

# 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 INTERIM REPORT



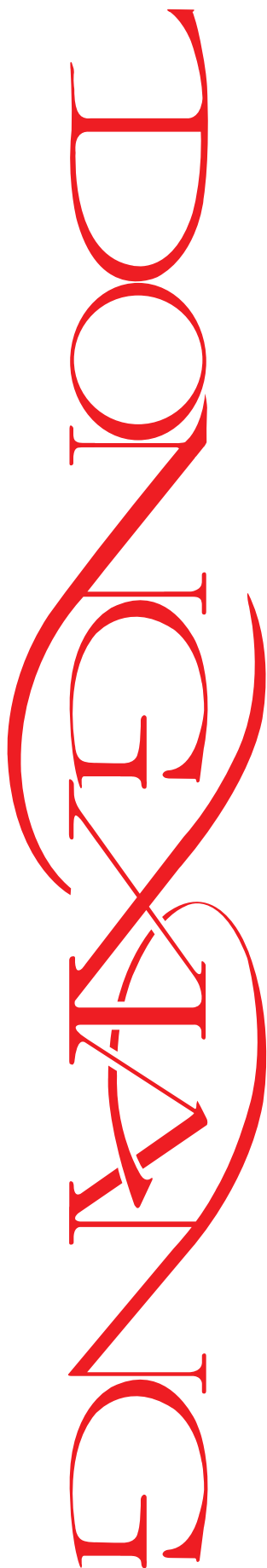
**phenix**







*phenix*



## Contents

---

Corporate Information	<b>2</b>
Information for Investors	<b>4</b>
Results Highlights	<b>5</b>
Chairman's Statement	<b>6</b>
Management Discussion and Analysis	<b>8</b>
Other Information	<b>30</b>
Report on Review of Interim Condensed Consolidated Financial Statements	<b>39</b>
Interim Condensed Consolidated Financial Statements	<b>40</b>
Notes to the Interim Condensed Consolidated Financial Statements	<b>46</b>

## 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  
Mr. Liu Xiaosong  
Ms. Tang Songlian

**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](http://www.dxsport.com)





# INFORMATION FOR INVESTORS

## OTHER IMPORTANT INFORMATION

### 1. Share information

Listing: Main Board of the Hong Kong Stock Exchange,  
10 October 2007

Stock code: 03818

Number of ordinary shares issued as at  
30 September 2025: 5,895,073,025 shares

### 2. Important dates

Announcement of 2025/2026 interim results:  
26 November 2025

Book closure date:  
10 December 2025 to 12 December 2025  
(both days inclusive)

### 3. 2025/2026 interim dividend and interim special dividend

Interim dividend: RMB1.04 cents per share

Interim special dividend: RMB01.04 cents per share

Payment date: on or around 23 December 2025

### 4. Investor Relations Department

Building 21, No. 2 Jingyuanbei Street,  
Beijing Economic-Technology Development Area,  
Beijing 100176, People's Republic of China

Telephone: (8610) 6783 6585

Facsimile: (8610) 6785 6606

Email: [ir@dxsport.com.cn](mailto:ir@dxsport.com.cn)

### 5. Website

[www.dxsport.com](http://www.dxsport.com)

**RESULTS HIGHLIGHTS****RESULTS HIGHLIGHTS**

For the six months ended 30 September

	<b>2025</b> <b>Unaudited</b> <b>(RMB million)</b>	2024 Unaudited (RMB million)	Change
Revenue	<b>748</b>	749	-0.1%
Gross profit	<b>511</b>	516	-1.0%
Gross profit margin	<b>68.3%</b>	68.9%	-0.6 ppt
Operating profit	<b>207</b>	162	+27.8%
Of which: Operating profit of the sporting goods business in China	<b>26</b>	20	+30.0%
Profit attributable to owners of the Company	<b>204</b>	137	+48.9%
	<b>(RMB cents)</b>	(RMB cents)	
Basic/Diluted earnings per share	<b>3.47</b>	2.34	+48.3%
Interim dividend and interim special dividend per share	<b>2.08</b>	1.40	+48.6%



## CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present on behalf of the Board our interim results for the six months ended 30 September 2025 (the "Reporting Period").

The global economic recovery in 2025 remains fraught with challenges. The International Monetary Fund (IMF) has revised its 2025 global economic growth forecast downward to 2.8%, reflecting broad-based weakness in growth momentum. Rising trade protectionism has particularly constrained global merchandise trade growth to just 1.7%. The sustained impact of U.S. "reciprocal tariff" policies continues to exert long-term pressure on international trade rules and the stability of global supply chains.

Despite severe external pressures, China's economy has demonstrated structural resilience underpinned by robust government policy support. On one hand, China's gross domestic product (GDP) grew 5.2% year-on-year in the first three quarters of 2025, exceeding expectations made at the beginning of the year and providing strong support for global economic stability. On the other hand, the core contradiction in China's economy lies in simultaneous GDP growth and persistently declining price levels, with significant low-inflation pressures. Deep adjustments in the property market have become the main drag on domestic demand. Falling property prices have intensified household debt burdens, leading to cautious consumption expectations and a surge in household savings to a historical high of approximately RMB160 trillion, highlighting the wait-and-see sentiment amid prudent expectations. This "high growth, low inflation" paradox indicates that domestic consumers' purchasing behaviour has become more rational, prompting enterprises to enhance the "quality-price ratio" of products without sacrificing quality to gain market favour.

Meanwhile, encouraged by government policies, the sports enthusiast population continues to expand, driving the segmentation of sports categories. Outdoor sports and niche activities such as skiing, golf, and tennis showed notable growth in premium segments. The rise of these niche sports drove sales of related goods whilst prompting comprehensive market transformation towards "function + fashion". Consumers no longer view sportswear merely as training equipment but as vehicles for everyday styling and self-expression, placing higher demands on product design philosophy and intrinsic value.

China Dongxiang Group actively responds to market dynamics, continuously refining its product and service systems to precisely match evolving consumer needs. The Group's two core brands — KAPPA and PHENIX — uphold unwavering commitment to brand philosophy and product quality. Going forward, they will continue to seize market opportunities through persistent product innovation, deep technology integration, comprehensive channel upgrades, and robust content marketing to deepen emotional resonance between brands and users, and deliver greater consumer value, thereby further consolidating market position and driving high-standard industry development.

During the Reporting Period, the Group achieved revenue of RMB748 million, which remained broadly stable year-on-year. The Group's attributable profit to equity holders reached RMB204 million, up 48.9% year-on-year. Basic and diluted earnings per share both stood at RMB3.47 cents,

reflecting a 48.3% year-on-year increase. To reward shareholders' ongoing support, the Board proposed distributing 60% of the net profit attributable to equity holders for the six months ended September 30, 2025, as interim dividends and interim special dividends. Since its listing, the Group has cumulatively paid dividends totaling RMB8.13 billion, achieving a cumulative dividend payout ratio of 87%.

### **KAPPA BRAND'S PRECISION MARKETING STRATEGY DRIVES OMNI-CHANNEL OPERATIONS TO UNLOCK GROWTH POTENTIAL**

During the Reporting Period, the Group continued to optimise its omni-channel deployment to strengthen synergies across the overall business system. Strategically, we adhered to a product-centric approach supported by social media marketing, investing significantly in enhancing online and offline consumer experiences and implementing dynamic sales operation management. In the offline segment, as consumption scenarios steadily recovered and demand for experiential retail grew, the brand further improved store environments and sales services. These efforts effectively increased the cross-selling rate and average transaction value. In the online segment, responding to increasingly refined consumer search behaviours, social platforms adopted a proactive content strategy, laying a highly efficient foundation for traffic conversion. As at 30 September 2025, the total number of KAPPA brand stores of the Group was 975.

During the Reporting Period, the KAPPA brand commenced the preliminary restructuring of its integrated marketing process, closely aligning product innovation with effective marketing to ensure marketing resources were distributed based on strategic allocation logic. This allowed resources to be concentrated on key focus products, maximising resource utilisation. The brand prioritised precision content promotion. Through integrated online and offline marketing, it established deep connections with consumers and facilitated real-time conversion, successfully rolling out multiple conversion-oriented offline campaigns to drive traffic. Regarding member engagement, the brand launched KAPPA member events through large-scale cross-sector partnerships. Through lean management, it achieved year-on-year growth in new members and member spending, effectively converting brand visibility into sales assets and achieving dual improvements in brand image and commercial targets.

### **LEVERAGING HIGH-PERFORMANCE FASHION SKI BRAND, PHENIX BRAND STRENGTHENED ITS CHINA FOCUS TO ESTABLISH DOMINANCE IN THE SKI EQUIPMENT MARKET**

The Group's PHENIX brand is a "high-performance fashion ski brand" with product lines divided into professional ski products and lifestyle products. The professional ski product line centres on the Swedish National Team series and competitive products, supported by younger series such as "SP27" and "miss phenix", balancing functionality and fashion. Additionally, PHENIX has co-created the "PARS" proactive rescue system with BeiDou satellites, for which a patent application has been filed, with plans for limited release during the 2025-26 ski season to continuously enhance technological influence. PHENIX's lifestyle outdoor product lines include "phenix outdoor",



featuring functional technology for all scenarios and terrains; “+phenix”, targeting light outdoor scenarios and feminine fashion attributes; and “alk phenix”, emphasising urban functional outdoor style and feminine fashion to meet diverse demographic needs. In market promotion, PHENIX, building upon previous ski suit sponsorships with Tsinghua and Peking universities, established ski suit partnerships with over 20 renowned Chinese university ski teams, deeply connecting the brand with new-generation ski enthusiasts. Moreover, during the Asian Winter Games, PHENIX provided apparel sponsorship to the Xinhua News Agency press corps, with high-performance professional clothing safeguarding journalists’ on-site work. Concurrently, offline presence was comprehensively expanded into professional channels of large indoor ski resorts including Taicang Snow World and Sunac.

### GLOBAL ECONOMIC SLOWDOWN PERSISTS; PRUDENT MEASURES TO MANAGE RISKS

During the reporting period, the global economy continued to decelerate. Despite prolonged adjustments, persistent factors such as geopolitical conflicts and new trade protectionism have yet to be resolved, suggesting the slowdown will endure until a new equilibrium is established. China’s domestic real estate sector remains in adjustment, with structural imbalances in investment, exports, and consumption persisting. Businesses and households have become increasingly cautious in spending. However, earlier policy interventions have gradually stabilized investment markets, while emerging technologies, products, and consumption trends point to future growth directions. China’s economy retains strong resilience and will continue to support global economic stabilization.

Against this complex backdrop, the Group has adopted a macroeconomic perspective, prioritizing returns within reasonable risk thresholds. Investment portfolios have been actively adjusted and optimized. During the reporting period, the Group accelerated exits from private equity (PE) funds to expedite capital recovery while moderately increasing allocations to fixed-income investments, achieving favorable returns while managing risks.

As of September 30, 2025, the Group’s net assets in investments reached RMB8,448 million, a 1% increase from March 31, 2025. Moving forward, the Group will continue to monitor market dynamics, adhere to prudent and stable principles, refine investment portfolios under controlled risks, and strengthen communication with fund managers to ensure timely and rational project exits. This strategy aims to deliver long-term, stable income returns for shareholders.

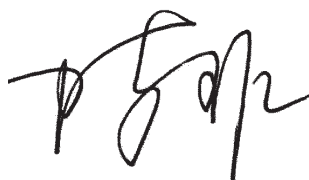
### FOLLOWING CENTRAL GOVERNMENT MANDATES AND COMMITTED TO ACHIEVING SUSTAINABLE DEVELOPMENT

2025 marks a critical year for China’s ESG transition from “voluntary” to “mandatory” and from “preliminary” to “refined”, with government policy focused on enhancing disclosure quality, depth and comparability, whilst strengthening financial support for green low-carbon transformation. The Group closely follows central government directives, actively responding to the importance of industrial green transformation and new productive forces development. The Group has established a high-standard ESG management system, continuously

optimising strategies and committed to building a high-tech, high-efficiency, high-quality green sports industry. Going forward, the Group will continue to deepen and expand ESG practices, actively conveying green concepts, attracting target consumers with heightened social consciousness, and achieving harmonious coexistence between economy and environment.

### APPRECIATION

Finally, the Group’s achievements are inseparable from the hard work of all Directors and staff, the trust of all partners, and the unwavering support of shareholders. Looking ahead, despite persistent challenges, the Group will uphold core brand spirit, seize opportunities, forge ahead, and remain dedicated to delivering stable and substantial returns to shareholders, writing a brilliant new chapter for China Dongxiang!



**Chen Yihong**  
Chairman

26 November 2025





# MANAGEMENT DISCUSSION AND ANALYSIS



1. Jinzhong Shanshan Outlets Star Store Manager Day
2. KAPPA Classic Retro Running Shoes — King Shoes
3. PHENIX Official Sponsor of Xinhua News Agency Journalist Team at Asian Winter Games
4. PHENIX PARS Satellite-Based Active Rescue System
5. KAPPA WING Series Brand Ambassador — Zhang Junhao
6. +phenix Series
7. KAPPA Dalian Pavilion Offline Event





## MACROECONOMIC REVIEW

In the first half of 2025, the global economy continued its moderate recovery, though growth uncertainty and structural divergence remained pronounced.

Benefiting from the continuation and deepening of macroeconomic control measures introduced in 2024, China's economy, a key driver of global economic growth, demonstrated strong endogenous resilience in the first half of 2025. The fundamental tone of stable economic performance remained unchanged. According to the National Bureau of Statistics of China, China's gross domestic product (GDP) grew 5.2% year-on-year in the first three quarters of 2025, amongst the highest of major economies. Total retail sales of consumer goods rose 4.5% year-on-year to RMB36.6 trillion. Whilst such growth signals a recovery in the consumer confidence index, total household deposits continued to rise, underscoring cautious expectations and prudent planning.

In the second half of the year, major developed economies, particularly the United States and the Eurozone, saw inflationary pressures ease gradually, with markets closely watching the timing and scale of interest rate cuts by major central banks. Ongoing geopolitical conflicts and elevated global public debt remain key sources of uncertainty in the global macroeconomic environment. Looking to the fourth quarter, China's exports may continue to face headwinds from US reciprocal tariff policies; consumption growth may slow modestly as policy effects wane and organic drivers remain subdued; and the drag from the property sector may deepen further. Against this backdrop of pressures and challenges, China's economic activity in the first half of 2025 exceeded earlier expectations. The International Monetary Fund (IMF) raised its full-year 2025 GDP growth forecast for China to 4.8%. China's economy remains poised to navigate headwinds and deliver steady progress, with strong fundamentals and policy support to achieve its full-year targets.

## INDUSTRY REVIEW

In the first half of 2025, China's sports goods industry achieved sustained, stable growth, supported by robust macroeconomic policies and demand from niche markets. According to the National Bureau of Statistics of China, retail sales of sports and recreation goods rose 22.2% year-on-year in the first half of 2025.

On the policy front, the government's wide-ranging policies and initiatives have driven steady industry development. In the first half of 2025, a series of national-level policies provided solid macroeconomic support for the high-quality development of the sports goods industry. In February 2025, the General Administration of Sport of China issued the Work Priorities for Mass Sports in 2025, prioritising the development of a strong sporting nation and Healthy China initiative. In April 2025, the People's Bank of China and three other departments jointly issued the Guiding Opinions on Financial Support for the High-Quality Development of the Sports Industry, strengthening financial support for sports goods manufacturing, sports services, and related sectors, and leveraging finance to promote growth in sports consumption. In September 2025, 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, proposing a series of measures to expand sports product supply and stimulate sports consumption demand, including enriching sports events and activities, developing the outdoor sports industry, and fostering the growth of the ice and snow economy. These policies have energized the market, and public enthusiasm for sports consumption remains strong, providing certainty for the sports goods industry as it enters a new stage of high-quality development.

## MANAGEMENT DISCUSSION AND ANALYSIS

In terms of brand competition and innovation, outdoor sports emerged as a major structural growth driver during the Reporting Period. The Action Plan for Promoting the Development of Outdoor Sports Facilities and Service Improvement (2023–2025), jointly issued by the National Development and Reform Commission and four other departments, explicitly aims to push the total scale of the outdoor sports industry to RMB3 trillion by 2025. Young and middle-aged consumers have become the core demographic for outdoor sports, spurring brands to pursue professionalisation, technological advancement, and enhanced quality whilst balancing functionality and fashion appeal. Numerous domestic and international brands have seized the opportunity to establish differentiated competitive advantages in professional niche segments such as skiing, running, and premium outdoor lifestyles, with international sports brands rapidly opening their first stores in China. In terms of marketing, these niche brands have leveraged sports events, digital marketing, and social media engagement, with influencers and brands forging collaborative marketing partnerships. Through a series of innovative marketing campaigns, these brands continue to build brand recognition, expand their reach, and deepen customer engagement, further expanding the social influence of various sports.

### BUSINESS REVIEW

During the Reporting Period, China's economy exhibited pronounced characteristics of "consumption-driven growth and structural upgrading". Central government support for the trade-in programme for consumer goods through ultra-long-term special treasury bond funding, coupled with the intensive rollout of policies such as the \*Guiding Opinions on Financial Support for the High-Quality Development of the Sports Industry\*, injected strong momentum into the sportswear consumption market. The sportswear and footwear industry has shifted from "mass-market competition" to "breakthrough in niche segments". The Group capitalised on market opportunities by optimising omni-channel deployment and strengthening synergies across its business systems to enhance efficiency and operational performance. Responding to market dynamics, the Group integrated online and offline channels, reinforced internal business collaboration, and drove dual improvements in efficiency and performance. Concurrently, the Group deepened product innovation, delivering new products with novel designs, advanced materials, and superior functionality across brand portfolios through parallel upgrades in detail and value repositioning, thereby further consolidating its market position.

In brand promotion, the Group prioritised precision content marketing, closely integrating product innovation with performance-driven marketing. Resources were concentrated on incremental products to maximise marketing resource utilisation and achieve dual enhancements in brand image and brand equity. KAPPA remained user-centric, establishing deeper connections with consumers through innovative design, technological breakthroughs, and a series of creative promotional campaigns, facilitating the timely conversion of brand assets into sales assets.



## Brand Building and Promotion

### *China Region Promotion — KAPPA Brand*

During the Reporting Period, KAPPA brand commenced the reconstruction of its integrated marketing processes, transforming promotional activities from fragmented initiatives into a systematic approach centred on products, concentrating on result-oriented promotion, and pursuing comprehensive cost-effectiveness. This strategy enhanced consumer experience and established brand image whilst ensuring more effective conversion of brand resources into sales support and performance improvement.

During the period, which is a key promotion season for footwear, KAPPA brand continued to focus on fashion sport products for hit products promotion, and prioritised three core categories, namely trend running shoes, skate shoes and retro-running shoes, thereby implementing synergic promotion of both fashion trend and brand development directions. In the second quarter, the brand provided integrated support for footwear products through a combination of online e-commerce celebrity endorsements, key opinion leader content deployment, and offline full-funnel promotion, complemented by joint communication with fashion media "Marie Claire". This successfully generated product momentum, supported achievement of sales targets, materialised KAPPA's brand values at both product and marketing levels, and led a new brand trend. In the third quarter, the returning retro running silhouette, the King edition, became a blockbuster product of the season, with multiple reorders and sell-outs, delivering strong sales performance.

Additionally, the brand focused on the implementation of offline events in core stores in key cities, deploying store exploration content centred on products across social platforms to drive product seeding and store sales growth. Concurrently, the brand achieved integrated brand-sales outcomes through racing shoe project support, short-term celebrity endorsements, and key opinion leader-driven sales.

In store efficiency enhancement, KAPPA brand successfully implemented multiple conversion-oriented and result-based traffic linkage models, achieving dual enhancements in brand image and commercial objectives. In the second quarter, the brand held a pop-up event at Dalian Parkland, contributing to overall sales growth of 22% year-on-year; in the third quarter, it held a celebrity store manager event at Jinzhong Outlets, facilitating timely conversion of fan economy, with daily sales triple the prior-year level.

In membership maintenance, the brand leveraged large-scale offline cross-sector partnerships to implement KAPPA membership activities, efficiently activating membership resources. In the third quarter, the brand capitalised on Meituan's "Autumn's First Cup of Milk Tea" and other new-customer acquisition campaigns to achieve year-on-year growth in new membership and member spending, delivering significant sales growth and membership asset accumulation.

### *China Region Promotion — PHENIX Brand*

PHENIX has positioned itself as a "high-performance fashion ski brand". Its product lines are divided into professional ski products and lifestyle products. The professional ski product line is driven by the "Swedish National Alpine Ski Team Series" and alpine racing-category professional ski products, supported by the "SP27" series and "miss phenix" as youth-oriented fashion ranges, ensuring the brand's dual core positioning of functionality and fashion appeal whilst meeting the diverse needs of China's skiing population.

Lifestyle products focus primarily on outdoor categories, with three main product lines brought to market: "phenix outdoor", "+phenix", and "alk phenix". "phenix outdoor" emphasises all-scenario, all-terrain functional technology as its core selling point, catering to consumers' outdoor activity needs at varying levels; "+phenix" targets light outdoor scenarios and feminine fashion attributes, placing greater emphasis on coordination and fashion appeal beyond meeting basic outdoor functionality, thereby differentiating from traditional outdoor brand offerings; "alk phenix" centres on urban-functional outdoor styling and feminine fashion attributes, featuring distinctive product aesthetics and technological functionality.

## MANAGEMENT DISCUSSION AND ANALYSIS

PHENIX has co-created with BeiDou Satellite Navigation System the “PARS” (phenix Active Rescue System), a satellite-based active rescue system incorporated into professional ski apparel and launched to market. This technology has obtained utility model patent certification. A product launch is planned for the 2025–26 ski season with limited market release, continuously enhancing PHENIX brand’s technological capabilities and influence.

PHENIX brand has become the official sponsor of the ski teams at Tsinghua University and Peking University. In the first half of this year, sponsorship partnerships were established with over 20 universities, with exclusive PHENIX co-branded ski products created for each institution. Concurrently, phenix brand became the ski apparel sponsor of the Swedish national team at the beginning of this year, rapidly launching bulk products of Swedish national team sponsorship items for sale through all channels. PHENIX became the official sponsor of the Xinhua News Agency journalist team at the Asian Winter Games, generating substantial high-quality content during the Games for brand exposure and visibility.

In offline professional channel deployment, PHENIX achieved comprehensive entry into indoor ski venues nationwide, including Taicang Snow World, Chengdu Sunac, Guangzhou Sunac, Shenzhen Huafa, Shanghai Yaosnow, and other indoor ski channels. In the e-commerce segment, PHENIX ski apparel secured a top-three industry position, with sales revenue targeted for double-digit growth. Mid-to-high-priced adult and children’s ski apparel products continued to maintain the number one industry position.

Looking ahead, PHENIX will continue its core strategy as a professional ski brand, developing and expanding products with ski functionality at the design core, whilst continuously extending lifestyle categories positioned as a “high-performance fashion ski brand”, transitioning from snow mountains to cities, building a year-round, four-season product portfolio, continuously exploring potential market opportunities, and completing urban and outdoor scenario deployment.

### KAPPA Apparel Product Series

KAPPA remains driven by product value and user experience, and is committed to showcasing and strengthening its brand power. Through precise product positioning, it creates sport products that combine fashion aesthetics with comfort and functionality, building a diversified product matrix that effectively enhances differentiated brand competitiveness.

By fusing trend-led design with sports technology, the brand meets consumers’ desire for fashion expression while delivering an excellent wearing experience, truly realising a product concept that balances “aesthetics and comfort”.

In terms of product lines, the KAPPA 1916 series cleverly blends classic brand elements with contemporary trend language, expressing athletic vitality while enabling distinctive personal style, thereby reinforcing the brand’s hero propositions. The KAPPA PLAYER series combines bold design language with the brand’s signature polychromatic character, using striking colour harmonies, innovative cuts and highly recognisable styling to deliver products aligned with contemporary consumer taste. The KAPPA GARA series places particular emphasis on fabric selection and craftsmanship upgrades, prioritising premium skin-friendly, breathable materials and ergonomic construction to ensure flexibility and comfort in wear. From daily commuting to sporting scenarios, the products offer an unburdened wearing experience. At the same time, the brand focuses on cutting and finishing details to ensure each item does not only look eye-catching but also fits diverse body types, striking a well-judged balance between style and utility.

Through continuous optimisation of design language and material processes, KAPPA has rebutted the conventional perception that aesthetic appeal and comfort are mutually exclusive in sports products, evidencing the feasibility of a unified outcome of fashionable outlook and superior comfort. Such balance has attracted trend-oriented and functionality-oriented consumers alike, further consolidating the brand’s leading position within the athleisure segment and mitigating homogenisation risks across the industry. Looking forward, KAPPA will maintain a user-centric orientation; innovation in design and technology is expected to deliver products combining visual attraction with wearing quality.



### KAPPA Footwear

During the Reporting Period, KAPPA footwear continued to focus on fashion-sport products, with a spotlight on three core categories: trend running shoes, skate shoes and retro running shoes. Closely tracking fashion trends and the brand's strategic direction, the team drove a sales breakthrough in the latter half of the second quarter for the brand's hero product, TIFO "Little Pink" trainers. In the third quarter, the returning retro running silhouette, the King edition, became a blockbuster product, with multiple reorders, stable discount discipline and strong sell-through.

By further refining price bands, target consumer segments and product details, the products received more positive feedback. Brand assets were embedded more effectively into the products, with increased emphasis on sustainable brand development.

During the second and third quarter of 2025, investment in summer products and sustained momentum in casualwear lifted footwear sales above expectations overall. At the same time, the rollout of more new products and material upgrades also contributed, supporting a positive sales trajectory and continued momentum.

### KAPPA Accessories

During the Reporting Period, KAPPA's accessories business delivered steady development. In core product strategy, the line continued to deepen the brand's fashion DNA, expanding multi-scenario use and practical functions to consolidate and strengthen the market base. In offline channels, a "test-and-quick-replenishment" mechanism enabled precise demand capture and rapid response, successfully creating representative bestsellers such as the "Ice-skin Croissant" handbag ("冰皮牛角包"). In parallel, online operations remained stable, with continuous iteration and optimisation of core product selling points shoring up the market position of existing best-selling categories. From an operations standpoint, systematic refinement of product development and ordering workflows significantly improved overall efficiency, providing a solid foundation for scalable development and rapid market response.

### Omni-channel Retail Network

During the Reporting Period, the Group continued to focus on the quasi-direct operating model and optimise single-store efficiency, accelerating efficient omni-channel merchandise circulation. As at 30 September 2025, the Group operated a total of 975 KAPPA brand stores.

Leveraging the terminal control capabilities of the quasi-direct operating model, the Group deepened the integration of offline experience and private domain operations during the period, forming a "bidirectional empowerment" closed loop that further enhanced member activity and repurchase rates. Through systematic integration of merchandise management, online-offline cross-boundary management, and membership benefits management via data infrastructure, the Group significantly enhanced its operational efficiency.

### MAINTAINING A PRUDENT INVESTMENT STRATEGY

Facing an increasingly uncertain global environment, the Group has adopted a macroeconomic perspective, prioritizing returns within reasonable risk thresholds. Investment portfolios have been actively adjusted and optimized. During the Reporting Period, the Group accelerated exits from private equity (PE) funds to expedite capital recovery while moderately increasing allocations to fixed-income investments, achieving favorable returns while managing risks.

As of September 30, 2025, the Group's net assets in investments reached RMB8,448 million, a 1% increase from March 31, 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK

Looking ahead, whilst the global economy remains complex, volatile, and replete with uncertainties, the Group maintains full confidence in the structural resilience of China's economy and the long-term trajectory of high-quality development. Underpinned by robust government macroeconomic policy support and niche market demand driven by nationwide fitness promotion, China's sports goods industry will sustain steady growth. China Dongxiang Group maintains an actively optimistic outlook on the prospects of China's sportswear and leisurewear industry and firmly believes in the substantial growth potential of the domestic sports industry. The Group will proactively respond to market dynamics, capitalise on development opportunities in niche segments, continuously launch innovative products, optimise omni-channel deployment and business systems, deliver enhanced consumer experiences, and strengthen brand market competitiveness.

In brand marketing, the Group will continue to leverage precision content marketing, continuously launching a series of diversified and innovative marketing campaigns to establish deeper connections with consumers, enhance consumer experience, and achieve dual enhancements in brand image and brand sales volume, further elevating brand awareness and consolidating core brand competitiveness.

In investment operations, the Group will uphold prudent principles, focusing on optimising the asset structure of its investment portfolio, strengthening close collaboration with investment project management parties, exercising caution in advancing new investment projects, and ensuring timely and rational exits from existing invested projects, thereby delivering stable and enduring returns to shareholders.

## FINANCIAL REVIEW

The Group reported sales of RMB748 million for the six months ended 30 September 2025 (the “Reporting Period”), which remained basically stable as compared to the six months ended 30 September 2024 (the “Comparative Period”). For the Reporting Period, an operating profit of RMB26 million was reported for the China sporting goods segment, while an operating profit of RMB181 million was incurred for the investment segment. Profit attributable to owners of the Company for the Reporting Period amounted to RMB204 million (Comparative Period: profit attributable to owners of the Company of RMB137 million).

## Sales Analysis

### *Sales analysed by business and product categories*

	For the six months ended 30 September						Change
	2025			2024			
	RMB million	% of product/ brand mix	% of the Group's sales	RMB million	% of product/ brand mix	% of the Group's sales	
Kappa brand							
Apparel	517	73.3%	69.1%	520	73.8%	69.4%	−0.6%
Footwear	118	16.7%	15.8%	100	14.2%	13.4%	18.0%
Accessories	70	10.0%	9.4%	85	12.0%	11.3%	−17.6%
Kappa brand in total	705	100.0%	94.3%	705	100.0%	94.1%	—
Other businesses	43		5.7%	44		5.9%	−2.3%
Total	748		100.0%	749		100.0%	−0.1%



# MANAGEMENT DISCUSSION AND ANALYSIS

Total sales of the Kappa brand business, the core business of the Group, for the Reporting Period amounted to RMB705 million, which remained basically stable as compared to that 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, so that demands from end customers are better accommodated and satisfied. Meanwhile, the Group has also continued to conduct adjustments and optimisation of its directly operated stores, resulting in 975 Kappa stores in total.

## Sales of Kappa brand analysed by sales channels

	For the six months ended 30 September				
	2025		2024		Change
	Sales RMB million	% of sales of Kappa brand	Sales RMB million	% of sales of Kappa brand	
Non directly-operated	253	35.9%	253	35.9%	—
Directly-operated	452	64.1%	452	64.1%	—
<b>Kappa brand in total</b>	<b>705</b>	<b>100.0%</b>	705	100.0%	—

Sales of Kappa brand via non directly-operated channel amounted to RMB253 million for the Reporting Period, which remained stable as compared to that for the Comparative Period, representing 35.9% of the total sales of the Group’s Kappa brand business (Comparative Period: 35.9%).

As at 30 September 2025, the number of directly-operated retail stores under Kappa brand operated by our subsidiaries reached 539. Sales via directly-operated channel increased amounted to RMB452 million for the Reporting Period, which remained stable as compared to that for the Comparative Period, representing 64.1% of the total sales of the Group’s Kappa brand business (Comparative Period: 64.1%).

## Cost of Sales and Gross Profit

Cost of sales of the Group increased by RMB4 million to RMB237 million for the Reporting Period (Comparative Period: RMB233 million).

The gross profit of the Group decreased by RMB5 million to RMB511 million (Comparative Period: RMB516 million). The Group’s gross profit margin for the Reporting Period decreased slightly by 0.6 percentage point to 68.3% from 68.9% for the Comparative Period.

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

	For the six months ended		Change in % pts
	30 September		
	2025	2024	
	Gross profit margin	Gross profit margin	
<b>Kappa brand</b>			
Apparel	71.5%	71.4%	0.1
Footwear	60.4%	61.5%	-1.1
Accessories	69.9%	73.4%	-3.5
<b>Kappa brand in total</b>	69.5%	70.2%	-0.7
Other businesses	48.0%	48.3%	-0.3
<b>Overall</b>	68.3%	68.9%	-0.6

Gross profit margin of Kappa brand business for the Reporting Period and the Comparative Period was 69.5% and 70.2% respectively, decreasing by 0.7 percentage point 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 RMB333 million (Comparative Period: net gain amount of other income and gains/(losses) of RMB192 million), which included the net amount of investment gain of RMB294 million contributed by the investment segment and franchise fee income of RMB32 million.

#### Investment Segment

Net investment gain from investment segment of the Group for the Reporting Period was RMB294 million (Comparative Period: net investment profit of RMB171 million), comprising mainly gain from fair value change of financial assets of RMB254 million and interest income from time deposits with initial term over three months and within one year of RMB39 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the six months ended 30 September	
	2025 Gains from investment segment RMB million	2024 Gains/(losses) from investment segment RMB million
<b>Investments</b>		
Equity	66	97
Private-equity funds	54	(26)
Equity funds	81	18
Single equity investments	48	25
Debts, bonds, debt funds	25	31
Others	20	26
Total	294	171

### 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 RMB530 million (Comparative Period: RMB526 million), constituting 70.9% of the Group's total revenue and 0.7 percentage point higher 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 increased by RMB3 million, year-on-year, to RMB63 million for the Reporting Period (Comparative Period: RMB60 million).

Advertising and marketing expenses of the Group increased by RMB4 million to RMB337 million for the Reporting Period from RMB333 million for the Comparative Period, which was principally due to the increase in investment in marketing activities during the period.

Logistic and warehouse operation fees for the Reporting Period amounted to RMB16 million (Comparative Period: RMB15 million), an increase of RMB1 million versus the Comparative Period, which was due to the increase in freight charges corresponding to the increase in online income during the period.



For the Reporting Period, the Group continued to adopt a more cautious but effective approach in investment in product R&D, as our product design and development expenses were RMB20 million (Comparative Period: RMB19 million), increasing by RMB1 million versus the Comparative Period.

### Operating Profit

For the Reporting Period, operating profit of the Group was RMB207 million (Comparative Period: operating profit of RMB162 million). The operating profit margin was 27.7% for the Reporting Period (Comparative Period: operating profit margin of 21.6%). In particular, operating profit of China sporting goods segment was RMB26 million (Comparative Period: operating profit of RMB20 million).

### Finance Income — Net

For the Reporting Period, net finance income of the Group amounted to RMB4 million (Comparative Period: net finance income of RMB1 million), which mainly consisted of interest income from bank deposit of RMB6 million (Comparative Period: RMB13 million); interest expense of lease liabilities of RMB1 million (Comparative Period: RMB1 million) during the Reporting Period. Exchange loss for the Reporting Period amounted to RMB1 million (Comparative Period: exchange loss of RMB10 million).

### Taxation

For the Reporting Period, the Group incurred operating profit before income tax amounting to RMB210 million, resulting in income tax expenses amounting to RMB6 million (Comparative Period: income tax expense of RMB24 million). The effective tax rate was 2.9% (Comparative Period: 14.9%).

### Profit and Net Profit Margin Attributable to Owners of the Company

Profit attributable to owners of the Company for the Reporting Period was RMB204 million (Comparative Period: profit attributable to owners of the Company of RMB137 million). Profit margin attributable to owners of the Company was 27.3% (Comparative Period: profit margin attributable to owners of 18.3%).

### Earnings Per Share

The basic and diluted earnings per share for profit attributable to owners of the Company were both RMB3.47 cents for the Reporting Period (Basic and diluted earnings per share for the Comparative Period of RMB2.34 cents).

The basic earnings per share are calculated by dividing the profit for the period attributable to 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 30 September 2025, the total number of ordinary shares of the Company was 5,895,073,025 shares.

### Interim Dividend and Interim Special Dividend

The board of directors of the Company has resolved to declare an interim dividend of RMB1.04 cents and an interim special dividend of RMB1.04 cents per ordinary share, totalling RMB2.08 cents (equivalent to HK2.28 cents) per share in total, for the six months ended 30 September 2025, amounting to approximately RMB122,618,000.

The interim dividend and interim special dividend will be paid in HK Dollars based on the rate of HKD1.00 = RMB0.91020 being the official exchange rate of HK Dollars against Renminbi as quoted by the People's Bank of China at 25 November 2025. The dividends will be paid on or around 23 December 2025 to shareholders whose names appear on the register of members of the Company on 12 December 2025.

### Closure of Register of Members for the Entitlement of interim dividend and Interim Special Dividend

The Register of Members of the Company will be closed from 10 December 2025 to 12 December 2025 (both days inclusive), for the purpose of determining shareholders' entitlements to the 2025/2026 interim dividend and interim special dividend. In order to qualify for the 2025/2026 interim dividend and interim special dividend, 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 for registration no later than 4:30 p.m. on 9 December 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 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 (ii) 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 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 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 19(b) to the interim condensed 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 "Other Information — Restricted share award scheme" section set out on pages 30 to 32 of the interim report of the Company for the six months ended 30 September 2025.

### 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 "Other Information — Share Option Scheme" section set out on pages 32 to 35 of the interim report of the Company for the six months ended 30 September 2025.

## FINANCIAL POSITION

### Working capital efficiency ratios

Average trade receivable turnover days for the Reporting Period and the Comparative Period were 29 days and 32 days, respectively. Average trade payable turnover days for the Reporting Period and the Comparative Period were 144 days and 139 days, respectively. Average inventory turnover days for the Reporting Period and the Comparative Period were 288 days and 266 days, respectively.

### Liquidity and financial resources

As at 30 September 2025, cash and bank balances of the Group amounted to RMB2,769 million, a decrease of RMB640 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 RMB23 million;
- 2) Payment of dividends during the Reporting Period for an amount of equivalent to approximately RMB62 million;
- 3) Cash outflows for investment in financial assets of approximately RMB3,551 million and cash inflow from partial disposal of financial assets of approximately RMB2,978 million;
- 4) Other aggregate cash outflow amount of RMB28 million.

As at 30 September 2025, net asset value attributable to owners of the Company was RMB9,313 million (31 March 2025: RMB9,208 million). The Group's current assets exceeded current liabilities by RMB4,962 million (31 March 2025: RMB4,594 million). The Group also had a very strong liquidity position. The current ratio as of 30 September 2025 was 7.5 times (31 March 2025: 7.9 times).



# MANAGEMENT DISCUSSION AND ANALYSIS

## Investments in financial assets

As at 30 September 2025, the Group's current and non-current portions of financial assets at fair value through profit or loss amounted to RMB5,535 million in aggregate, which included the followings:

Listed securities:

Name	Fair value as at 30 September 2025 RMB million	Fair value as at 31 March 2025 RMB million
Alibaba	250	342
Other listed securities	129	159
Total	379	501

Other unlisted investments:

Investments	Fair value as at 30 September 2025 RMB million	Fair value as at 31 March 2025 RMB million
CPE Fixed Income Investment Fund	373	—
Yuli Private Securities Investment Fund No. 2	301	—
CPE Yuanfeng Fund RMB III	281	345
Panfeng Value Private Securities Investment Fund Phase C	202	189
CPE Yuanfeng New Fund RMB	194	184
Jiashi Investment Preferred Cornerstone	166	295
CPE Global Opportunities Fund II	156	126
Yunfeng Fund RMB IV	141	148
CPE Global Opportunities Fund	136	133
CPE Greater China Enterprises Growth Fund	128	115
Apollo Aligned Alternatives	114	—
Blackstone Private Credit Fund	110	—
Yunfeng Fund USD III	106	105
Jiashi Investment Preferred II	87	127
Boyu USD Fund	85	73
Yunfeng Fund USD IV	80	84
Brevan Howard PT Fund	76	72
TH USD Fund I	73	73
Others	2,347	2,011
Total	5,156	4,080

As of 30 September 2025, the Group's investments amounted to approximately RMB8.2 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 RMB294 million for the Reporting Period ended 30 September 2025, representing a significant growth from the same period of last year. 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 RMB7.8 billion in value appreciation to the Group.

## I. Investment Policy and Objectives

The Group's investment policy is to adhere to a prudent investment strategy and, through diversified investment activities, maximize 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, prioritizing 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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 summarizing 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 optimize 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 optimizing the risk control system.

## MANAGEMENT DISCUSSION AND ANALYSIS

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 synchronization 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 optimization 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 maximize investment returns and asset safety.

At the same time, the Group has established a professional internal audit team to build a normalized 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 optimization 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 optimizing 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 30 September 2025, the Group had loan receivables of an aggregated carrying amount of RMB914 million (31 March 2025: RMB907 million), including loans of an aggregated carrying amount of RMB594 million (31 March 2025: RMB582 million) to the independent third parties, loans of an aggregated carrying amount of RMB9 million (31 March 2025: RMB9 million) to the related parties and loan receivables of an aggregated carrying amount of RMB311 million (31 March 2025: RMB316 million) to the management personnel.

As at 30 September 2025, the amount of each loan receivable from the Borrower from the independent third parties varied from RMB4 million to RMB335 million, which bear interests at fixed interest rates in the range of 0% to 12% per annum. The maturity period of each loan receivable from the Borrower varied with the range from 10 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 sixteen as at 30 September 2025. The aggregated carrying amount of loan receivables due from the largest Borrower was RMB335 million, whereas the aggregated carrying amount of loan receivables due from the five largest Borrowers was RMB606 million, representing approximately 36.7% and 66.3% of the aggregated carrying amount of loan receivables of the Company as at 30 September 2025, respectively.

The amount of provision for impairment in respect of the loan receivables of the Group as at 30 September 2025 was approximately RMB277 million, as compared to approximately RMB176 million as at 31 March 2025. Provision for impairment increased by RMB101 million during the Reporting Period. 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 30 September 2025 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.



## MANAGEMENT DISCUSSION AND ANALYSIS

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 19 of the consolidated financial statements.

### Pledge of assets

As at 30 September 2025, the Group had no pledged assets (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 30 September 2025, 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, with a total committed investment amount of US\$30 million. As at 30 September 2025, the Group had paid a capital contribution of US\$21 million with a remaining balance of US\$9 million (equivalent to approximately RMB66 million) as capital commitments.

In February 2021, the Group entered into a limited partnership agreement with Yunfeng Fund IV (雲鋒基金IV), with a total committed investment amount of US\$20 million. As at 30 September 2025, the Group paid a capital contribution of US\$13 million with a remaining balance of US\$7 million (equivalent to approximately RMB48 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 30 September 2025, 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 30 September 2025, the Group had paid a capital contribution of US\$2 million with a remaining balance of US\$8 million (equivalent to approximately RMB53 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 30 September 2025 and no material acquisitions or disposals of the Group's subsidiaries, associates and joint ventures took place during the six months ended 30 September 2025.

## OTHER INFORMATION

### 1 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 and the Chief Executive Officer 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 six months ended 30 September 2025, 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 30 September 2025, there was no unvested Restricted Shares. As at 30 September 2025, 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 0.125% of the issued shares as at the Adoption Date. In 2016, 131,071 granted Restricted Shares was lapsed. As at 1 April 2025 and 30 September 2025, 23,050,071 Restricted Shares were available for grant under the Share Award Scheme. As at the date of this interim 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 interim report. The remaining life of the Share Award Scheme is approximately over five years.

## OTHER INFORMATION

Further details of the Share Award Scheme are set out in Note 26 of the interim condensed consolidated financial information. Save as disclosed above, there is no any other information in relation to the Restricted Share Award Scheme required to be disclosed pursuant to Rule 17.07 of Listing Rules.

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.

### 2 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 approximately 10% of the issued share capital of the Company as at the date of this interim report.

For the six months ended 30 September 2025, 7,512,000 share options were exercised. For the six months ended 30 September 2025, no share options were cancelled or granted under the Share Option Scheme. 2,484,000 share options have lapsed during the six months ended 30 September 2025. As at 1 April 2025 and 30 September 2025 the share options available for grant under the scheme mandate is 510,972,102 and 513,456,102 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 interim report, 513,456,102 share options are available for issue under the Share Option Scheme (in respect of share options which may be granted under the Share Option Scheme), which represents approximately 8.71% of the issued shares as at the date of the interim report. Further details of the share option scheme are set out in Note 26 of the interim condensed consolidated financial information.



## OTHER INFORMATION

The table below sets out the details of the movements in the share options granted to the Grantees under the Share Option Scheme for the six months ended 30 September 2025:

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 six months ended 30 September 2025 and the accounting policy adopted (HK\$) <sup>(12)</sup>	Weighted average closing price of the options exercised immediately before the date of such options were exercised during the six months ended 30 September 2025 (HK\$) <sup>(10)</sup>	Exercise price of the options cancelled during the six months ended 30 September 2025 (HK\$) <sup>(10)</sup>	Vesting period
		Outstanding as at 1 April 2025	Granted during the six months ended 30 September 2025 <sup>(12)</sup>	Exercised during the six months ended 30 September 2025 <sup>(10)</sup>	Lapsed during the six months ended 30 September 2025 <sup>(10)</sup>	Cancelled during the six months ended 30 September 2025 <sup>(10)</sup>	Outstanding as at 30 September 2025								
<b>Directors</b>															
Ms. Chen Chen	15/04/2021 <sup>(5)</sup>	—	—	—	—	—	—	15/04/2021–14/04/2031	0.94	0.92	—	—	—	On or after 14/04/2024 <sup>(1)</sup>	
Mr. Lyu Guanghong	15/04/2021 <sup>(5)</sup>	—	—	—	—	—	—	15/04/2021–14/04/2031	0.94	0.92	—	—	—	On or after 14/04/2024 <sup>(1)</sup>	
	18/04/2023 <sup>(9)</sup>	3,900,000	—	—	—	—	3,900,000	18/04/2023–17/04/2033	0.33	0.33	—	—	—	18/04/2023–17/04/2026 <sup>(1)</sup>	
<b>Associates of Directors</b>															
Mr. Men Xiaochen (spouse of Ms. Chen Chen, and thus an associate of Ms. Chen Chen)	18/04/2023 <sup>(9)</sup>	3,900,000	—	—	—	—	3,900,000	18/04/2023–17/04/2033	0.33	0.33	—	—	—	18/04/2023–17/04/2026 <sup>(1)</sup>	
	16/09/2019 <sup>(1)</sup>	320,000	—	—	—	—	320,000	16/09/2019–15/09/2029	0.854	0.82	—	—	—	16/09/2019–15/09/2022 <sup>(1)</sup>	
<b>Employees</b>															
—	16/09/2019 <sup>(1)</sup>	4,920,000	—	—	—	—	4,920,000	16/09/2019–15/09/2029	0.854	0.82	—	—	—	16/09/2019–15/09/2022 <sup>(1)</sup>	
—	07/01/2020 <sup>(2)</sup>	720,000	—	—	—	—	720,000	07/01/2020–06/01/2030	0.86	0.82	—	—	—	07/01/2020–06/01/2023 <sup>(1)</sup>	
—	01/04/2020 <sup>(3)</sup>	—	—	—	—	—	—	01/04/2020–31/03/2030	0.67	0.64	—	—	—	01/04/2020–31/03/2023 <sup>(1)</sup>	
—	01/09/2020 <sup>(4)</sup>	—	—	—	—	—	—	01/09/2020–31/08/2030	1.09	0.99	—	—	—	01/09/2020–31/08/2023 <sup>(1)</sup>	
—	15/04/2021 <sup>(5)</sup>	—	—	—	—	—	—	15/04/2021–14/04/2031	0.94	0.92	—	—	—	On or after 14/04/2024 <sup>(1)</sup>	
—	02/07/2021 <sup>(6)</sup>	—	—	—	—	—	—	02/07/2021–01/07/2031	1.36	1.34	—	—	—	On or after 01/07/2024 <sup>(1)</sup>	
—	28/01/2022 <sup>(7)</sup>	—	—	—	—	—	—	28/01/2022–27/01/2032	0.676	0.67	—	—	—	On or after 27/01/2025 <sup>(1)</sup>	
—	17/03/2022 <sup>(8)</sup>	600,000	—	—	—	—	600,000	17/03/2022–16/03/2032	0.459	0.435	—	—	—	On or after 16/03/2025 <sup>(1)</sup>	
—	18/04/2023 <sup>(9)</sup>	61,840,000	—	7,512,000	2,484,000	—	51,844,000	18/04/2023–17/04/2033	0.33	0.33	—	—	—	18/04/2023–17/04/2026 <sup>(1)</sup>	
Total		76,200,000	—	7,512,000	2,484,000	—	66,204,000								

\* Further details of the share options are set out in note 26 to the interim condensed consolidated financial information on pages 66 to 68 of this interim report.

<sup>(1)</sup> All share options may be vested only on or after the third (3rd) anniversary of the grant date.

<sup>(10)</sup> Vesting period of share options as below:

**Vesting schedule**

First (1st) anniversary of the grant date  
Second (2nd) anniversary of the grant date  
Third (3rd) anniversary of the grant date

**Vesting portion**

1/3 of the share options  
an additional 1/3 of the share options (i.e. up to 2/3 of the share options in total)  
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, 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 Guangdong, 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 six months ended 30 September 2025, 7,512,000 share options were exercised. For the six months ended 30 September 2025, no share options were cancelled or granted. The exercise price of the cancelled share options are not applicable. 2,484,000 share options have lapsed during the six months ended 30 September 2025. 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 six months ended 30 September 2025, 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 scheme 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 canceled for the six months ended 30 September 2025.
14. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of the Listing Rules.

## OTHER INFORMATION

### 3 DISCLOSURE OF INTEREST

#### (a) Directors' Interests in Securities

As at 30 September 2025, 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		Approximate percentage of total issued Shares
		Long position	Short position	
Mr. Chen Yihong	Interest of a controlled corporation <sup>(1)</sup>	2,005,931,000 shares	—	34.03%
	Interest of a controlled corporation <sup>(3)</sup>	312,090,025 shares	—	5.3%
Ms. Chen Chen	Interest of a controlled corporation <sup>(2)</sup>	550,503,730 shares	—	9.34%
	Beneficial owner	3,000,000 shares <sup>(4)</sup>	—	0.05%
	Interest of spouse <sup>(4)</sup>	4,220,000 shares	—	0.07%
Mr. Lyu Guanghong	Beneficial owner <sup>(3)</sup>	13,900,000 shares <sup>(5)</sup>	—	0.236%

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 Ms. Chen Chen's interests in 3,000,000 shares. 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 3,900,000 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.
- (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 3,900,000 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.
- (6) The calculations are based on the total number of Shares in issue as at 30 September 2025 of 5,895,073,025 Shares.

Save as disclosed above, as at 30 September 2025, 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.

## (b) Interests and Short Positions of Substantial Shareholders

As at 30 September 2025, 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	2,005,931,000	—	34.03%
	Interest in a controlled corporation <sup>(2)</sup>	312,090,025	—	5.3%
Harvest Luck Development Limited <sup>(1)</sup>	Interest in a controlled corporation	2,005,931,000	—	34.03%
	Interest in a controlled corporation <sup>(2)</sup>	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.



## OTHER INFORMATION

- (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 30 September 2025, 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.

### 4 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 six months ended 30 September 2025.

### 5 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 six months ended 30 September 2025.

### 6 AUDIT COMMITTEE

The Audit Committee of the Company, comprising three independent non-executive directors, has reviewed the effectiveness of both the external and internal audit and of internal controls and risk evaluation, including the interim report for the six months ended 30 September 2025.

The interim condensed consolidated financial statements for the six months ended 30 September 2025 of the Group has also been reviewed by Deloitte Touche Tohmatsu, the auditor of the Company, in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and Deloitte Touche Tohmatsu has expressed an unmodified review opinion on the interim condensed consolidated financial statements.

### 7 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### 8 CHANGES IN DIRECTORS' INFORMATION

Ms. Chen Chen has 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.

Mr. Liu Xiaosong, had resigned as a non-executive director of Inkeverse Group Limited (映宇宙集團有限公司), formerly known as Inke Limited (映客互娛有限公司), which is listed on the Hong Kong Stock Exchange (Stock Code: 3700) with effect from 28 March 2025.

# REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



**TO THE BOARD OF DIRECTORS OF CHINA DONGXIANG (GROUP) CO., LTD.**

*(incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of China Dongxiang (Group) Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 76, which comprise the interim condensed consolidated balance sheet as at 30 September 2025 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review, and to report our conclusion 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.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE 2410") as issued by the International Auditing and Assurance Standards Board. A review of these interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

26 November 2025

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Six months ended 30 September	
	Notes	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Revenue</b>	4	<b>748,088</b>	748,887
Cost of sales		<b>(237,457)</b>	(232,743)
<b>Gross profit</b>		<b>510,631</b>	516,144
Distribution expenses		<b>(478,059)</b>	(468,203)
Administrative expenses		<b>(51,520)</b>	(57,633)
Impairment losses under expected credit loss ("ECL") model, net of reversal	21	<b>(106,947)</b>	(20,162)
Other income and gains — net	6	<b>332,981</b>	192,299
<b>Operating profit</b>		<b>207,086</b>	162,445
Finance income	8	<b>6,113</b>	12,960
Finance expenses	8	<b>(1,968)</b>	(11,588)
Finance income — net		<b>4,145</b>	1,372
Share of post-tax losses of joint ventures and associates accounted for using the equity method		<b>(980)</b>	(2,689)
<b>Profit before income tax</b>		<b>210,251</b>	161,128
Income tax expense	9	<b>(6,478)</b>	(24,163)
<b>Profit for the period</b>		<b>203,773</b>	136,965
<b>Profit attributable to:</b>			
— Owners of the Company		<b>203,773</b>	136,965
— Non-controlling interests		<b>—</b>	—
		<b>203,773</b>	136,965

		Six months ended 30 September	
	Note	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Other comprehensive expense:</b>			
<i>Items that may be reclassified to profit or loss</i>			
— Currency translation differences on foreign operations		(39,090)	(47,143)
<b>Items that will not be reclassified to profit or loss</b>			
		—	—
<b>Other comprehensive expense, net of tax</b>		<b>(39,090)</b>	<b>(47,143)</b>
<b>Total comprehensive income for the period</b>		<b>164,683</b>	<b>89,822</b>
<b>Total comprehensive income for the period attributable to:</b>			
— Owners of the Company		<b>164,683</b>	<b>89,822</b>
— Non-controlling interests		—	—
		<b>164,683</b>	<b>89,822</b>
<b>Earnings per share for profit attributable to owners of the Company for the period (expressed in RMB cents per share)</b>			
— Basic earnings per share	11	<b>3.47</b>	2.34
— Diluted earnings per share	11	<b>3.47</b>	2.34



# INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

At 30 September 2025

	Notes	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	129,042	131,315
Intangible assets	14	148,331	152,236
Right-of-use assets	15	53,638	63,845
Investment properties	16	44,479	44,924
Investments accounted for using the equity method	17	16,945	8,761
Financial assets at fair value through profit or loss ("FVTPL")	20	3,271,271	3,338,288
Deferred income tax assets	9	141,886	138,152
Other financial assets at amortised cost	19	714,636	798,931
Other assets		—	107,673
<b>Total non-current assets</b>		<b>4,520,228</b>	4,784,125
<b>Current assets</b>			
Inventories		419,602	326,975
Trade receivables	18	126,076	111,872
Other current assets		24,237	25,508
Financial assets at FVTPL	20	2,263,807	1,242,686
Other financial assets at amortised cost	19	123,753	140,551
Restricted cash		769	129
Term deposits with initial term over three months and within one year		1,225,147	1,777,196
Cash and cash equivalents		1,543,211	1,631,452
Assets classified as held for sale	10	4,500	—
<b>Total current assets</b>		<b>5,731,102</b>	5,256,369
<b>Total assets</b>		<b>10,251,330</b>	10,040,494
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital and share premium		850,149	909,561
Shares held for employee share scheme	25	(196)	(196)
Reserves		8,462,674	8,298,708
Capital and reserves attributable to owners of the Company		9,312,627	9,208,073
Non-controlling interests		—	—
<b>Total equity</b>		<b>9,312,627</b>	9,208,073

	Notes	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>14,871</b>	19,734
Deferred income tax liabilities	9	<b>154,478</b>	150,834
<b>Total non-current liabilities</b>		<b>169,349</b>	170,568
<b>Current liabilities</b>			
Derivatives	29	<b>118,552</b>	99,305
Contract liabilities		<b>43,084</b>	19,373
Lease liabilities		<b>29,777</b>	27,485
Trade payables	22	<b>230,455</b>	125,363
Bills payables		—	17,400
Accruals and other payables	23	<b>335,239</b>	361,540
Current income tax liabilities		<b>12,247</b>	11,387
<b>Total current liabilities</b>		<b>769,354</b>	661,853
<b>Total liabilities</b>		<b>938,703</b>	832,421
<b>Total equity and liabilities</b>		<b>10,251,330</b>	10,040,494

The interim condensed consolidated financial statements on pages 40 to 76 was approved and authorised for issue by the Board of Directors of the Company on 26 November 2025 and was signed on its behalf by:

**CHEN YIHONG**

*Chairman and Executive Director*

**CHEN CHEN**

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Attributable to owners of the Company					
	Share capital RMB'000 (unaudited)	Share premium RMB'000 (unaudited)	Shares held for employee share scheme RMB'000 (unaudited)	Other reserves RMB'000 (unaudited)	Retained earnings RMB'000 (unaudited)	Total RMB'000 (unaudited)
<b>Balance at 1 April 2025</b>	<b>56,478</b>	<b>853,083</b>	<b>(196)</b>	<b>845,123</b>	<b>7,453,585</b>	<b>9,208,073</b>
<b>Profit for the period</b>	—	—	—	—	<b>203,773</b>	<b>203,773</b>
Other comprehensive expense						
— Currency translation differences	—	—	—	<b>(39,090)</b>	—	<b>(39,090)</b>
<b>Total comprehensive (expense)/income</b>	—	—	—	<b>(39,090)</b>	<b>203,773</b>	<b>164,683</b>
<b>Transactions with owners in their capacity as owners</b>						
Dividends declared and paid	—	<b>(62,239)</b>	—	—	—	<b>(62,239)</b>
Recognition of equity-settled share-based payments (Note 26)	—	—	—	<b>(147)</b>	—	<b>(147)</b>
Exercise of share options (Note 26)	<b>68</b>	<b>2,759</b>	—	<b>(570)</b>	—	<b>2,257</b>
	<b>68</b>	<b>(59,480)</b>	—	<b>(717)</b>	—	<b>(60,129)</b>
<b>Balance at 30 September 2025</b>	<b>56,546</b>	<b>793,603</b>	<b>(196)</b>	<b>805,316</b>	<b>7,657,358</b>	<b>9,312,627</b>
<b>Balance at 1 April 2024</b>	56,478	965,095	(196)	806,781	7,246,600	9,074,758
<b>Profit for the period</b>	—	—	—	—	136,965	136,965
Other comprehensive expense						
— Currency translation differences	—	—	—	<b>(47,143)</b>	—	<b>(47,143)</b>
<b>Total comprehensive (expense)/income</b>	—	—	—	<b>(47,143)</b>	136,965	89,822
<b>Transactions with owners in their capacity as owners</b>						
Dividends declared and paid	—	<b>(29,878)</b>	—	—	—	<b>(29,878)</b>
Recognition of equity-settled share-based payments (Note 26)	—	—	—	614	—	614
	—	<b>(29,878)</b>	—	614	—	<b>(29,264)</b>
<b>Balance at 30 September 2024</b>	56,478	935,217	(196)	760,252	7,383,565	9,135,316

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Notes	Six months ended 30 September	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Net cash generated from (used in) operating activities</b>		<b>23,265</b>	(6,114)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(31,958)	(26,345)
Payments for right-of-use assets		(1,337)	—
Investments in term deposits with initial term over three months		(525,424)	(943,539)
Withdrawal of term deposits with initial term over three months		1,043,009	471,216
Interest received from term deposits with initial term over three months		50,773	29,640
Proceeds from disposal of property, plant and equipment		593	1,935
Investments in financial assets at FVTPL		(3,550,645)	(1,340,115)
Proceeds from disposal of financial assets at FVTPL (including investment income)		2,978,303	1,505,042
Increase in loan receivables		(15,000)	—
Repayment of loan receivables		18,297	27,383
Interest received from loan receivables		1,229	8,109
Interest received from corporate bonds and treasury notes		2,367	3,145
Proceeds from disposal of investments in a joint venture		—	2,000
Proceeds from disposal of a subsidiary	10	3,000	—
Capital contribution to an associate		(2,800)	(1,900)
<b>Net cash used in investing activities</b>		<b>(29,593)</b>	(263,429)
<b>Cash flows from financing activities</b>			
Dividends paid	12	(62,239)	(29,878)
Payment for lease liabilities		(21,068)	(18,200)
Exercise of share options	26	2,132	—
<b>Net cash used in financing activities</b>		<b>(81,175)</b>	(48,078)
<b>Net decrease in cash and cash equivalents</b>		<b>(87,503)</b>	(317,621)
<b>Cash and cash equivalents at beginning of the period</b>		<b>1,631,452</b>	1,764,656
Effects of exchange rate changes on cash and cash equivalents		(738)	(10,256)
<b>Cash and cash equivalents at end of the period</b>		<b>1,543,211</b>	1,436,779



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 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”) 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 interim condensed consolidated financial statements are presented in Renminbi (“RMB”).

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 3. ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2025.

### Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2025 for the preparation of the Group’s interim condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial statements.

#### 4. REVENUE

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue from contracts with customers recognised at a point in time		
— Revenue from sales of sport apparel	<b>748,088</b>	748,887

#### 5. 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.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 5. SEGMENT INFORMATION (CONTINUED)

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

### For the six months ended 30 September 2025 (unaudited)

	China Sporting Goods RMB'000 (unaudited)	Investment RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue from external customers	748,088	—	748,088
Cost of sales	(237,457)	—	(237,457)
<b>Segment gross profit</b>	<b>510,631</b>	<b>—</b>	<b>510,631</b>
Other income and gains — net	39,322	293,659	332,981
<b>Segment operating profit</b>	<b>25,650</b>	<b>181,436</b>	<b>207,086</b>
Finance (expense)/income — net	(283)	4,428	4,145
Share of post-tax losses of joint venturers and associates accounted for using the equity method	—	(980)	(980)
<b>Profit before income tax</b>	<b>25,367</b>	<b>184,884</b>	<b>210,251</b>
Income tax (expense)/credit	(9,897)	3,419	(6,478)
<b>Profit for the period</b>	<b>15,470</b>	<b>188,303</b>	<b>203,773</b>
<b>Material items of income/expenses and gains/losses</b>			
Depreciation of property, plant and equipment	28,055	1,891	29,946
Depreciation of right-of-use assets	18,783	191	18,974
Amortisation of intangible assets	3,853	52	3,905
Depreciation of investment properties	595	1,069	1,664
Selling and advertising expenses	336,579	—	336,579
Fair value gains on financial assets at FVTPL — net	—	254,320	254,320
Impairment losses under ECL model, net of reversal	6,436	100,511	106,947
Impairment losses recognised on property, plant and equipment	—	2,220	2,220
Impairment losses recognised on right-of-use assets	—	5,609	5,609

## 5. SEGMENT INFORMATION (CONTINUED)

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

### For the six months ended 30 September 2024 (unaudited)

	China Sporting Goods RMB'000 (unaudited)	Investment RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue from external customers	748,887	—	748,887
Cost of sales	(232,743)	—	(232,743)
<b>Segment gross profit</b>	<b>516,144</b>	<b>—</b>	<b>516,144</b>
Other income and gains — net	21,492	170,807	192,299
<b>Segment operating profit</b>	<b>20,147</b>	<b>142,298</b>	<b>162,445</b>
Finance income — net	1,207	165	1,372
Share of post-tax losses of joint venturers and associates accounted for using the equity method	(2,689)	—	(2,689)
<b>Profit before income tax</b>	<b>18,665</b>	<b>142,463</b>	<b>161,128</b>
Income tax expense	(4,124)	(20,039)	(24,163)
<b>Profit for the period</b>	<b>14,541</b>	<b>122,424</b>	<b>136,965</b>
<b>Material items of income/expenses and gains/losses</b>			
Depreciation of property, plant and equipment	27,212	2,033	29,245
Depreciation of right-of-use assets	16,091	341	16,432
Amortisation of intangible assets	3,841	53	3,894
Depreciation of investment properties	—	1,217	1,217
Selling and advertising expenses	333,063	—	333,063
Fair value gains on financial assets at FVTPL — net	—	108,753	108,753
Impairment losses under ECL model, net of reversal	4,391	15,771	20,162



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 5. 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
<b>As at 30 September 2025 (Unaudited)</b>			
Cash and cash equivalents	400,760	1,142,451	1,543,211
Restricted cash	—	769	769
Term deposits with initial term over three months and within one year	—	1,225,147	1,225,147
Investments accounted for using the equity method	—	16,945	16,945
Financial assets at FVTPL	—	5,535,078	5,535,078
Deferred income tax assets	109,053	32,833	141,886
Right-of-use assets	53,638	—	53,638
Other assets	850,823	883,833	1,734,656
<b>Segment assets</b>	<b>1,414,274</b>	<b>8,837,056</b>	<b>10,251,330</b>
Deferred income tax liabilities	3,570	150,908	154,478
Current income tax liabilities	11,946	301	12,247
Lease liabilities	44,648	—	44,648
Other liabilities	489,505	237,825	727,330
<b>Segment liabilities</b>	<b>549,669</b>	<b>389,034</b>	<b>938,703</b>
<b>As at 31 March 2025 (Audited)</b>			
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
<b>Segment assets</b>	<b>1,302,823</b>	<b>8,737,671</b>	<b>10,040,494</b>
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
<b>Segment liabilities</b>	<b>459,958</b>	<b>372,463</b>	<b>832,421</b>

**6. OTHER INCOME AND GAINS — NET**

	<b>Six months ended 30 September</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
Fair value gains of financial instruments at FVTPL	<b>254,320</b>	108,753
Interest income from term deposits with initial term over three months and within one year	<b>38,726</b>	34,267
Investment income from loan receivables	<b>14,687</b>	21,020
Investment income from investments measured at amortised costs	<b>3,501</b>	3,189
Franchise fee income	<b>31,725</b>	21,420
Net foreign exchange losses	<b>(14,076)</b>	(9,255)
Government subsidy income	<b>4,655</b>	—
Dividend income from financial assets at FVTPL	<b>5,340</b>	14,317
Gain on disposal of the investment in a joint venture	<b>—</b>	558
Impairment losses recognised on property, plant and equipment	<b>(2,220)</b>	—
Impairment losses recognised on right-of-use assets	<b>(5,609)</b>	—
Others	<b>1,932</b>	(1,970)
	<b>332,981</b>	192,299

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 7. EXPENSES BY NATURE

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

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Selling and advertising expenses	336,579	333,063
Cost of inventories included in cost of sales	237,457	232,743
Staff costs:		
Salaries, bonus and other welfares and benefits	57,729	54,494
Pension — defined contribution plans	5,339	5,080
Share-based compensation	(147)	614
Total staff costs	62,921	60,188
Depreciation of property, plant and equipment (Note 13)	28,796	29,245
Expenses relating to short-term and variable leases	19,843	18,881
Product design and development expenses (Note)	20,001	18,625
Depreciation of right-of-use assets (Note 15)	18,974	16,432
Less: capitalised in construction in process	(141)	(141)
Depreciation of right-of-use assets charge to profit or loss	18,833	16,291
Logistic and warehouse operation fees	15,767	15,349
Travelling expenses	6,497	6,744
Legal and consulting expenses	3,207	6,021
Amortisation of intangible assets (Note 14)	3,905	3,894
Auditors' remuneration	1,080	1,080
Others	12,150	16,455
Total cost of sales, distribution expenses and administrative expenses	767,036	758,579

Note:

The salaries, bonus and other welfares and benefits amounted to RMB13,318,000 (2024: RMB13,081,000), and pension amounted to RMB1,316,000 (2024: RMB1,318,000) for staffs of product design and development department are included in "product design and development expenses" line but not included in staff cost.

**8. FINANCE INCOME — NET**

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Finance income		
— Interest income	6,113	12,960
	6,113	12,960
Finance expenses		
— Net foreign exchange losses	(738)	(10,256)
— Interest of lease liabilities	(1,047)	(1,076)
— Others	(183)	(256)
	(1,968)	(11,588)
Finance income — net	4,145	1,372

**9. INCOME TAX EXPENSE AND DEFERRED TAXATION****Income tax expense**

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Current income tax		
— PRC corporate income tax ("CIT")	3,844	8,561
— Withholding and remit tax recognised	2,724	17,582
Deferred income tax	(90)	(1,980)
	6,478	24,163

**(a) Cayman Islands income tax**

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.

**(b) Hong Kong and Singapore income tax**

Hong Kong and Singapore profits tax have not been provided as there are no estimated assessable profits arising in or derived from Hong Kong and Singapore during the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 9. INCOME TAX EXPENSE AND DEFERRED TAXATION (CONTINUED)

### Income tax expense (Continued)

#### (c) PRC CIT

Provision for the PRC CIT is calculated based on the statutory tax rate of 25% on the assessable profit of the remaining group companies for the six months ended 30 September 2025 (six months ended 30 September 2024: Provision for the PRC CIT is calculated based on the statutory tax rate of 25% on the assessable profit of the remaining group companies).

#### (d) PRC withholding tax ("WHT")

According to the applicable PRC CIT Law, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong (the "Double Tax Treaty Arrangement"), the relevant WHT will be reduced from 10% to 5%. In December 2023, an indirect wholly-owned subsidiary of the Group incorporated in Hong Kong, Gaea Sports Limited, has fulfilled the conditions and requirements of the aforesaid Double Tax Treaty Arrangement and has been certified as an eligible resident to entitle the preferential WHT rate of 5%. Accordingly, the deferred income tax liabilities in relation to the retained earnings of the Group's PRC subsidiaries to be distributed have been remeasured at the reduced WHT rate of 5% since then.

### Deferred taxation

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

The balance comprises temporary differences attributable to:

	As at 30 September 2025 RMB'000	As at 31 March 2025 RMB'000
Tax losses	49,588	67,338
Provision for impairment of inventories	19,365	19,333
Provision for ECL of trade receivables and other financial assets at amortised cost	67,892	42,074
Fair value changes of investments in financial assets	5,103	5,094
Lease liabilities	11,056	11,828
Other accrued expenses	4,790	5,763
Total deferred income tax assets	157,794	151,430
Offsetting with deferred income tax liabilities	(15,908)	(13,278)
Net deferred income tax assets	141,886	138,152



## 9. INCOME TAX EXPENSE AND DEFERRED TAXATION (CONTINUED)

### Deferred taxation (Continued)

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

	Tax losses RMB'000	Provision for Impairment of inventories RMB'000	Provision for ECL 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 2025	67,338	19,333	42,074	5,094	11,828	5,763	151,430
(Charged)/Credited to profit or loss	(17,750)	32	25,818	9	(772)	(973)	6,364
At 30 September 2025	49,588	19,365	67,892	5,103	11,056	4,790	157,794

The balance comprises temporary differences attributable to:

	As at 30 September 2025 RMB'000	As at 31 March 2025 RMB'000
Withholding income tax on profit distribution of PRC subsidiaries	22,670	24,742
Fair value changes of investments in financial assets	128,263	122,620
Right-of-use assets	11,541	11,440
Others	7,912	5,310
Total deferred income tax liabilities	170,386	164,112
Offsetting with deferred income tax assets	(15,908)	(13,278)
Net deferred income tax liabilities	154,478	150,834

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 9. INCOME TAX EXPENSE AND DEFERRED TAXATION (CONTINUED)

### Deferred taxation (Continued)

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

	Withholding income tax on profit distribution of PRC subsidiaries (Note d) 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 2025	<b>24,742</b>	<b>122,620</b>	<b>11,440</b>	<b>5,310</b>	<b>164,112</b>
(Credited)/Charged to profit or loss	<b>(2,072)</b>	<b>5,643</b>	<b>101</b>	<b>2,602</b>	<b>6,274</b>
At 30 September 2025	<b>22,670</b>	<b>128,263</b>	<b>11,541</b>	<b>7,912</b>	<b>170,386</b>

## 10. 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 5). 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 30 September 2025 RMB'000 (unaudited)
Right-of-use asset	<b>4,500</b>
Total assets classified as held for sale	<b>4,500</b>

## 11. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Profit</b>		
Profit attributable to owners of the Company	203,773	136,965

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

	Six months ended 30 September	
	2025 '000 (unaudited)	2024 '000 (unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,867,236	5,864,511
Effect of dilutive potential ordinary shares:		
Share options under 2019 Share Option Scheme	13,114	30
	5,880,350	5,864,541

	Six months ended 30 September	
	2025 RMB cents (unaudited)	2024 RMB cents (unaudited)
<b>Earnings per share</b>		
Basic earnings per share	3.47	2.34
Diluted earnings per share	3.47	2.34

The number of shares adopted in the calculation of the basic earnings per share has been arrived at after adjusting the effect of shares held for the restricted share award scheme of the Company ("Restricted Share Award Scheme") during the period.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 12. DIVIDENDS

The total dividends paid during the six months ended 30 September 2025 amounted to approximately RMB62,483,000 (six months ended 30 September 2024: RMB29,996,000), of which approximately RMB244,000 (six months ended 30 September 2024: RMB118,000) was paid to the holders of the shares held for the Restricted Share Award Scheme.

Subsequent to the end of the current interim period, pursuant to a resolution passed on 26 November 2025, the Board of Directors of the Company (the "Board") proposed a total interim dividend of RMB2.08 cents (equivalent to HK2.28 cents) per share, in an aggregate amount of RMB122,618,000, for the six months ended 30 September 2025 from the Company's share premium, which is expected to be paid on or around 23 December 2025. This interim dividend is not reflected as a dividend payable in this interim condensed consolidated financial statements, but will be reflected as an appropriation from the Company's share premium for the year ending 31 March 2026.

## 13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RMB'000 (unaudited)	Buildings RMB'000 (unaudited)	Office furniture and equipment RMB'000 (unaudited)	Vehicles RMB'000 (unaudited)	Leasehold improvements RMB'000 (unaudited)	Construction in progress RMB'000 (unaudited)	Total RMB'000 (unaudited)
<b>COST</b>							
As at 1 April 2025	7,491	117,037	46,619	2,140	148,797	2,645	324,729
Additions	—	—	611	167	29,405	1,775	31,958
Disposals	—	—	(249)	(434)	(552)	(2,267)	(3,502)
Transfers to investment properties	—	—	—	—	—	(1,219)	(1,219)
Transfers	—	378	—	—	—	(378)	—
Currency translation differences	(45)	(244)	—	—	—	—	(289)
As at 30 September 2025	7,446	117,171	46,981	1,873	177,650	556	351,677
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>							
As at 1 April 2025	—	(50,281)	(41,120)	(1,462)	(100,551)	—	(193,414)
Charge for the period	—	(2,699)	(924)	(62)	(26,261)	—	(29,946)
Disposals	—	—	243	340	106	2,220	2,909
Currency translation differences	—	36	—	—	—	—	36
Impairment loss recognised in profit or loss	—	—	—	—	—	(2,220)	(2,220)
As at 30 September 2025	—	(52,944)	(41,801)	(1,184)	(126,706)	—	(222,635)
<b>NET CARRYING VALUES</b>							
As at 30 September 2025	7,446	64,227	5,180	689	50,944	556	129,042

**14. INTANGIBLE ASSETS**

	Kappa trademarks RMB'000 (unaudited)	Phenix trademarks and other brands RMB'000 (unaudited)	Computer Software RMB'000 (unaudited)	Total RMB'000 (unaudited)
<b>COST</b>				
As at 1 April 2025 and 30 September 2025	<b>280,994</b>	<b>8,605</b>	<b>12,597</b>	<b>302,196</b>
<b>AMORTISATION</b>				
As at 1 April 2025	<b>(135,229)</b>	<b>(3,208)</b>	<b>(11,523)</b>	<b>(149,960)</b>
Charge for the period	<b>(3,512)</b>	<b>(108)</b>	<b>(285)</b>	<b>(3,905)</b>
As at 30 September 2025	<b>(138,741)</b>	<b>(3,316)</b>	<b>(11,808)</b>	<b>(153,865)</b>
<b>CARRYING VALUES</b>				
As at 30 September 2025	<b>142,253</b>	<b>5,289</b>	<b>789</b>	<b>148,331</b>

**15. RIGHT-OF-USE ASSETS**

	Land use rights RMB'000 (unaudited)	Leased properties and warehouses RMB'000 (unaudited)	Total RMB'000 (unaudited)
<b>COST</b>			
As at 1 April 2025	<b>22,122</b>	<b>94,489</b>	<b>116,611</b>
Addition	—	<b>16,969</b>	<b>16,969</b>
Modification	—	<b>3,218</b>	<b>3,218</b>
Early termination of leases	—	<b>(2,052)</b>	<b>(2,052)</b>
Elimination at end of leases	—	<b>(19,280)</b>	<b>(19,280)</b>
Reclassified as held for sale (Note 10)	<b>(11,259)</b>	—	<b>(11,259)</b>
As at 30 September 2025	<b>10,863</b>	<b>93,344</b>	<b>104,207</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>			
As at 1 April 2025	<b>(5,072)</b>	<b>(47,694)</b>	<b>(52,766)</b>
Charge for the period	<b>(253)</b>	<b>(18,721)</b>	<b>(18,974)</b>
Early termination of leases	—	<b>741</b>	<b>741</b>
Elimination at end of leases	—	<b>19,280</b>	<b>19,280</b>
Impairment loss recognised in profit or loss	<b>(5,609)</b>	—	<b>(5,609)</b>
Reclassified as held for sale (Note 10)	<b>6,759</b>	—	<b>6,759</b>
As at 30 September 2025	<b>(4,175)</b>	<b>(46,394)</b>	<b>(50,569)</b>
<b>CARRYING VALUES</b>			
As at 30 September 2025	<b>6,688</b>	<b>46,950</b>	<b>53,638</b>



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 16. INVESTMENT PROPERTIES

	Investment property RMB'000 (unaudited)
<b>COST</b>	
As at 1 April 2025	55,132
Transfer from property, plant and equipment	1,219
As at 30 September 2025	56,351
<b>DEPRECIATION</b>	
As at 1 April 2025	(4,481)
Provided for the period	(1,664)
As at 30 September 2025	(6,145)
<b>IMPAIRMENT</b>	
As at 1 April 2025 and 30 September 2025	(5,727)
<b>CARRYING VALUES</b>	
As at 30 September 2025	44,479

## 17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
Cost of investments in associates	24,850	15,686
Share of post-acquisition loss and other comprehensive expense in associates	(7,905)	(6,925)
	16,945	8,761

**18. TRADE RECEIVABLES**

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
Trade receivables		
— Third parties	<b>140,735</b>	122,057
— Related parties (Note 28(b))	<b>7,249</b>	5,922
	<b>147,984</b>	127,979
Less: allowance for credit losses	<b>(21,908)</b>	(16,107)
Trade receivables, net	<b>126,076</b>	111,872

During the period, trade receivables of RMB182,000 written off in prior years were recovered, and accordingly an impairment loss under ECL model of RMB182,000 has been reversed.

Customers are normally granted credit terms within 30–90 days. The aging analysis of trade receivables based on recognition date as at 30 September 2025 and 31 March 2025 were as follows:

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
Within 30 days	<b>85,734</b>	74,153
31 to 180 days	<b>40,342</b>	37,719
Over 180 days	—	—
	<b>126,076</b>	111,872

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 19. OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
<b>Current portion:</b>		
Loans to third parties (Note a)	134,119	131,733
Loan to a related party (Note 28(b))	9,008	8,791
Receivable from disposal of a joint venture	3,750	3,750
Deposits paid and others	36,484	44,847
Less: allowance for credit losses	(59,608)	(48,570)
<b>Total</b>	<b>123,753</b>	140,551
<b>Non-current portion:</b>		
Loans to third parties (Note a)	459,411	450,630
Loans to management personnel (Notes b and 28(b))	173,497	176,352
Loans to ex-management personnel (Note b)	137,553	139,779
Investments in corporate bonds and treasury notes (Note c)	139,080	139,375
Deposits paid and others	28,707	26,889
Less: allowance for credit losses	(223,612)	(134,094)
<b>Total</b>	<b>714,636</b>	798,931

Notes:

- (a) As at 30 September 2025, the gross amount of loan receivables due from third parties amounted to approximately RMB593,530,000 (as at 31 March 2025: RMB582,363,000) which bear interest at rates in the range of nil to 12% (as at 31 March 2025: nil to 12%) per annum. The amount of each loan receivable varies from RMB3,756,000 to RMB219,473,000 (as at 31 March 2025: RMB3,756,000 to RMB220,517,000). The maturity period of each loan receivable varies with the range from 10 to 36 months.

As at 30 September 2025 and 31 March 2025, the Group's loan receivables were secured by various collaterals such as equity interests in certain companies, investment return under private equity funds as well as certain properties in the PRC.

- (b) 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 to 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 interest 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 (Note 28(b)).

## 19. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

Notes: (Continued)

- (c) On 2 November 2023, the Group acquired certain corporate bonds as issued by Apple Inc. with an aggregate nominal principal amount of US\$15,000,000 (the "Bonds") from the open market at a total consideration of US\$13,860,000 (equivalent to approximately RMB98,337,000 at date of acquisition). The 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 US\$5,100,000 from the open market at a total consideration of US\$5,100,000 (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.

## 20. FINANCIAL ASSETS AT FVTPL

Financial assets measured at FVTPL include the following:

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
Non-current portion		
— Private equity fund investments and others	3,149,096	3,208,434
— Other unlisted equity investments	122,175	129,854
	3,271,271	3,338,288
Current portion		
— Listed equity securities	379,497	501,144
— Private equity fund investments and others	1,324,662	668,223
— Other unlisted equity investments	35,456	43,478
— Knock out notes	524,192	29,841
	2,263,807	1,242,686

Further details of financial assets at FVTPL are given in Note 29.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 20. FINANCIAL ASSETS AT FVTPL (CONTINUED)

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

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Fair value gains on listed equity securities	77,530	203,929
Fair value gains on private equity fund investments and others	188,690	33,179
Fair value losses on other unlisted equity investments	(954)	(21,435)
Fair value losses on listed REITs investment	—	(4,291)
Fair value gains on wealth management products	2,112	2,081
Fair value gains on knock out notes	7,620	824
	<b>274,998</b>	214,287

## 21. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Impairment loss recognised in respect of:		
— trade receivables	(5,619)	(4,864)
— other financial assets at amortised cost	(101,328)	(15,298)
	<b>(106,947)</b>	(20,162)

The basis of determining the inputs and assumptions and the estimation techniques used in the interim condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2025.

## 22. TRADE PAYABLES

The ageing analysis of trade payables based on goods receipt date were as follows:

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
Within 30 days	167,761	76,330
31 to 180 days	50,259	35,550
Over 180 days	12,435	13,483
	<b>230,455</b>	125,363



**23. ACCRUALS AND OTHER PAYABLES**

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
Suppliers' and customers' deposits	74,689	74,123
Deposits of investment in FVTPL	72,000	72,000
Deposits payable to related parties (Note 28(b))	15,900	15,900
Payables for marketing expenses	51,535	63,420
Salary and welfare payable	11,082	15,221
Other taxes and levies payable	10,608	11,112
Payables for logistic fees	8,383	7,310
Payables for professional and legal fees	14,564	16,357
Creditor's deposit	12,790	12,921
Payables for investment	20,186	26,260
Refund payables	15,385	15,385
Others	28,117	31,531
	<b>335,239</b>	361,540

**24. SHARE CAPITAL**

	Number of shares	Share capital HK\$'000
Ordinary shares of Hong Kong dollars ("HK\$") 0.01 each Authorised At 1 April 2024, 30 September 2024, 1 April 2025 and 30 September 2025	10,000,000,000	100,000
Issued and fully paid At 1 April 2024, 30 September 2024 and 1 April 2025	5,887,561,025	58,876
Exercise of share options	7,512,000	75
At 30 September 2025	5,895,073,025	58,951
	<b>30 September 2025 RMB'000 (unaudited)</b>	1 April 2025 RMB'000 (audited)
Equivalent nominal value of ordinary shares presented as	<b>56,546</b>	56,478

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 25. SHARES HELD FOR EMPLOYEE SHARE SCHEME

	As at 30 September 2025 Number of shares (unaudited)	As at 31 March 2025 Number of shares (audited)	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
Shares held for employee share scheme	<b>23,050,071</b>	23,050,071	<b>196</b>	196

These shares are held by the Group's Trust for the purpose of issuing shares under the Group's employee share scheme (see Note 26 for further information).

## 26. SHARE BASED COMPENSATION SCHEMES

### (a) 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 would 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 six months ended 30 September 2025 and 2024, no shares were granted under the Restricted Share Award Scheme and hence no amount was charged as an expense in profit or loss.

## 26. SHARE BASED COMPENSATION SCHEMES (CONTINUED)

### (b) 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 HK\$1.00 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.

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 six months ended 30 September 2025, the Group reversed share option expenses of RMB147,000 (six months ended 30 September 2024: recognised expenses of RMB614,000) in profit or loss.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 26. SHARE BASED COMPENSATION SCHEMES (CONTINUED)

### (b) The 2019 Share Option Scheme (Continued)

Movements in the number of share options outstanding during the six months ended 30 September 2025 and 2024 under this scheme and their weighted average exercise prices are as follows:

	Six months ended 30 September			
	2025		2024	
	Weighted average exercise price (per share)	Outstanding options	Weighted average exercise price (per share)	Outstanding options
	HK\$ (unaudited)	(thousands) (unaudited)	HK\$ (unaudited)	(thousands) (unaudited)
<b>As at 1 April</b>	<b>0.371</b>	<b>75,600</b>	0.709	200,000
Exercised	<b>0.330</b>	<b>(7,512)</b>	—	—
Lapsed/Forfeited	<b>0.330</b>	<b>(6,608)</b>	0.935	(120,000)
<b>As at 30 September</b>	<b>0.381</b>	<b>61,480</b>	0.371	80,000
Exercisable as at 30 September	<b>0.407</b>	<b>40,860</b>	0.434	30,880

Share options outstanding at 30 September 2025 and 31 March 2025 have the following expiry date and exercise prices:

	As at 30 September 2025		As at 31 March 2025	
	Exercise price (per share)	Share options	Exercise price (per share)	Share options
	HK\$ (unaudited)	(thousands) (unaudited)	HK\$ (audited)	(thousands) (audited)
	(unaudited)	(unaudited)	(audited)	(audited)
Expiry date				
15 September 2029	<b>0.854</b>	<b>5,240</b>	0.854	5,240
6 January 2030	<b>0.860</b>	<b>720</b>	0.860	720
31 March 2030	<b>0.670</b>	—	0.670	—
31 August 2030	<b>1.090</b>	—	1.090	—
14 April 2031	<b>0.940</b>	—	0.940	—
1 July 2031	<b>1.360</b>	—	1.360	—
27 January 2032	<b>0.676</b>	—	0.676	—
16 March 2032	<b>0.459</b>	—	0.459	—
17 April 2033	<b>0.330</b>	<b>55,520</b>	0.330	69,640
		<b>61,480</b>		75,600
Weighted average remaining contractual life of options outstanding at end of period/ year		<b>7.21 years</b>		7.77 years

## 27. COMMITMENTS

The Group had the following commitments as at 30 September 2025:

### Capital commitments

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 30 September 2025, the remaining balance of the investment commitment amounted to RMB30 million (as at 31 March 2025: RMB50 million).

In January 2021, the Group entered into a limited partnership agreement with CPE Global Opportunities Fund II, with a total committed investment amount of United States Dollars ("USD") 30 million. As at 30 September 2025, the remaining balance of the investment commitment amounted to USD 9 million (equivalent to approximately RMB66 million) (as at 31 March 2025: USD 14 million (equivalent to approximately RMB100 million)).

In February 2021, the Group entered into a limited partnership agreement with Yunfeng Fund IV (雲鋒基金IV), with a total committed investment amount of USD 20 million. As at 30 September 2025, the remaining balance of the investment commitment amounted to USD 7 million (equivalent to approximately RMB48.2 million) (as at 31 March 2025: USD 7 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 USD 6 million. As at 30 September 2025, the remaining balance of the investment commitment amounted to USD 2 million (equivalent to approximately RMB14 million) (as at 31 March 2025: USD 2 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 USD 10 million. As at 30 September 2025, the remaining balance of the investment commitment amounted to USD 7.5 million (equivalent to approximately RMB53.3 million) (as at 31 March 2025: USD 7.5 million (equivalent to approximately RMB53.8 million)).



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 28. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in these interim condensed consolidated financial statements, the Group had the following transactions and balances with related parties:

### (a) Transactions with related parties

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Sales of goods to		
— Joint ventures of the Group	37	—
— Entity controlled by a close family member of the Chairman	751	608
	788	608
Interest income from loans to		
— Management personnel	888	881
Commissions expenses		
— Entity controlled by a close family member of the Chairman	34,309	22,229
	34,309	22,229

**28. RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Balances with related parties*****Trade receivables (Note 18)***

	<b>As at 30 September 2025 RMB'000 (unaudited)</b>	<b>As at 31 March 2025 RMB'000 (audited)</b>
Entities controlled by a close family member of the Chairman	<b>7,249</b>	5,922
	<b>7,249</b>	5,922

***Other financial assets at amortised cost (Note 19)***

	<b>As at 30 September 2025 RMB'000 (unaudited)</b>	<b>As at 31 March 2025 RMB'000 (audited)</b>
Current portion		
— An associate of the Group (Note)	<b>9,008</b>	8,791
— Less: allowance for credit losses	<b>(1,897)</b>	—
	<b>7,111</b>	8,791

Note: The loan bears interest at a rate of 5% per annum. The maturity period of the loan receivable is 60 months. The loan was secured by the inventories of the associate.

	<b>As at 30 September 2025 RMB'000 (unaudited)</b>	<b>As at 31 March 2025 RMB'000 (audited)</b>
Non-current portion		
— Management personnel	<b>173,497</b>	176,352

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Balances with related parties (Continued)

#### *Accruals and other payables (Note 23)*

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 March 2025 RMB'000 (audited)
Entities controlled by a close family member of the Chairman	15,900	15,900
	15,900	15,900

Notes:

- (i) The transactions with related companies are conducted based on terms as mutually agreed among the parties concerned.
- (ii) Except for the loans to management personnel as mentioned in Note 19(b) and loans to associates, the balances with the other related parties are unsecured, non-interest bearing and receivable/payable on demand.

### (c) Key management compensation

	Six months ended 30 September	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Salaries, bonus and other welfares and benefits	2,636	3,054
Pension and share-based compensation	67	102
	2,703	3,156

## 29. 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 technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

### Fair value hierarchy

At 30 September 2025 (Unaudited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>				
Financial assets at FVTPL				
— Private equity fund investments and others	—	11,225	4,462,533	4,473,758
— Listed equity securities	379,497	—	—	379,497
— Other unlisted equity investments	—	—	157,631	157,631
— Knock out notes	—	—	524,192	524,192
<b>Total financial assets</b>	<b>379,497</b>	<b>11,225</b>	<b>5,144,356</b>	<b>5,535,078</b>
<b>Financial liabilities</b>				
Derivatives	—	—	(118,552)	(118,552)
At 31 March 2025 (Audited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>				
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
<b>Total financial assets</b>	<b>501,144</b>	<b>60,252</b>	<b>4,019,578</b>	<b>4,580,974</b>
<b>Financial liabilities</b>				
Derivatives	—	—	(99,305)	(99,305)

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 29. FAIR VALUE MEASUREMENTS (CONTINUED)

### Reconciliation of Level 3 instruments

	Private equity fund investments and others RMB'000 (unaudited)	Other unlisted equity investments RMB'000 (unaudited)	Knock out notes RMB'000 (unaudited)	Listed REITs investment RMB'000 (unaudited)	Derivatives RMB'000 (unaudited)	Total RMB'000 (unaudited)
Opening balance at 1 April 2025	3,816,405	173,332	29,841	—	(99,305)	3,920,273
Additions	947,123	—	585,420	—	—	1,532,543
Disposals	(472,987)	(13,465)	(98,328)	—	—	(584,780)
Fair value changes*	183,289	(954)	7,620	—	(20,678)	169,277
Currency translation difference	(11,297)	(1,282)	(361)	—	1,431	(11,509)
Closing balance at 30 September 2025	4,462,533	157,631	524,192	—	(118,552)	5,025,804
* unrealised gains/(losses) recognised in profit or loss attributable to balances held at the end of the reporting period	180,638	(954)	7,620	—	(20,678)	166,626

	Private equity fund investments and others RMB'000 (unaudited)	Other unlisted equity investments RMB'000 (unaudited)	Knock out notes RMB'000 (unaudited)	Listed REITs investment RMB'000 (unaudited)	Derivatives RMB'000 (unaudited)	Total RMB'000 (unaudited)
Opening balance at 1 April 2024	3,719,225	262,194	—	6,326	(1,456)	3,986,289
Additions	242,159	—	28,030	—	—	270,189
Disposals	(189,376)	(5,335)	(317)	—	—	(195,028)
Transfer from Level 3 to Level 1 (Note a)	—	(14,190)	—	—	—	(14,190)
Fair value changes*	28,284	(21,435)	824	(4,291)	(114,345)	(110,963)
Currency translation difference	(12,155)	(2,275)	(3)	—	703	(13,730)
Closing balance at 30 September 2024	3,788,137	218,959	28,534	2,035	(115,098)	3,922,567
* unrealised gains/(losses) recognised in profit or loss attributable to balances held at the end of the reporting period	26,393	(21,435)	824	(4,291)	(114,345)	(112,854)

Note:

- (a) Since 5 April 2024, one of the Group's other unlisted equity investments has been listed on National Association of Securities Dealers Automated Quotations ("NASDAQ") and the fair value of that investment as at 30 September 2024 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.

## 29. 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		Valuation technique	Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	30 September 2025 RMB'000	31 March 2025 RMB'000			As at 30 September 2025	As at 31 March 2025	
<b>Financial assets</b>							
Private equity fund investments and others (Note b)	4,462,533	3,816,405	Net asset value	N/A	N/A	N/A	N/A
Other unlisted equity investments (Note c)	115,070	122,676	Market comparable companies	Earnings before interest and tax multiples ("EV/EBIT"), Discount for lack of marketability ("DLOM")	EV/EBIT: 14.38 DLOM: 20%	EV/EBIT: 11.99 DLOM: 20%	Increased or decreased EV/EBIT by 1 would increase or decrease fair value by approximately RMB7,838,000 (31 March 2025: RMB9,904,000). Increased or decreased DLOM by 5% would decrease or increase fair value by approximately RMB7,195,000 (31 March 2025: RMB7,688,000).
	35,456	43,478	Discounted Cash Flow	Discount rate	Discount rate: 11.89%	Discount rate: 17.16%	Increased or decreased discount rate by 1% would decrease or increase fair value by approximately RMB334,000 (31 March 2025: RMB208,000).
	7,105	7,178	Recent transaction approach	N/A	N/A	N/A	N/A
Knock out notes (Note d)	524,192	29,841	Option pricing model	Expected volatility	N/A	N/A	The higher the expected volatility, the higher the fair value.
<b>Total financial assets</b>	<b>5,144,356</b>	4,019,578					
<b>Financial liabilities</b>							
Derivatives (Note e)	(118,552)	(99,305)	Option pricing model	Expected volatility	N/A	N/A	The higher the expected volatility, the higher the fair value.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

## 29. FAIR VALUE MEASUREMENTS (CONTINUED)

### Valuation techniques used in fair value measurements (Continued)

Notes:

- (b) The Group determines the fair value of its private equity fund investments 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 as considered by management.
- (c) 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 a 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.
- (d) The amount represents 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 are issued by reputable multinational financial institutions (such as Morgan Stanley 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 is option pricing model and valuation inputs were developed by the issuing financial institutions which were not made available to the Group.
- (e) 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 New York Stock Exchange and the Hong Kong Stock Exchange 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 interim condensed consolidated financial statements approximate their fair values.



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

[www.dxsport.com](http://www.dxsport.com)

