to the Expanded Arenas

In response to the prevailing macroeconomic climate and global uncertainties, Chinese consumers have adopted a more prudent consumption approach, with consumption potential remaining partially constrained in the near term. Nevertheless, the increasing segmentation within the sports retail market has created opportunities in specialized categories, as Generation Z and the emerging middle class—the driving forces of sports consumption—increasingly align their purchasing decisions with personal identity and self-fulfillment. Throughout the year, we continued to leverage our diverse category portfolio, further enriching our brand partnership matrix across four key segments, including recreational sports, leisure sports, performance sports, and IP culture.

Within this landscape, the growing runner population and increasing sophistication have driven demand for high-performance, personalized running equipment, while simultaneously raising expectations for aesthetic design and value proposition. TOPSPORTS has responded proactively to this trend by expanding our brand portfolio to include distinctive running brands from various global regions, offering Chinese consumers a more diverse and premium options.

Recently, we entered into the exclusive partnerships with SOAR Running in China, taking comprehensive responsibility for their local market development and expansion. SOAR Running, a premium running brand, distinguishes itself through cutting-edge design and innovative technical fabrics, delivering performance apparel that seamlessly integrates functionality with contemporary aesthetics. In the coming months, the brand will meet with Chinese consumers via online flagship stores and various offline formats. In addition, our collaboration with norda™, a Canadian high-end trail running brand, has continued to deepen in this financial year, with an online presence established on Tmall's flagship store and rednote; we have also entered sports fashion boutiques in multiple cities such as Shanghai and Beijing, so as to fully capture the development opportunities in trail running of the outdoor segment.

In the outdoor vertical segment, we continue to elevate our brand portfolio, most recently through a partnership with Norrøna, a top-tier professional outdoor brand. As its exclusive operating partner in China, Topsports oversees end-to-end operations—including brand promotion, marketing, channel establishment, and consumer engagement—to jointly unlock the outdoor market's potential with the brand. Our online strategy deploys flagship e-commerce stores and private domain channels, while offline initiatives integrate sporting events and community-driven activations to connect with core user groups. Guided by an "Omni-channel operation + precise engagement" approach, we forge meaningful brand-consumer linkages. Committed to providing the one-stop Omni-operation solution for more partners in China under variety of sports formats, we deliver diversified products and immersive experiences to mainstream and niche audiences alike, injecting fresh vitality into the market.

Sustainable Development: New Heights, New Goals

Throughout the year, TOPSPORTS has maintained its commitment to social responsibility, leveraging our sustainability strategy to encourage adoption of sustainable practices across our supply chain. Our comprehensive ESG management framework continues to earn recognition from leading assessment organizations. During the financial year, TOPSPORTS achieved a two-level improvement in our MSCI ESG rating to “AA”, placing us at the forefront of China’s consumer goods sector. We made substantial advancements in critical areas including privacy and data security, chemical safety, and corporate governance, achieving industry-leading standards across these dimensions. Our retail operations reached another milestone with the first TOPSPORTS store receiving Leadership in Energy and Environmental Design (LEED) Gold certification, highlighting our progress in sustainable retail development. We also introduced our public welfare IP “GREENBOX” sustainability initiative across our physical retail network, promoting environmental values and healthy, active lifestyles to our customers.

In alignment with the United Nations Sustainable Development Goals and China’s carbon peaking and neutrality targets, we have recently established a ten-year carbon reduction target focused on driving green transformation throughout our value chain. We have also collected our Scope 3 greenhouse gas emissions statistics for the first time. Looking ahead, we remain guided by our ESG vision “To become a promoter and leader of green consumption by jointly building a sustainable ecosystem and achieving win-win values”. We will continue integrating environmental considerations across all aspects of our Omni-channel retail operations, working with stakeholders to build a sustainable ecosystem while delivering premium sporting goods and services to our customers.

FUTURE OUTLOOK

Striving for Excellency, Surging Forward

As China has designated consumer spending as a key economic priority for 2025, the introduction of policies supporting sports consumption is expected to inject fresh momentum into the sporting goods retail sector. Meanwhile, the sporting goods market continues to evolve rapidly with emerging scenarios, brands, and product categories, intensifying competitive pressures across the industry. Nevertheless, we remain clear-eyed about these challenges while confident in our capabilities. Amid these opportunities and challenges, we will continue to refine our retail expertise. With forward-looking and agile strategic execution, we are dedicated to creating enduring value for consumers, shareholders, partners and society.

Future Development Initiatives

- Focus on Omni-channel retail, users, innovative business formats and services, and lay out long-term growth.
- Continuously focus on consolidating efficiency and exploiting the fundamental resilience of the retail platform.
- Optimize and improve the “Precise + Efficient” digital empowerment support.
- Actively practice ESG concepts and build a sustainable path of ecological co-construction and value co-creation.

FINANCIAL ANALYSIS

For the year ended 28 February 2025, the Group recorded revenue of RMB27,012.9 million, a decrease of 6.6% compared with that of the year ended 29 February 2024. The Group recorded operating profit of RMB1,592.7 million, a decrease of 42.8% compared with that of the year ended 29 February 2024. The profit attributable to the Company's equity holders during the year amounted to RMB1,286.0 million, a decrease of 41.9% compared with that of the year ended 29 February 2024.

REVENUE

The Group's revenue decreased by 6.6%, from RMB28,933.2 million for the year ended 29 February 2024 to RMB27,012.9 million for the year ended 28 February 2025. The decline was mainly due to a weakening consumer demand and a continuous declining footfall of offline stores during the year. The following table sets forth a breakdown of the revenue from sale of goods by brand categories, concessionaire fee income and e-Sports income for the year indicated:

	Year ended				
	28 February 2025		29 February 2024		
	Revenue	**% of total**	Revenue	% of total	Growth/ (Decline) rate
Principal brands*	**23,310.7**	**86.3%**	24,834.1	85.8%	(6.1%)
Other brands*	**3,504.8**	**13.0%**	3,890.3	13.5%	(9.9%)
Concessionaire fee income	**145.9**	**0.5%**	169.9	0.6%	(14.1%)
e-Sports income	**51.5**	**0.2%**	38.9	0.1%	32.4%
Total	**27,012.9**	**100.0%**	28,933.2	100.0%	(6.6%)

Unit: RMB million

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

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

	Year ended				
	28 February 2025		29 February 2024		
	Revenue	**% of total**	Revenue	% of total	Growth/ (Decline) rate
Retail operations	**23,027.3**	**85.3%**	24,702.7	85.4%	(6.8%)
Wholesales operations	**3,788.2**	**14.0%**	4,021.7	13.9%	(5.8%)
Concessionaire fee income	**145.9**	**0.5%**	169.9	0.6%	(14.1%)
e-Sports income	**51.5**	**0.2%**	38.9	0.1%	32.4%
Total	**27,012.9**	**100.0%**	28,933.2	100.0%	(6.6%)

Unit: RMB million

PROFITABILITY

The Group's operating profit decreased by 42.8% to RMB1,592.7 million for the year ended 28 February 2025. The profit attributable to the Company's equity holders decreased by 41.9% to RMB1,286.0 million for the year ended 28 February 2025.

	Year ended		
	28 February 2025	29 February 2024	Decline rate
Revenue	**27,012.9**	28,933.2	(6.6%)
Cost of sales	**(16,629.5)**	(16,852.4)	(1.3%)
Gross profit	**10,383.4**	12,080.8	(14.1%)
Gross profit margin	**38.4%**	41.8%	

Unit: RMB million

Cost of sales decreased by 1.3% from RMB16,852.4 million for the year ended 29 February 2024 to RMB16,629.5 million for the year ended 28 February 2025. Gross profit of the Group decreased by 14.1% to RMB10,383.4 million for the year ended 28 February 2025 from RMB12,080.8 million for the year ended 29 February 2024.

During the year, the gross profit margin of the Group was 38.4%, decreased by 3.4 percentage points, from 41.8% for the year ended 29 February 2024. Decrease in gross profit margin primarily resulted in accelerating the integration and turnover of Omni-channel inventory, ramping up overall promotional activities, making tactical optimization of online and offline sales mix, in collaborating with brand partners to counter the inventory pressures stemming from sales declines. As of 28 February 2025, the inventory decreased by 4.5% to RMB6,004.0 million as compared with RMB6,283.8 million as at 29 February 2024 and decreased by 1.9% half-on-half as compared with 31 August 2024.

Selling and distribution expenses for the year ended 28 February 2025 were RMB7,943.8 million (2024: RMB8,356.0 million), accounting for 29.4% of the Group's revenue (2024: 28.9%). The selling and distribution expenses primarily include concessionaire and lease expenses, depreciation of right-of-use assets in relation to the stores, sales personnel salaries and commissions, other depreciation and amortization charges, and other expenses which mainly include store operation expenses, property management fees, logistics expenses and online service fees. Decrease in selling and distribution expenses primarily due to sales decline during the year resulting in a decrease in concessionaire and lease expenses, depreciation of right-of-use assets in relation to the stores and sales personnel salaries and commissions, partly offset by making tactical optimization of higher online sales mix which resulting in an increase in online platforms service fee and logistics service fee.

In the position of declining revenue, selling and distribution expenses as a percentage of the Group's revenue slightly increased by 0.5 percentage points which was mainly due to the decline in offline traffic negatively impacted the offline stores' operating leverage during the year.

General and administrative expenses for the year ended 28 February 2025 were RMB995.5 million (2024: RMB1,115.4 million), accounting for 3.7% of the Group's revenue (2024: 3.9%). The general and administrative expenses primarily include lease expenses in relation to office premises, management and administrative personnel salaries, depreciation and amortization charges, other tax expenses and other expenses. Decrease in general and administrative expenses primarily attributable to continuing optimization of organizational structure resulting in a decrease in staff costs and decrease in other tax expenses during the year.

Finance income decreased from RMB120.0 million for the year ended 29 February 2024 to RMB84.6 million for the year ended 28 February 2025. Decrease in finance income was mainly due to less interest income of bank deposits incurred, as the average balance of bank deposits and weighted average interest rate for the year ended 28 February 2025 was lower than last year.

Finance costs decreased from RMB147.3 million for the year ended 29 February 2024 to RMB117.7 million for the year ended 28 February 2025, primarily as a result of decrease in interest expenses on lease liabilities for the year ended 28 February 2025, partly offset by more interest expenses of short-term borrowings incurred, as the average balance of short-term borrowings was higher than last year.

Income tax expense for the year ended 28 February 2025 amounted to RMB274.9 million (2024: RMB547.9 million). The effective income tax rate decreased by 2.3 percentage points to 17.6% for the year ended 28 February 2025 from 19.9% for the year ended 29 February 2024 was attributable to the change in the relative profitability of the companies within the Group. The statutory income tax rate for the Group in Mainland China is generally 25% and the Company provided withholding tax provision on the profits retained by the subsidiaries in the PRC.

OTHER INCOME

Other income for the year ended 28 February 2025 amounted to RMB150.2 million (2024: RMB175.9 million) mainly consists of government incentives.

CAPITAL EXPENDITURE

The Group's capital expenditures primarily comprised of expenditures for property, plant and equipment and intangible assets. For the year ended 28 February 2025, the total capital expenditure was RMB376.9 million (2024: RMB407.7 million).

BASIC EARNINGS PER SHARE

Basic earnings per share for the year ended 28 February 2025 decreased by 41.9% to RMB20.74 cents from RMB35.69 cents for the year ended 29 February 2024.

Basic earnings per share is calculated by dividing profit attributable to the Company's equity holders of RMB1,286.0 million for the year ended 28 February 2025 (2024: RMB2,213.0 million) by the weighted average number of ordinary shares of the Company in issue of 6,201,222,024 shares (2024: 6,201,222,024 shares).

		Year ended	
		28 February 2025	29 February 2024
Profit attributable to the Company's equity holders	RMB million	**1,286.0**	2,213.0
Weighted average number of ordinary shares for the purpose of basic earnings per share	thousand of shares	**6,201,222**	6,201,222
Basic earnings per share	RMB cents	**20.74**	35.69

LIQUIDITY AND FINANCIAL RESOURCES

During the year, net cash generated from operations increased by RMB369.9 million to RMB4,099.3 million for the year ended 28 February 2025 from RMB3,729.4 million for the year ended 29 February 2024.

Net cash used in investing activities for the year ended 28 February 2025 was RMB297.5 million (2024: net cash used in RMB198.1 million). During the year, the Group invested RMB372.8 million on payments for purchases of property, plant and equipment and intangible assets, partly offset by proceeds from disposals of property, plant and equipment of RMB0.6 million and interest received of RMB74.7 million.

During the year, net cash used in financing activities was RMB2,826.4 million (2024: net cash used in RMB3,332.3 million), mainly due to the repayments of short-term borrowings of RMB2,670.1 million, placement of short-term pledged bank deposits of RMB1,146.7 million, payments for lease liabilities (including interest) of RMB1,241.3 million, payments of the 2023/24 final dividend of RMB310.1 million and special dividend of RMB930.2 million and payments of the 2024/25 interim dividend of RMB868.2 million by the Group during the year, partly offset by proceeds from short-term borrowings of RMB4,080.0 million and withdrawal of short-term pledged bank deposits of RMB276.1 million.

As at 28 February 2025, the Group held short-term pledged bank deposits and cash and cash equivalents totaling RMB3,584.1 million (2024: RMB2,082.1 million), after netting off the short-term borrowings of RMB2,130.0 million (2024: RMB720.1 million), it was in a net cash position of RMB1,454.1 million (2024: net cash position of RMB1,362.0 million).

GEARING RATIO

As at 28 February 2025, the gearing ratio (net debt (short-term borrowings less bank deposits, cash and cash equivalents) divided by total capital (total equity plus net debt)) of the Group had a net cash position (2024: net cash position) and the aggregate balances of short-term pledged bank deposits and cash and cash equivalents exceeded the total balance of short-term borrowings by RMB1,454.1 million (2024: RMB1,362.0 million).

PLEDGE OF ASSETS

As at 28 February 2025, except for the short-term pledged bank deposits of RMB996.7 million, no assets were pledged as security for banking facilities available to the Group.

CONTINGENT LIABILITIES

As at 28 February 2025, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 28 February 2025, the Group had a total of 27,279 employees (2024: 29,458 employees). For the year ended 28 February 2025, total staff cost was RMB2,746.4 million (2024: RMB2,931.1 million), accounting for 10.2% (2024: 10.1%) of the Group's revenue. The Group offers a competitive remuneration package to its employees, including mandatory retirement funds, insurance and medical coverage. In addition, discretionary bonus may be granted to eligible employees based on the Group's and individual's performance. The Group also allocated resources for providing continuing education and training for management and employees so as to improve their skills and knowledge.

GENERAL INFORMATION

FINAL DIVIDEND AND SPECIAL DIVIDEND

The board of directors of the Company (the "Board") recommended the payment of a final dividend for the year ended 28 February 2025 of RMB2.00 cents per ordinary share (the "Final Dividend") (2024: RMB5.00 cents), totaling RMB124.0 million (2024: RMB310.1 million).

For the benefit of the shareholders of the Company, and having considered the financial position of the Company, the Board further recommended the payment of a special dividend of RMB12.00 cents per ordinary share (the "Special Dividend", together with the Final Dividend, the "Dividends") (2024: RMB15.00 cents), totaling RMB744.1 million (2024: RMB930.2 million).

The actual exchange rate for the purpose of Dividends payment in Hong Kong dollars is the offshore exchange rate (Buying TT) of RMB against Hong Kong dollars (RMB1.00 = HK$1.0733) as quoted by the Hong Kong Association of Banks on Wednesday, 21 May 2025, being the date on which the Dividends are recommended by the Board. Accordingly, the amount of the Final Dividend and Special Dividend are HK$2.15 cents and HK$12.88 cents per ordinary share, respectively.

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

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the "AGM") will be held on Friday, 18 July 2025. The notice of the AGM will be sent to shareholders on Tuesday, 17 June 2025.

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

(a) For the purpose of ascertaining shareholder's eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 15 July 2025 to Friday, 18 July 2025 both days inclusive. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration no later than 4:30 p.m. on Monday, 14 July 2025.

(b) Subject to approval of the shareholders of the Company at the AGM, the Dividends will be payable on or about Wednesday, 27 August 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 8 August 2025. For the purpose of ascertaining shareholder's eligibility for the Dividends, the register of members of the Company will be closed from Tuesday, 5 August 2025 to Friday, 8 August 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the above mentioned Dividends, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration by no later than 4:30 p.m. on Monday, 4 August 2025.

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

CORPORATE GOVERNANCE REPORT

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

The Board is of the view that the Company has complied with all applicable code provisions as set out in the CG Code during the year ended 28 February 2025, save for code provision C.2.1 of the CG Code as disclosed in this announcement.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors. Following specific enquiry, each of the Directors has confirmed compliance with the required standard set out in the Model Code throughout the year ended 28 February 2025.

AUDIT COMMITTEE

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

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

The Audit Committee and the external auditor have reviewed the audited consolidated financial statements of the Group for the year ended 28 February 2025. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

SCOPE OF WORK OF THE AUDITOR ON THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 28 February 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

REMUNERATION COMMITTEE

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

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

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

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

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

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

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

NOMINATION COMMITTEE

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

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

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

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

SUFFICIENCY OF PUBLIC FLOAT

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

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

Hong Kong, 21 May 2025

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

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