

**波司登**  
**BOSIDENG**

**Bosideng International Holdings Limited**  
Incorporated in the Cayman Islands with limited liability  
Stock Code: 3998

ANNUAL REPORT  
**2023/24**


波司登登上世界最高峰





On May 24, 1998, Bosideng's down apparel helped the Chinese national mountaineering team climb the 8,848-meters Mount Everest for the first time, successfully challenging the world's extreme cold and proving Bosideng's leading technological innovation capabilities and professional strength. Since then, Bosideng has adhered to the "spirit of climbing to the top" and challenged the functional technological innovation in down apparel, leading the high-quality development of the industry, becoming the world's leading down apparel expert, and promoting down apparel to become the most internationally competitive category in the Chinese apparel industry.





Bosideng International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is a renowned operator in the People’s Republic of China (the “PRC”) with down apparel brands. Founded in 1976, the Group commenced its operations in extremely difficult conditions under the leadership of Mr. Gao Dekang. On October 11, 2007, the Company was listed on the main board of the Stock Exchange (stock code: 3998).

With a focus on down apparel business, the Group has developed into an expert in down apparel which has been widely recognized by consumers and a leader in the development of the industry. Currently, the Group’s down apparel brands include Bosideng, Snow Flying, Bengen, etc. These brands have been supporting the Group in meeting the needs of different groups of customers and enhancing its position as a leader in the PRC market. Among them, the down apparel business under the Bosideng brand maintained a significant lead in the industry for 29 consecutive years (1995 - 2023) in terms of sales volume in the PRC.

Currently, the Group’s ladieswear brands include JESSIE, BUOU BUOU, KOREANO, KLOVA; and the school uniform brand is Sameite.

The Group has been proactively implementing its strategies of brand development. During the Year, Bosideng was selected again as “Brand Finance Apparel 50” and was awarded “My Favourite Chinese Brand 2024” by China National Brand Network. Looking forward, the Group will maintain the focus on its core down apparel business, upgrade its products, channels and terminals under the strategies of brand development, stay true to the mission of warming the world, and strive for the goal of being the leading fashionable, functional and technological apparel group in the world.

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## MISSION

Bosideng warms the world

## VISION

Being the leading fashionable, functional and technological apparel group in the world

## CORE VALUES

Customer Foremost, Openness and Innovation, Results Driven, Striving for the Best

## BOSIDENG BRAND POSITIONING

World's leading expert in down apparel

# AWARDS



## Bosideng brand primary honors

- 1 Bosideng was ranked 47th in the "Brand Finance Apparel 50 2023" by Brand Finance
- 2 Bosideng was ranked 145th (up by 30 ranks) in the "Top 500 Most Valuable Chinese Brands 2024" by Brand Finance
- 3 Bosideng brand was awarded "My Favorite Chinese Brand 2024" by China National Brand Network
- 4 Bosideng was ranked 462th in the "Top 500 World Brands 2023" by World Brand Lab
- 5 Awarded "Company with Tremendous Contributions to China's Brand Construction" by the China Council for Brand Development

## Listed company primary awards or ratings

- 6 Selected as one of the first outstanding cases in corporate history of "Striving for excellence in industry" (「工業圖強」企業史志鑒) by the Ministry of Industry and Information Technology
- 7 Awarded "Corporate of Zhenshan Award of 2023 (臻善企業大獎)" by Shanghai United Media Group and Jiemian.com
- 8 A rating appraised by MSCI ESG (Environmental, Social and Corporate Governance)
- 9 CDP 2023 Climate Change Score B
- 10 Awarded the "Annual Most Socially Responsible Listed Company" by The Power of www.stockstar.com (證券之星資本力量) in 2023

## Investor relations team primary awards

- 11 Awarded the "Annual Most Investment Value Award" by The Power of www.stockstar.com (證券之星資本力量) in 2023
- 12 Awarded the "Best IR Company (Mid Cap)" by HKIRA 2023
- 13 Awarded the "2023 Annual Investment Value Award" in the Gelonghui Golden Award (金格獎) for "Annual Outstanding Companies"
- 14 Awarded the Xueqiu (雪球) Annual Gold List "Top 100 Influential Listed Companies" in 2023
- 15 Awarded the "Best Listed Company in Hong Kong Stock Connect" in the 8th Zhitongcaijing (智通財經) Market Annual Conference and Listed Company Award Ceremony

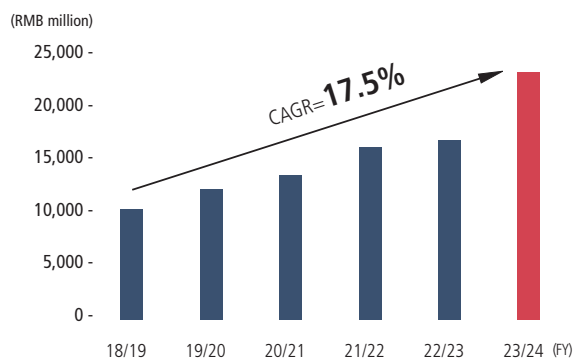
## FINANCIAL HIGHLIGHTS

(All amounts in RMB thousands unless otherwise stated)					
For the year ended March 31,					
	2024	2023	2022	2021	2020
Revenue	<b>23,214,033</b>	16,774,220	16,213,608	13,516,513	12,190,535
Gross profit	<b>13,833,540</b>	9,975,876	9,737,179	7,924,266	6,708,646
Profit from operations	<b>4,397,556</b>	2,826,372	2,568,847	2,224,606	1,598,678
Profit attributable to:					
Equity shareholders of the Company	<b>3,074,072</b>	2,138,574	2,062,323	1,709,566	1,203,184
Non-controlling interests	<b>46,064</b>	17,809	(3,551)	(4,600)	(7,908)
Dividends per share (HKD cents):					
Interim	<b>5.0</b>	4.5	4.5	3.5	3.0
Final	<b>20.0</b>	13.5	13.5	10.0	6.0
Total	<b>25.0</b>	18.0	18.0	13.5	9.0
Non-current assets	<b>6,752,593</b>	6,220,645	6,546,999	6,079,665	4,909,115
Current assets	<b>19,018,612</b>	14,722,039	14,736,717	12,876,571	12,469,638
Current liabilities	<b>11,183,068</b>	6,053,902	6,610,102	5,442,073	4,690,139
Non-current liabilities	<b>768,652</b>	2,284,413	2,447,174	2,263,433	2,285,989
Net current assets	<b>7,835,544</b>	8,668,137	8,126,615	7,434,498	7,779,499
Total assets	<b>25,771,205</b>	20,942,684	21,283,716	18,956,236	17,378,753
Total assets less current liabilities	<b>14,588,137</b>	14,888,782	14,673,614	13,514,163	12,688,614
Total equity	<b>13,819,485</b>	12,604,369	12,226,440	11,250,730	10,402,625
Gross profit margin (%)	<b>59.6</b>	59.5	60.1	58.6	55.0
Operating margin (%)	<b>18.9</b>	16.8	15.8	16.5	13.1
Net profit margin (%)*	<b>13.2</b>	12.7	12.7	12.6	9.9
Earnings per share					
– basic (RMB cents)	<b>28.34</b>	19.75	19.14	15.98	11.27
– diluted (RMB cents)	<b>27.52</b>	19.29	18.78	15.77	11.06
Current ratio (x)	<b>1.7</b>	2.4	2.2	2.4	2.7
Gearing ratio (%)	<b>18.0</b>	18.9	20.8	20.3	24.0

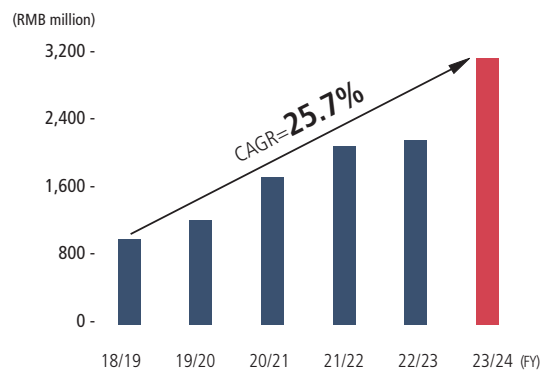
\* Net profit margin is calculated by profit attributable to equity shareholders of the Company as a percentage of revenue



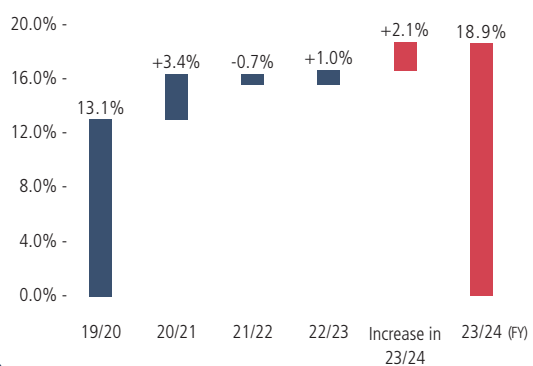
## REVENUE OF THE GROUP



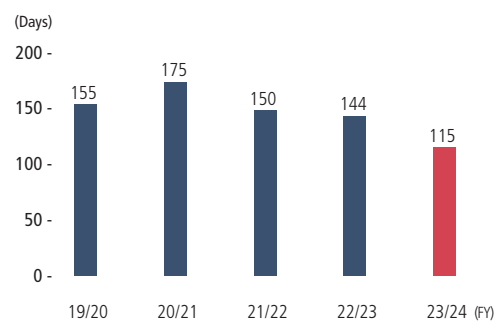
## PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP



## OPERATING PROFIT MARGIN



## INVENTORY TURNOVER DAYS





# EMBRACE INNOVATION, STRIVE FOR EXCELLENCE!

Dear shareholders,

On behalf of the Board, I am pleased to present the Group's annual results for the year ended March 31, 2024.

### **Establishing a firm strategic direction to achieve high-quality development**

Since 2018, the Group has returned to its original aspiration when we started our business and embarked on a new journey of "pursuing a new undertaking" that focuses on transformation and upgrading. Over the past six years, the Group has actively responded to the multiple challenges and tests, set clear strategic objectives, lived up to its mission with high positive energy, focused on its core business, maintained brand orientation, strengthened innovation capabilities, upheld corporate culture, demonstrated resilience in

development, and steadily increased brand value and operational performance. This has written a new chapter in China's global leadership in down apparel, taking solid steps towards sustainable high-quality development goals.

In FY2023/24, the Group continued to solidify its core competitiveness and development resilience. The foundation of the down apparel core business became more stable, the momentum of open innovation grew stronger, and the strategic development layout was optimized. Major operational performance showed stability with enhancements, demonstrating progress with improved quality. In FY2023/24, revenue reached RMB23.21 billion, representing a year-on-year increase of 38.4%. Net profit attributable to shareholders amounted to RMB3.07 billion, representing a year-on-year increase of 43.7%, while the Group's operating profit achieved a high-quality year-on-year increase of 55.6%. To thank shareholders for their long-term trust and support, the Board recommended the distribution of a final dividend of HKD20 cents per share in this financial year, continuously generating steady returns for our shareholders.

### **Deeply engaged in our principal business, with performance hitting a new high**

In FY2023/24, the Group's strategy of focusing on the principal business achieved remarkable results. The core competitiveness and operating quality and efficiency of the branded down

apparel business were steadily improved, and a revenue of RMB19.52 billion was achieved, accounting for 84.1% of the Group's total revenue, representing a year-on-year increase of 43.8%. Among them, by positioning itself as "the world's leading expert in down apparel", the Bosideng brand strengthened its core competencies in product innovation, retail operations, single stores' operation, brand communication, and maintaining high product quality in quick responses, and achieved a revenue of RMB16.78 billion, representing a year-on-year increase of 42.7%. Upholding the brand principle of "creating a wonderful life for all", the Snow Flying brand integrated the upstream and downstream resources of the industrial chain, focused on the top-tier platforms to consolidate the single-stores' operation, and achieved revenue of RMB2.02 billion, representing a year-on-year increase of 65.3%, which firmly consolidated its market share in the highly cost-effective down jacket market.

The OEM management business, ladieswear apparel business and diversified apparel business of the Group also achieved sound and high-quality growth. Among them, the OEM management business achieved a revenue of RMB2.67 billion, representing a year-on-year increase of 16.4%; the ladieswear apparel business achieved a revenue of RMB0.82 billion, representing a year-on-year increase of 16.6%; and the diversified apparel business achieved a revenue of RMB0.20 billion, representing a year-on-year increase of 0.3%.

As it continued to improve operating and management efficiency, the Group achieved a stable cash flow from operating activities, enhanced its ability to manage current assets, and continuously optimized the turnover days of inventories and trade receivables. Its inventory turnover days decreased by 29 days year-on-year, and its trade receivable turnover days decreased by 4 days year-on-year in the current financial year. The solid financial performance has been recognized by internationally authoritative rating agencies, with the two major internationally authoritative rating agencies, namely Moody's and S&P, continuing to assign "double investment grades" to the Group.

### **Insisting on brand leadership and consolidating its core capabilities**

The Group has insisted on taking the brand as its guide, and has made comprehensive efforts in product, retail and supply chain to strengthen the core competitiveness of its brand. Bosideng has continuously been listed on the Brand Finance's "Top 50 Most Valuable Apparel Brands of the World" and ranked 462th in the list of "Top 500 Brands of the World" for the year of 2023 released by the World Brand Lab, being the only brand listed in China's apparel and clothing sector.

**Product innovation contributes to market demand.** Bosideng has inherited its brand essence through original design and enhanced product value with technological innovation to continuously

meet people's growing needs for a better life. With the debut of the Chinese brands at Da Vinci Manor in Milan, the light and thin down apparel was redefined, winning high praise from the global fashion sector; with the product category innovation broadening the market space, the sun-protective apparel category achieved a surging growth, and the innovative categories such as goose down 3-in-1 windbreaker jackets made a hot debut, and the five classic series were reshaped and upgraded, winning the recognition and preference of mainstream consumer groups of the times. The Bosideng champions of thermostatic comfortable ski wear, national summit down jacket, technological constant-temperature outdoor down jacket won the ISPO Award-Global Design Award and Red Dot Design Award.

### **Retail upgrades to boost growth momentum.**

The Group continued to steadily improve the existing channel structure, layout, quality, and store image, and enhance the management capabilities and operational efficiency of the channels by systematizing and refining market segmentation and store formats management. At the same time, we implemented a business philosophy focused on "providing excellent services to its customers, relying on its physical stores and prioritizing the needs of its customers." This approach promotes a "store-centric, customer-value-oriented" reform of our business processes, aiming to improve the quality and efficiency of single stores' operations. Online sales share and

## CHAIRMAN'S STATEMENT

industry position continued to consolidate, with sales during the “Double 11” and “Double 12” events consecutively ranked No. 1 among China’s apparel brands. The Group has been continuously building a consumer-centric, cross-channel platform, focusing on membership refinement and expanding customer sources through high-quality members. Through digital empowerment, it has formed a closed-loop operation with multi-channel touch points, precise insight analysis, and differentiated content interaction, thereby enhancing the members’ shopping experiences and brand adherence.

### **Prompt and proactive collaboration to drive supply capacity enhancement.**

The Group has systematically upgraded its supply chain to ensure the quick and flexible delivery of high-quality products, quality assurance, research and technology, and efficient resource integration. By maintaining a low ratio of first-batch orders, utilizing demand-pull replenishment, swiftly launching new products, and quickly delivering small orders, the Group has achieved a shorter turnover cycle and higher efficiency.

### **Living up to social responsibility and pioneering sustainable fashion**

The Group has been pursuing long-term and social value creation, and delivering love and warmth to global consumers and the public, so as to build a community for mankind and nature. In FY2023/24,

the Group actively practiced the concept of sustainable fashion by participating in the SDG Summit Side Event held by the United Nations and joining the “Fashion Climate Innovation 30•60 Carbon Neutrality Acceleration Plan” (時尚氣候創新 30•60 碳中和加速計劃). In addition, the Group published a research report on the high-quality and low-carbon transformation of the down apparel industry, ranked A in the MSCI ESG ratings at an industry-leading level. Adhering to the principle of “warming people with products and warming hearts with charity”, Bosideng sent high-quality down apparels worth of RMB20 million from all over the country in the first instance to disaster areas after the earthquake in Gansu, and delivered its warmth and care. With its own responsible business practices, the Group has created long-term value for its customers, employees, partners, shareholders and the society, which promotes the sharing of corporate development results.

### **Leading the world and generating new quality productive forces**

The process of development is vast and endless, and only through continuous development can we make progress. The textile and apparel industry has embarked on a new journey to modernization, which will be driven by new quality productive forces. As a leading company in the industry, the Group is firmly committed to cultural self-confidence and brand

self-improvement, adhering to the original mission of “China Bosideng, Warming the World” and aiming at the vision of “Becoming the global leading group on fashion and functional apparel enhanced with technology”. “Focusing on the mainstay business of down jackets and focusing on the main track of fashion and functional apparel enhanced with technology” is the way forward for the Group’s development. We are enhancing our core capabilities for strategic planning, research, development and innovation, collaborative supply, and management system. We also have enhanced our core initiatives for brand leadership, product category management, sales channel operation, and customer experience. Guided by innovation and high standards, we will generate new quality productive forces in the high-end textile industry and start a new chapter of sustainable high-quality development.

### **Focusing on the mainstay business of down jackets and focusing on the main track of fashion and functional apparel enhanced with technology**

Bosideng has been dedicated to the down apparel industry for 48 years since its establishment, and focused on its main business, aiming to make down jackets the most internationally competitive category

in China's apparel industry. In the future, the Group will always focus on its core business of down jackets, concentrate on its advantageous resources, and build the core competencies of its main business, striving to become the leader of the global down apparel industry. On the basis of strengthening its core business, the Company will focus on the track of fashion and functional apparel enhanced with technology, carefully extend product categories and businesses, and create new growth curves.

### **Maintaining brand leadership, fostering innovation and building core capabilities for high-quality development**

The Group will adhere to the brand-led development model, comprehensively build a brand matrix, affirm its brand positioning, and strengthen its capabilities for operating its various brands. Meanwhile, the Group will optimize the brand management system based on its brand culture and consumer mindset to strengthen consumers' attention. The Group will enhance technological research and development innovation, leverage the core strength of technological innovation to empower product innovation and upgrades, consolidate brand value and core competitiveness, and generate new demand with high-quality supply. The Group will take digital transformation as the overall driving force, starting from

business, organization to the overall enterprise, to accelerate the transformation of operation and management from a traditional way to a digital way, and lay a solid foundation for the sustainable and high-quality development of the enterprise.

### **Adhering to long-termism and creating symbiotic value**

Only adhering to long-termism can we navigate through ups and downs and seize the future development. The Group will integrate its responsibilities towards employees, the industry, the environment and the society into its corporate strategy and development practices, thereby exploring sustainable high-quality development in areas such as environmental protection, social responsibility and corporate governance. Guided by the United Nations' Sustainable Development Goals and aligning with the national "dual carbon" strategy, the Group will pursue the ESG strategic vision of "consumer-oriented and leading sustainable fashion", striving to achieve the goal of "net-zero emissions in operations by 2038". We will also actively fulfill our corporate social responsibilities, through nurturing a deep sense of patriotism to promote rural revitalization and contribute to common prosperity, thereby creating symbiotic value for customers, employees, shareholders and the society.

As we embark on this journey with a favorable wind, we will seek progress while maintaining stability. On behalf of the Board, I would like to express my sincere gratitude to our members of the Board, the management team and the strivers of the Group for their efforts and dedication, and also sincerely hope that all shareholders, partners and global consumers will continue to trust and support Bosideng. The Group will remain true to its original mission, stand confidence in development, target to strategic goals, and innovate the Company's value symbiosis and co-creation sharing mechanism, in a bid to deliver long-term returns for shareholders and start a new chapter of "World Down Apparel, China Bosideng, New leading trends". We will contribute Bosideng's strength to the construction of a modern textile industrial system and to the construction of a powerful nation in clothing and brands!

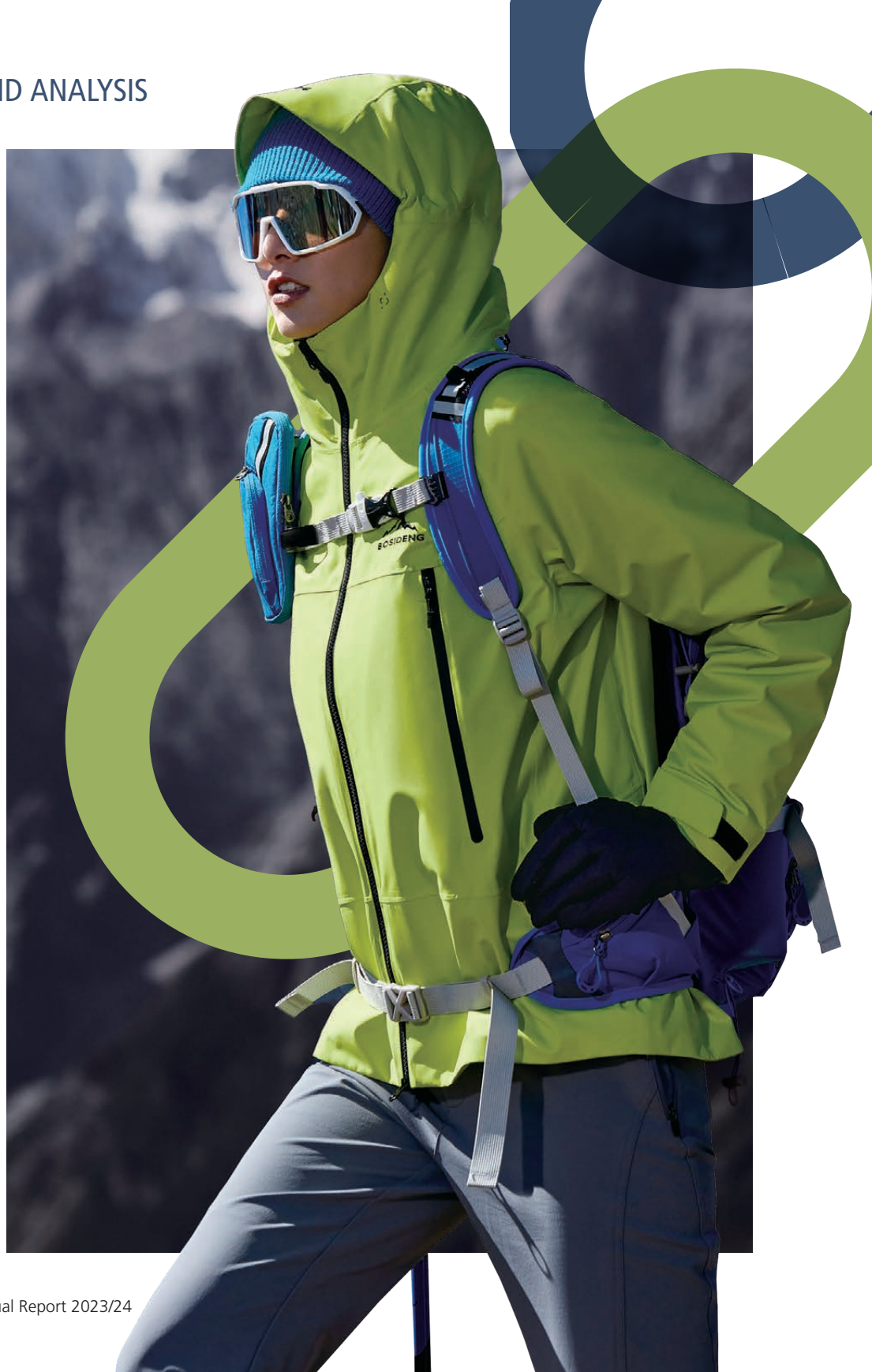


**Gao Dekang**  
Chairman and President  
June 26, 2024

## MANAGEMENT DISCUSSION AND ANALYSIS

In FY2023/24, a combination of factors such as the slowdown of the global economy, escalating geopolitical tensions and insufficient demand in the international market made the external environment complicated and uncertain. Although the environment was complex for both international and domestic economies and trade, the fundamental trend of China's economic recovery and long-term improvement remained unchanged. The new quality productive forces added new impetus to development. The country's cultural confidence enabled the domestic brands to ride the wave. The domestic market showed signs of revival. Meanwhile, Chinese apparel brands were accelerating their internationalization. Positive factors are increasing, paving the way for the high-quality development of the apparel industry.

The Group has adhered to the spirit of the 20th National Congress of the Chinese Communist Party and remains committed to its mission of "warming the world" by focusing on its core business, maintaining brand leadership, and fostering innovation. Through practicing the corporate culture, perseverance, and resilience in the face of severe pressure and challenges, the Group has achieved "double improvements" and "double harvests" in its brand value and operating performance. All these efforts and achievements marked the Group's steady steps towards the goal of sustainable and high-quality development.



## REVENUE ANALYSIS

The Group has started off on its new journey of transformation and upgrading since it proposed new strategic goals in 2018. Over the past six years, the Group has returned to its original aspiration that it had when it started its business. It affirmed its strategy of “focusing on its principal business and key brands”. After due consideration and selection, the Group made brand building as the driving force in innovating products, upgrading its retail business and maintaining high product quality in quick responses as well as the digital transformation of its operation. As a result, the Group achieved consistent, sound and high-quality growth, showing resilience in its development.

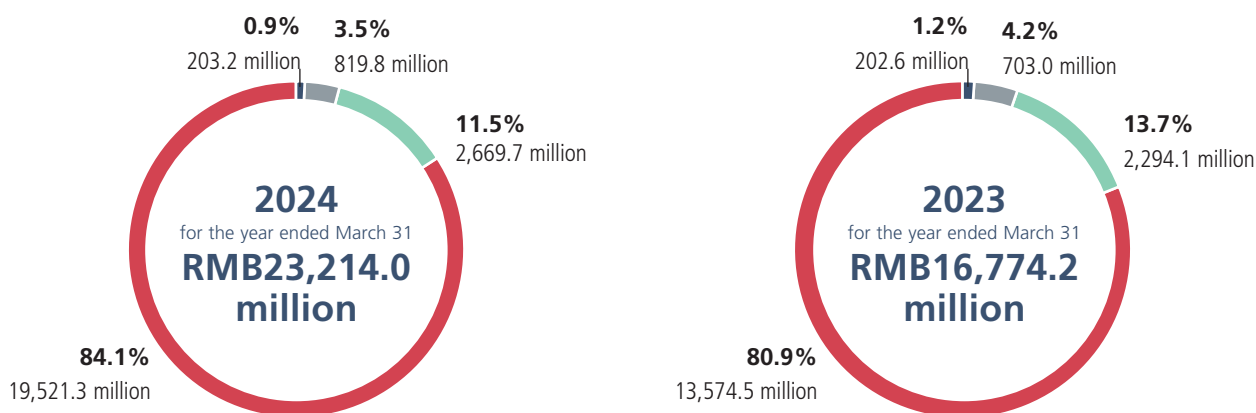
In FY2023/24, the Group’s revenue amounted to RMB23,214.0 million, representing an increase of approximately 38.4% compared with that in the previous year. The branded down apparel business, OEM management business, ladieswear apparel business and diversified apparel business are the Group’s main business segments.

In FY2023/24, the Group’s four main business segments achieved stable and high-quality growth. Among them, the branded down apparel business remained the biggest revenue contributor of the Group, and recorded a revenue of approximately RMB19,521.3 million, accounting for 84.1% of the total revenue and representing an increase of 43.8% year-on-year. The OEM management

business recorded a revenue of RMB2,669.7 million, accounting for 11.5% of the total revenue and representing an increase of 16.4% year-on-year. The ladieswear apparel business recorded a revenue of RMB819.8 million, accounting for 3.5% of the total revenue and representing an increase of 16.6% year-on-year. The diversified apparel business recorded a revenue of RMB203.2 million, accounting for 0.9% of the total revenue and representing an increase of 0.3% year-on-year.

### Revenue by Business

RMB



● Branded down apparel business ● OEM management business ● Ladieswear apparel business ● Diversified apparel business

## MANAGEMENT DISCUSSION AND ANALYSIS

### Branded Down Apparel Business:

The Group focused on its core business, concentrated on its advantageous resources, and built the core competencies of its main business, striving to become the leader of the global down apparel industry. In FY2023/24, in addition to focusing on leading sales channels, leading commodities, a leading image, and leading retail and user operations, the Group also launched a “store-centric, customer-value-oriented” reform of the business process to enhance the operational capability and profitability of its stores.

In terms of brands, by positioning itself as “the world’s leading expert in down apparel”, the Group strengthened its core competencies in product innovation, retail operations, brand communication, and maintaining high product quality in quick responses. In terms of products, the Group has expanded its market through product category innovation and in-depth exploration. Innovative product categories such as seasonal bestsellers like windbreaker jackets have become highly popular. Additionally, the five classic series have been reshaped and upgraded, becoming the mainstream consumer groups’ acclaimed and preferred brand of the time. In terms of marketing and sales channels, the first global Mountaineering themed concept store under the Bosideng brand was grandly opened, and a thousand “ice and snow” show illuminated the world’s most beautiful snowy landscapes. Besides, the structure, layout, quality and

store image of the offline sales channels continued to improve. Meanwhile, the market share of its online sales and industry position continued to be consolidated as evidenced by the fact that the Bosideng brand ranked first among Chinese apparel brands across multiple platforms and various metrics during the “Double Eleven” and “Double Twelve” shopping festivals. In terms of single stores’ operations, the Group focused on “solidifying single stores’ operation” to take on challenges and resolving problems. The Group established clear multi-dimensional requirements for the development and assessment of single stores to form an organizational synergy model, which has generated tremendous momentum for achieving high-quality growth in performance for the financial year.

In FY2023/24, the Bosideng brand under the Group’s branded down apparel business recorded a year-on-year increase of 42.7% in revenue to RMB16,784.5 million. Revenue from the whole branded down apparel business segment increased by 43.8% to RMB19,521.3 million on a year-on-year basis.

### Brand Building

In FY2023/24, the Group continued to solidify its brand image of being “the world’s leading expert in down apparel” and upgraded its brand perception from a global leader by sales volume in the down apparel industry to a global leader in all respects in the down apparel industry.

In terms of brand building, the Group, by integrating brand strategy, creative visuals, public relations experiences and digital content, pursuing the strategy of brand leadership, and conducting brand marketing campaigns, it improved both branding and sales. Through its promotion and creation of best-selling products (“Top Sellers”) and effort to attract foot traffic to stores (“Top Stores”) with top sales performance, the Group facilitated the implementation of its brand strategy and continuously deepened consumer awareness and its brand reputation, thereby realizing the brand-led consumer perception, maximizing the results of branding and sales.

In terms of brand marketing campaigns, firstly, Bosideng achieved product category innovation through marketing campaigns for the spring and summer sun protection products, supporting the Group’s positioning in the functional apparel market. Secondly, the Group continued to solidify market’s recognition of Bosideng as the leader in the ultralight down apparel category through the autumn brand marketing campaign of “a New Generation of Ultralight Down Jackets”, thereby achieving breakthroughs in both product category awareness and operating results. Thirdly, by thoroughly understanding user needs and aligning with market trends, the Group launched multiple flexible and efficient campaigns during the autumn and winter peak seasons, including the introduction of goose down windbreakers and the “Reinventing Classics” initiative. These



efforts drove product category innovation and expansion, which continually captured the minds of consumers and contributed to the Company's growth.

According to the "Brand Finance Apparel 50 2023" released by Brand Finance, one of the top five international authoritative brand value evaluation consultancies, the Bosideng brand once again made it to the list, ranking 47th in the apparel brand list. At the same time, the Bosideng brand once again made it to "China's Top 500 Brand Value" list released by Brand Finance, with its ranking jumping 30 places from last year to the 145th place.



Bosideng ranked 462nd in the list of The World's 500 Most Influential Brands 2023 released by World Brand Lab, and was the only brand selected in China's apparel and clothing sector.

In FY2023/24, the Bosideng brand also received a number of recognitions in the industry, such as the "Citywalk Outdoor Most Stylish Award (Citywalk 戶外最型獎)" and "Annual Hot Down Apparel (年度熱門羽絨服)" awarded by Sina Fashion; "Annual Sustainability Brand" awarded by Southern Weekend; "Annual Recommendation Brand Award (年度種草力品牌大獎)" awarded by Xiaohongshu and "Top 50 Brand Marketing Cases (品牌營銷案例榜 Top 50)" awarded by Sina Finance.



## MANAGEMENT DISCUSSION AND ANALYSIS

**In FY2023/24, Bosideng conducted a series of branding events:**

### INNOVATIVE DEVELOPMENT AND PROMOTION OF SUN-PROTECTIVE CLOTHING

In the spring and summer seasons of 2023, Bosideng launched a new line of sun-protective clothing tailored to the needs of consumers. The trendy style and excellent sun protection performance of these new products have garnered widespread attention upon their release, earning favor with consumers. Bosideng has enhanced the enduring sun protection, instant cooling sensation, and breathable comfort of its sun-protective clothing through innovative breakthroughs in fabric, innovative combinations of yarns, and innovative weaving structures. Furthermore, many artists and designers have collaborated with the Bosideng brand for the brand's achievements in functional fabrics, international fashion, and professional sun protection. The collaborative products have received extremely positive feedback in the consumer market once launched.





## CLASSIC BRAND REBUILDING CAMPAIGN – CREATING A HOTSPOT TO “LIGHT UP THE WORLD’S MOST BEAUTIFUL SNOW SCENERY (点亮全球至美雪景)”

During the on-season sales in the winter of 2023, Bosideng launched a new cooperation model with online third-party platforms to maximize brand exposure during the campaign through events such as the creation of snow houses accompanied by national celebrity hotspots. Meanwhile, through the exposure of the bundled Top Sellers during the brand campaign, Bosideng strengthened the interaction between consumers and its core products, so as to achieve a boom in omnichannel branding and sales.

### BRAND MARKETING CAMPAIGN OF A NEW GENERATION OF ULTRALIGHT DOWN JACKETS – CREATING A HOT SPOT FOR THE “LA VIGNA DI LEONARDO, MILAN SHOW (米蘭達芬奇 莊園大秀)”

In September 2023, Bosideng held a stunning global show at the La Vigna di Leonardo in the world fashion capital, Milan. With the design concept of “being more diverse, more fashionable, lighter and warmer”, Bosideng once again redefined the light down jacket. Its exceptional innovation and professional prowess have garnered the brand acclaim in the global fashion community. Bosideng has tackled the issues of single and unfashionable styles of traditional down jackets by transforming light down jackets from purely functional garments into fashionable items with warming capabilities, and making them the new favorites of people’s autumn and



winter wardrobes, and setting off a “wave of innovation” in the field of down jackets in China.

To embody the classic elements from both Chinese and Italian cultures, Bosideng utilized the lace craftsmanship that Italy is proud of and the famous Chinese embroidery from Suzhou. A considerable amount of manpower and time was invested in crafting each garment, with a minimum of 100 hours dedicated to every piece. This marked Bosideng’s most labor-intensive, hand-sewn work in any fashion show to date.



CREATION OF  
"CHINA'S GOOD DOWN (中國好羽絨)"  
BRANDING CAMPAIGN THROUGH  
ONLINE PLATFORMS



In November 2023, Bosideng and the Douyin platform jointly built the "China's Good Down" IP by creating the Bosideng brand's first snow mountain pop-up store and the snow mountain live show on the top of the Altai Mountains in Xinjiang, which received deep recognition from the media and consumer groups and gained wide exposure. It also highlighted the Bosideng brand's achievements in China's cold protective clothing trend, and boosted the omnichannel sales of outdoor products.

At the same time, the Bosideng brand officially announced its brand ambassador, which attracted more customers, and empowered and drove the marketing of seasonal products.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Merchandise Management

The Group believes that logistics is an essential element in conducting merchandise management and a prerequisite for efficient merchandise operation. Digitalization and intelligentization of logistics are the keys to effective digitalization and intelligentization of merchandise operations.

In FY2023/24, the Group continued to completely classify the orders into direct sales and wholesales. Orders placed at self-operated single stores would be processed in a way in which products for sales in single stores would match the demand for orders and the stock would be replenished and products would be produced according to the actual demand. Meanwhile, distributors adopted different flexible modes of order placement and rebate based on their respective scales of operation. In FY2023/24, the Group maintained the production model of “fulfilling small orders in quick responses on a rolling basis which would match the demand for orders, and products according to the actual demand” during the sales process in peak seasons based on sales performance and under the premise of ensuring that the proportion of first-time orders remained at a low level. Such demand-pull replenishment has also played a very important role in the Group’s centralized management of channel inventory and merchandise mix during the sales in peak seasons.

In FY2023/24, the Group continued to stick to the concept of merchandise operation

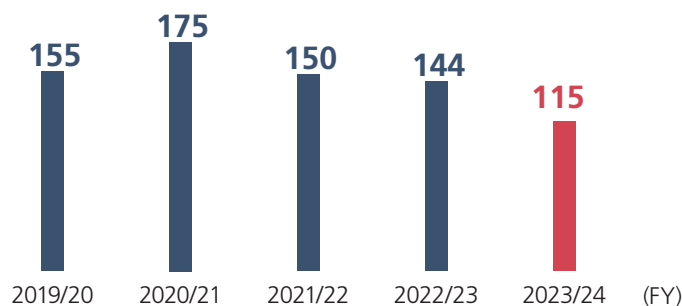
management of the last financial year. With its smart delivery center, which serves all offline direct stores, franchised stores and online traditional e-commerce platforms, the online Douyin platform, WeChat Mall/Channels, O2O and other businesses throughout the country, the Group unified the inventory management of 9 directly-operated large warehouses and 12 small warehouses of distributors across China through an integrated inventory management platform. The services included taking deliveries from suppliers or returned goods from the market to the warehouse for storage, sorting and shelves arrangement, and they were combined with different strategies for allocating warehouses in different locations for the storage of merchandise. Efforts were stepped up to bring Top Sellers to the front during the process. As a result, the availability of replenished merchandise was continuously enhanced according to sales performance in the market.

As of March 31, 2024, the inventory turnover days of the Group were 115 days, representing a decrease of 29 days

as compared with that in the same period up until March 31, 2023. The decrease was mainly due to the Group’s continuous maintenance of a relatively low proportion of first orders as well as the continuous implementation of the adjustment mechanism featuring the demand-pull replenishment and “small orders in quick responses” on the one hand, and the effective omnichannel, integrated operation and management of merchandise on the other hand. The further effective reduction of inventory turnover days demonstrated not only the Group’s efficient merchandise management capability during peak seasons of sales and its strong resilience at business operation in the face of uncertain risk factors, but also provided an easily manageable inventory level at the sales channels for its sales in the next financial year as well as more flexibility and more room for the continued measures such as the fulfillment of “small orders in quick responses”, demand-pull replenishment and omnichannel, integrated merchandise operation mechanism.

## Inventory Turnover Analysis

(days)



## Supply Chain Management

The ability of the Group's supply chain to enable "delivery of high-quality products in quick and flexible responses" is an important competitive strength that has led to its continued success in the industry, and is also one of its core competitive advantages with which the Group maintains efficient, healthy and sustainable development. The Group has implemented an industry-leading model of futures/goods-in-stock operation. The first batch of orders would be controlled at around 40%, whilst the remaining proportion would be continuously replenished on a rolling basis during the peak seasons in sales according to retail sales data and trend forecasts on the market. The demand-pull replenishment, quick launch of new products and delivery of small orders in quick responses enable a shorter turnover cycle and higher efficiency, thereby allowing the Group to fully achieve the target of delivering high-quality products in quick responses.

In terms of breakthroughs in new products, the new functional products of the Group such as sun-protective clothing recorded a rapid increase in orders as favored by the consumer market. To cope with challenges such as short production cycle, insufficient resources reserve, and the highly difficult

production process for new products, the supply chain worked with the design, product, and sales departments and convened a collaborative meeting for the functional product category. They quickly integrated resources to expand production and make materials ready, achieve breakthroughs in preliminary technologies, control risks efficiently, provide targeted assistance to enhance efficiency, and construct a closed-loop management system for the functional product category, thus facilitating coordinated efforts between the front- and back-ends to ensure the achievement of sales performance for the functional products.

The Group also tried to quickly tap the market's demand in peak seasons and create hit products. In this regard, the Group, on the one hand, prospectively predicted that there would be huge market potential for windbreaker jackets that were warm, comfortable, waterproof, breathable, light and fashionable according to trendy platforms' predictions, the trend of outdoor activities and market research and analysis. On the other hand, the Group selected the elastic materials as the key fabrics of this series of products and employed the advanced technology and process innovation to produce distinctive windbreaker jackets that were both functional and comfortable. The Group also made the windbreaker

jackets more fashionable by adopting a design of streamlined segmentation and incorporating such design elements as vibrant color clashes to project a youthful image. Empowered by the breakthroughs in innovative process, upgraded appearance, innovation in the clothing patterns and advanced technology, the products may satisfy the multiple needs of consumers for both outdoor activities and daily urban commuting in multiple scenarios, thus leading the trend in both technology and innovation of the products.

In terms of achieving continuous sales of Top Sellers, the Group continued to make breakthroughs by transitioning from the model of delivering products in flexible and quick response to the model of immediately supplying Top Sellers, under which the Group continued to achieve an availability rate of replenishment of the Top Sellers of 99%. Such replenishment was conducted based on the urgent demand of the market. The Group ensured no shortage of hot-moving merchandise and no production of slow-moving merchandise. In maximizing the chance of meeting the sales targets, the Group strove to achieve the synergy of the value chain for the merchandise in general, reshape and cultivate a flexible work process capable of agile responses, and make that one of the Group's core competitive strengths.

## MANAGEMENT DISCUSSION AND ANALYSIS

In addition to the above advantages in flexibility and capability for agile responses, the supply chain of the Group underwent continuous systematic planning and upgrading in terms of quality operation, the research and development of technology, resource integration and cost management.

In terms of quality management, the Group regarded excellent quality and users' perception as the core bases for improvement, and connected users' different needs for various occasions and their experience so as to comprehensively enhance their experience, while establishing an integrated quality innovation model and its capability for running that model in its operations from commercial businesses, design companies, research and development, verification, small-batch trial production and environmental simulation testing in response to product innovation. It also allocated appropriate quality resources according to the attributes of products for various purposes so that multiple aspects such as standards, resources, materials, processes and production lines can be unified and match the requirements of such products. By implementing a digitalized operation system for quality control, it also linked all the sections within a closed loop of the quality management and made the whole process controllable and traceable, so as to ensure online and transparent quality control on a real-time basis, and make quality gradually become one of the key factors for users when selecting brands.

In terms of science and technology, the Group continued to make more long-term investments in science and technology and conducted groundbreaking research with a focus on new product categories, new materials and industry-leading patents. It engaged in creative cooperation with domestic and foreign top-level institutions and preliminarily established Bosideng's technologically advanced system for work process, so as to make scientific and technological innovation a new driving force of sales growth and one of the Group's core competitiveness in the future. In FY2023/24, the Group's thermostatic skiing down jacket won the ISPO Award.

In terms of resources integration, the Group, based on brand strategy and product category innovation, and in close alignment with national policies, determined a long-term resources strategy that ensured the Group's industry leadership in terms of resources, capability and scale. The Group has gradually built a sustainable resource ecosystem encompassing a strategic resource business community, a community of shared interests and a community of shared destiny by focusing on breakthroughs in three capabilities, namely, those for production capacity expansion, breakthroughs in material innovation and product innovation for various purposes, and by stepping up the long-term win-win cooperation policy.

In terms of cost management, the Group has made strategic breakthroughs in such aspects as cost reduction and efficiency improvement, and effectively hedged against and relieved the pressure of rising costs by proactively monitoring market dynamics and trends, predicting and analyzing the price trends and fluctuations of core materials, and leveraging the brand strength and industry influence of Bosideng.

### Logistics and Delivery

For logistics and delivery, the Group continuously adopted a system to automatically match transport and delivery resources for each order based on traffic, factoring in limitations such as the characteristics of the transport and delivery of resources in society, transport costs and timeliness. The Group also collected and monitored data in respect of each step of the entire process, including collection, distribution, in-transit and sign-for-acceptance. Under the premise of maintaining reasonable costs, the Group maximized the service efficiency and improved users' experiences.

The logistics park of the Group took a series of actions to improve logistics efficiency. On the one hand, the advanced algorithms of the self-developed inventory calculation center and order processing center have been adopted to instantly collect, match, locate and calculate the distance between the geographical location of the products and the geographical location of the consumers, and generate



instructions to prioritize early orders and ensure early pick-up by the courier company and the fastest distribution to consumers. On the other hand, by adopting smart technology in its advanced logistics information technology systems and highly automatic logistics equipment, the Group has implemented an automatic and smart allocation system by way of enhancing the transportation modules of extended warehouse management

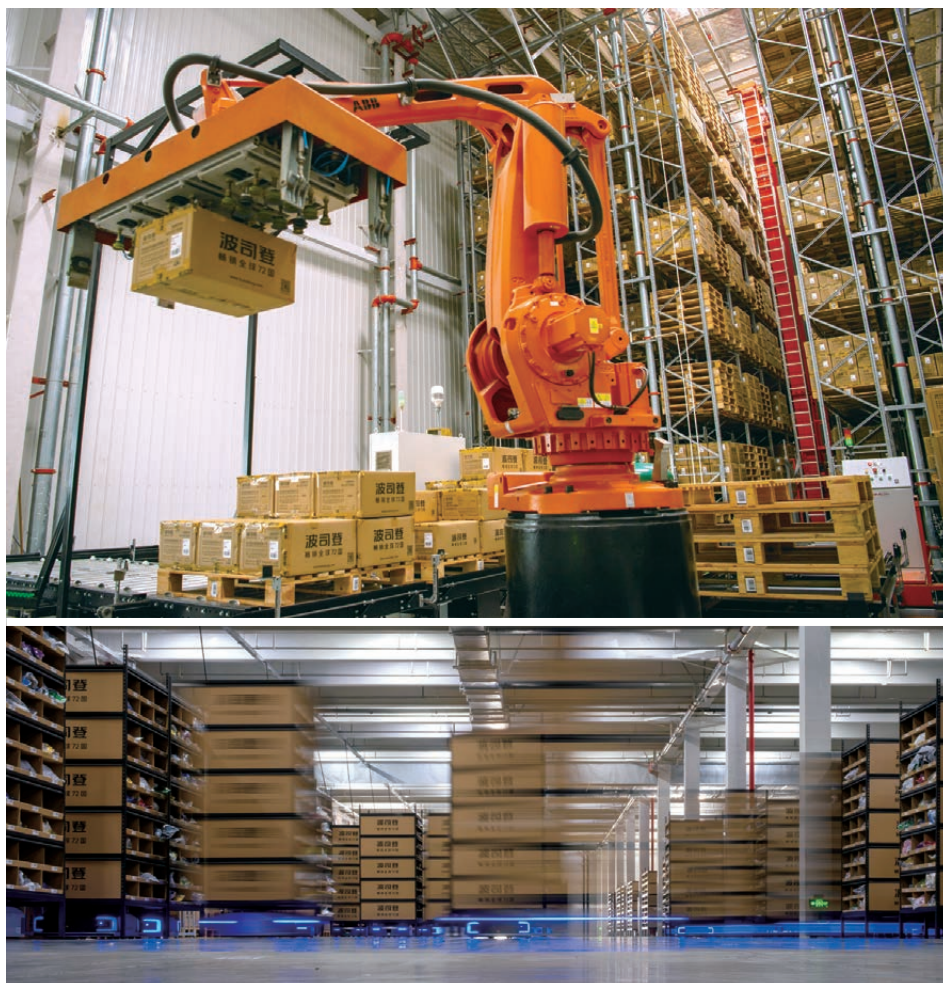
system to minimize the time of inventory operation. Under the premise of maintaining reasonable costs, the Group maximized its service efficiency and improved users' experiences. Meanwhile, the significantly improved speed of delivery from warehouses and optimized transportation efficiency have contributed to the maintenance of the Group's industry leadership in terms of its logistics and delivery capability.

## Digital Operation

Facing the uncertain environment for development, it is certain that digitalization is the way forward. The digital transformation and digitalized operation have been a top priority of the Group's infrastructure construction in recent years.

In terms of digital transformation, the Group has in recent years made significant achievements in digitalization in many fields, including smart manufacturing, smart logistics and smart merchandise operation. It has gradually entered a more advanced stage of digital transformation and gradually established a direction in which it would focus on users, retail and commodities as the entry points for digital transformation in the future.

In terms of digitalized operations, based on the development trend of modern information technology and combined with the Group's existing system or application, the Group has completed the preliminary design, development and testing of the core business operation platform (based on users, retail and commodities) under the principle of one entry, one platform and one data warehouse, laying a solid foundation for the ultimate realization of the goals of a mobile office, online business, digital operations and intelligent decision-making, thereby providing powerful technical tools and solutions for the Group's digital transformation.



## MANAGEMENT DISCUSSION AND ANALYSIS



### New Retail Operations

In FY2023/24, the Group continued the use of various channels to build a more convenient bridge for communication with customers. The Bosideng brand had over 11.0 million new fans and over 4.0 million new members on the Tmall and JD.com platforms. As of March 31, 2024, the Bosideng brand had approximately 45.0 million fans and approximately 18.0 million members in total on the Tmall and JD.com platforms. In addition, the Bosideng brand had over 1.0 million new fans on the Douyin platform. As of March 31, 2024, the Bosideng brand had over 9.0 million fans in total on the Douyin platform.

In terms of innovation in new retail operations, the Group has been continuously building a consumer-centric, cross-channel platform for business operation in recent years. Through digital empowerment, it has formed a closed-loop operation with multi-channel touchpoints, precise insight analysis, and differentiated content interaction, thereby enhancing the members' shopping experiences and brand adherence.

The current new retail operations of the Group have the following four prominent features:

First, the Group continuously upgrades the membership points system, membership level system, and membership rights system to increase member loyalty and member

satisfaction, thus providing effective guarantees for business development;

Second, the Group enhances member loyalty, increases member activity, continuously attracts young customers and expands the membership by innovating marketing strategies targeted at members, designing experiential events exclusive to the members, and creating shared content with the members;

Third, the Group utilizes big data analysis to build a matching model of consumption data and merchandise data to meet consumer needs, make accurate predictions, and recommend online and offline integrated marketing activities;

Fourth, the Group achieves cross-channel interaction, connects omnichannel data, builds a unified omnichannel member system and label system, and conducts user profiling and optimizes the process through the upgrading of the member system. In addition, the Group reduces customer acquisition costs, increases the rates of conversion to purchases, and achieves high-quality growth in results through one-to-one precise communication, and integrated online and offline operations.

### Technological Innovation

The Group attaches great importance to the technological innovation of products and incorporates scientific research technological innovation into the development of new materials, research

and development of new products, supply chain management and other important corporate core strategies. It continues to increase investment in this aspect.

The Group has placed great emphasis on enhancing its capabilities for research, development and innovation of technologies, with a focus on continuous investment in technological research to create a globally leading and user-value-oriented platform for technological research that integrates new materials, new product categories, new technologies, new patents and new systems. The Group's technological research center has the first polar environment simulation testing laboratory in the apparel industry to make technological breakthroughs with leading products for Antarctic scientific research and Mount Everest expeditions, etc. By fully upgrading software and hardware capabilities for materials, technology, and verification while converting related technological research results into approved patents, the Group has established the leading standard in the industry, solidifying the leading position of its products.

In FY2023/24, the Group applied for an aggregate of 545 patents, which provided patented technology and endorsement support for down apparel experts. As of March 31, 2024, the Group had a cumulative total of 971 patents (including invention, utility models and appearance patents).

The Group plays the role of the National Technical Committee on Garment Standardization Down Apparel Subcommittee Secretariat (SAC/TC 219/SC), the International Organization for Standardization/Garment Size Series and Coding Technology Committee Secretariat (ISO/TC133), and acts as a recognized laboratory and a member of the technology committee of the International Down and Feather Bureau (IDFB), and a recognized laboratory of China Feather and Down Industrial Association. The Group participated in the publishing of a number of industry-leading standards, such as Social Organization Standard for Cold Protective Clothing, Social Organization Standard for Antibacterial Down, National Standard for Outdoor Jackets, National Standard for Textile – Methods of Testing the Down-proof Properties, International Standard for Digital Fitting, and the Corporate Standard for Temperature Ratings (Q320581GPC 004-2023(0818)). Such moves help accelerate Bosideng's standardization efforts and create a new pattern for exchange and cooperation. In addition to the award of the top-ranked "Corporate Standard Leader" for down apparel by the State Administration for Market Regulation for five consecutive years, the Group has also been granted the Second Prize of Technology Advancement of Science and Technology Award for 2023 by China National Textile and Apparel Council, the Special Contribution Award for Standardization by the standardization committee of China National Garment Association, the Outstanding Contribution Award for the

compilation of foreign language version of Chinese standardization by China National Garment Association, the advanced unit of Knitting Machine Standardization Committee. Besides, the Suzhou Apparel Quality Innovation Center was established and awarded a plaque authorizing it to provide the Suzhou Quality and Innovation Consortium of Textile and Apparel Industry with expertise in operation management, professional technology and system resources. In terms of products, the windbreaker down jackets introduced by Bosideng in FY2023/24 were awarded the Golden Prize of FT Quality Award and Benchmark Award for Waterproof and Moisture Resistance, fully demonstrating the Group's image as a leader in setting standards and as an industry expert as well as its innovation capability.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Research and Development (“R&D”) of Products

The Group has always attached great importance to product innovation. Product optimization and expansion are the cornerstones for the development of the Bosideng brand.

Matching product design to consumer preferences is the key to product innovation. The Group engages in the precise development of a different series of products based on consumers’ preferences, behavior and traits to satisfy their needs in different scenarios. Through end-to-end integration of development for a series of scientific, objective and methodical design processes covering customer research, market research, trend analysis, merchandise planning, design planning, promotion planning, product development, customer appreciation, ordering feedback, sales feedback and summary reviews, we endeavor to present new series of products to consumers.

The Bosideng brand also attaches great importance to its cooperation with well-known cross-sector intellectual properties (“IPs”). Through cooperation with astronauts, artists and IPs such as Kuromi and Ultraman, the Group launched new

products which were well received and sought-after by young consumers.

In FY2023/24, the thermostatic skiing down jacket of Bosideng won the ISPO Award – Global Design Award, the most popular mountaineering down jacket of Bosideng won the Red Dot Design Award, and the technology-driven thermostatic outdoor down jacket of Bosideng won the ISPO Global Design Award and the Red Dot Design Award, among other honors.



## THE KEY PRODUCT COLLECTIONS SOLD IN FY2023/24 INCLUDED:

### Extreme Cold Collection:

In 2023, Bosideng introduced the fourth generation of its extreme cold collection of down jackets. The Polar Cold Resistance Technology made another breakthrough by creating the "BO-HEAT New Warmth Technology System" featuring "Energy Cabin" heat reflective technology fabric and heat feedback technology lining to enable the wearers to feel warmer. Extreme cold collection 2317 style is a classic product of the Bosideng brand. Products in the collection are made of strictly selected 90% high velvet content, 700+ high-quality goose down, and fabrics with professional and efficient windproof performance, which enable the wearer to withstand the cold thoroughly and maintain warmth that meets the need to withstand the extreme cold in daily travel in alpine areas.

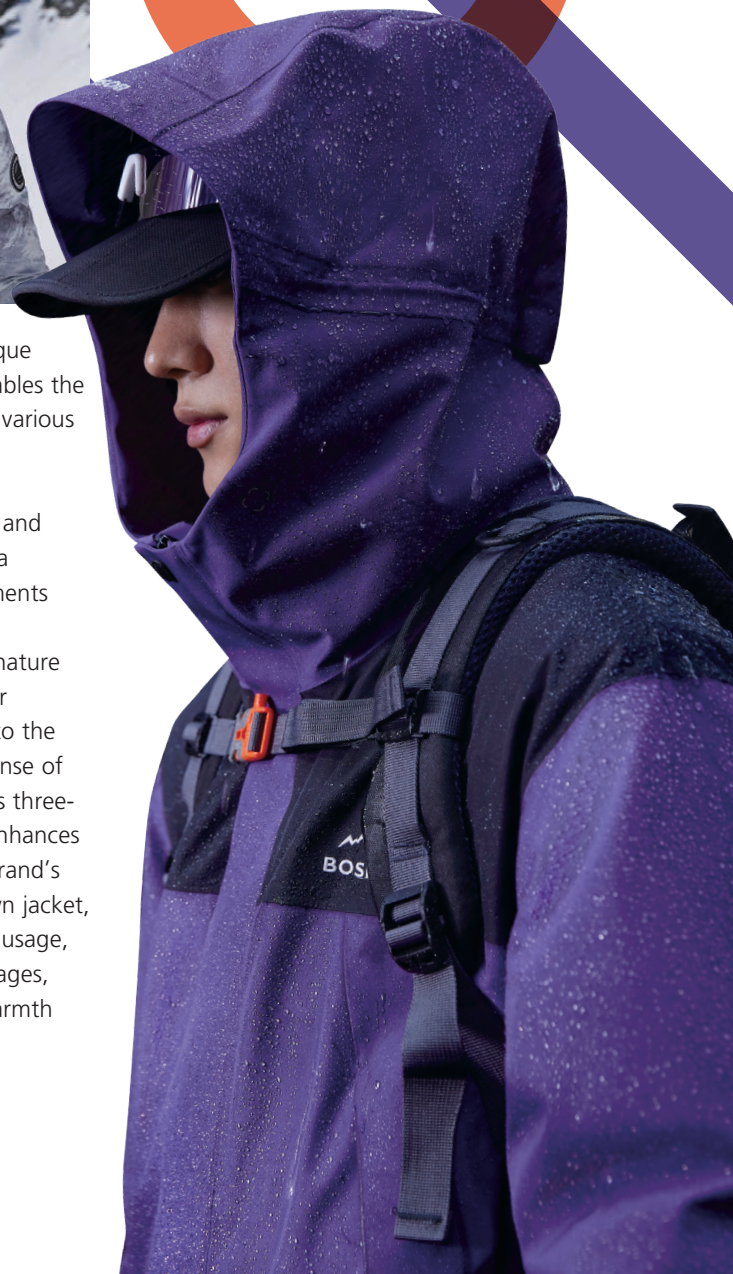
### Three-in-one Goose Down Windbreakers:

In order to meet the needs of contemporary consumers, the Bosideng brand created urban light outdoor apparel that is suitable for wearing in both urban and natural environments. This collection adopts windproof, waterproof, breathable, wind-cold-resistant technology fabrics, with an exclusive heat and moisture balance system and 700+ affordable luxury goose down to ensure comfort and warmth.



At the same time, it also has a unique fashionable design style, which enables the consumers to wear such clothes in various scenarios.

As the culmination of functionality and fashion, the windbreaker presents a fashionable aesthetic that complements its functionality. The design of the windbreaker has been inspired by nature and embodies the currently popular mountain aesthetic from the lines to the colors, presenting a coordinated sense of fashion in the natural landscape. Its three-in-one detachable design further enhances its connection with the Bosideng brand's flagship product category, the down jacket, further expanding the scenarios of usage, fully leveraging the brand's advantages, and continuously improving the warmth performance of the product.



## MANAGEMENT DISCUSSION AND ANALYSIS

### New Generation of Ultralight Down Jackets:

In 2023, Bosideng once again broke traditional perceptions by advancing the second round of iterative upgrades for ultralight down jackets. It integrates down jackets with cross-border stitching of fashionable single items, such as hoodies, windbreakers, knits, shirts, and lambswool, ultimately presenting perfect works through the precise combination of different materials. In order to satisfy the need to wear clothes for multiple scenarios and during the transition between different seasons and the demand for a new generation of more diverse, lighter, warmer and more fashionable ultralight down jackets, the Bosideng brand sought inspiration from various disciplines. In the process of consulting art forms worldwide, the Bosideng brand identified that many outstanding production techniques in China may be applied in various life scenarios, especially the art of stitching and quilting, both of which have a long history, ultimately presenting perfect works through the precise combination of different materials. The Group applies the bold idea of crossover combination to the Group's specialty, its down jackets. After several attempts, the Group ultimately presented redefined ultralight down jackets that subverts tradition. In research and development and design, the Bosideng brand gathered the design power of several Chinese avant-garde designers to provide bold innovation and more youthful design elements for the design of Bosideng's

ultralight down jackets, and created ultralight down jackets that subverts traditional perception by combining the design power of a new generation of Chinese people with Bosideng's 48 years of professional ingenuity. Bosideng overturned the status quo that conventional light warm down apparel is similar in style and cannot feature both aesthetic design and warmth at the same time, and for the first time innovated ultralight down jackets with century-old fashion items, unique down stitching and artistic quilting design, thereby providing customers with a choice of varied, warmer and more fashionable and professionally designed products and opening up new opportunities for wearing a new type of cross-seasonal, multi-scenario and fashionable down apparel.





### Puff Collection:

After 48 years of dedicated research and development, the Bosideng brand has gradually evolved from a company that provided traditional heavy down jackets to one that supplies comfortable and warm puff down coats. It will continue to lead this innovation trend. This puff collection featured smart technology and has brought surprises to consumers in the cold season as warmer products. The trend-setting puff collection was launched through the collaboration between the Bosideng brand and renowned Parisian designers.



### Stylish Sport Collection:

**ANNAKIKI Crossover collection:** The 2023 Autumn/Winter “Future & Nature” Crossover collection was designed by Anna Yang, who drew inspiration from virtual and natural landscapes, presenting a new “natural futurism” style combining natural snow mountains with futuristic acidic metal elements. The collection integrates classic vintage elements and brings a new scene to winter.

**China Aerospace Crossover collection:** Bosideng cooperated with China Aerospace once again in designing this collection, drawing inspiration from the space capsule and adding a fashionable touch of the aerospace technology. The collection ushered in a technology-inspired, new fashion trend in China. By utilizing dual technology for warmth, the collection can provide customers with a better wearing experience.

### Light, Warm and Eco-friendly Collection:

This collection has mainly adopted eco-friendly fabric made from SORONA® bio-based fiber developed by DuPont. The whole collection featured the vibrant macaron color scheme, the contrast of the hat and collars and the overall mellow color tone, thereby expressing the vitality of youth and sweetness.

## MANAGEMENT DISCUSSION AND ANALYSIS



### Sun-protective Clothing:

With the temperature continuously rising, sunscreen products, represented by sun-protective clothing, have been favored by consumers. The newly upgraded sun-protective clothing of Bosideng Sun Series has gained popularity among consumers due to its outstanding sun protection performance and fashionable and changeable cut and style, making it a must-have item for sun protection in the summer. Adopting advanced sun-protection technology in yarn, and the Tri-Tech+ sun protection fabric technology innovatively developed by Bosideng, this series ensures long-lasting sun protection performance and comfort in the summer. This technology has obtained certification from a professional institution. Compared with the ordinary brands' sun-protective clothing whose performance in sun protection and breathability are degraded to varying degrees or even damaged after being washed due to its use of coating technology and auxiliary dyeing technology, Bosideng's sun-protective clothing can maintain a high UPF value, an excellent sun protection capability, and breathability like new ones that keeps the skin dry and comfortable even in hot weather or after physical activities, even after it has been washed for hundreds of times because it adopts advanced sun-protection technology in yarn. In addition, the developed innovative composite yarns enhanced its protection against ultraviolet



rays. The sun-protective clothing from Bosideng utilizes fabric with cooling finishing technology, providing a silky-smooth touch. The fabric absorbs the body heat released by sweating during human body's metabolism, thereby instantly cooling the skin for a refreshing sensation.

### Multi-brand Strategies

While emphasizing the development of the Bosideng brand and repositioning Bosideng as a mid- to high-end brand of functional apparel today, the Group adhered to the strategy of "Down apparel+" to continuously develop and position its branded down apparel business under its mid-end brand Snow Flying, to achieve full coverage through the differentiated



positioning of each brand, thereby strengthening the core business of down apparel and maximizing its market share.

### Snow Flying

In FY2023/24, the Snow Flying brand recorded revenue of approximately RMB2,018.9 million, representing a rapid year-on-year growth of 65.3%. The Snow Flying brand stepped up its efforts to develop its online business, insisted on the upgrade of itself to an inclusive brand, and continued to create popular products. The Snow Flying brand achieved rapid growth in its business through an innovative business model and by building an omnichannel symbiotic ecosystem, the upgrade of itself to an inclusive brand, the establishment of an internal healthy organization, and the integration of top industry suppliers, core platforms, and high-quality sales channels.

In terms of business expansion, firstly, the Snow Flying brand developed online strategic platforms and focused on expanding and strengthening its core online sales channels. Through such efforts, it achieved excellent results ranking 9th, up by 5 places, in the apparel industry; ranking 2nd as an inclusive down apparel brand for the year and 1st as an inclusive brand of ladies' apparel, respectively on the Tmall platform during the Double 11 activity. Secondly, the Snow Flying brand continued to launch profitable popular products with growth on an increasingly meaningful scale. Thirdly, the Snow



Flying brand made a deep exploration and further strengthened its “ice and snow” gene by building its ice and snow cultural characteristics and communicating with consumers through key elements of “born for snow” and “play with snow in a fashionable way”. These initiatives not only highlighted the high performance-to-price ratio and fashion of its products, but also attracted more young consumers and fulfilled the brand’s mission and commitment to “creating a wonderful life for all”, which has been widely recognized and favored by consumers.

### Bengen

In FY2023/24, the Bengen brand recorded revenue of approximately RMB145.4 million, representing a year-on-year increase of 15.9%. Since FY2020/21, the Bengen brand has greatly reduced its offline agency channels and shifted its focus to online channels. Specifically, the Bengen brand recorded revenue of approximately RMB0.33 million from its licensed online distribution business and gross merchandise value of over RMB17.5 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from down apparel business by brand					
	2024		2023		Change
	RMB million	% of branded down apparel revenue	RMB million	% of branded down apparel revenue	
Bosideng	16,784.5	86.0%	11,762.8	86.7%	42.7%
Snow Flying	2,018.9	10.3%	1,221.5	9.0%	65.3%
Bengen	145.4	0.8%	125.5	0.9%	15.9%
Others*	572.5	2.9%	464.7	3.4%	23.2%
Total revenue from branded down apparel business	19,521.3	100.0%	13,574.5	100.0%	43.8%

Revenue from branded down apparel business by sales category					
	2024		2023		Change
	RMB million	% of branded down apparel revenue	RMB million	% of branded down apparel revenue	
Self-operated	14,345.1	73.5%	10,367.5	76.4%	38.4%
Wholesale	4,603.7	23.6%	2,742.3	20.2%	67.9%
Others*	572.5	2.9%	464.7	3.4%	23.2%
Total revenue from branded down apparel business	19,521.3	100.0%	13,574.5	100.0%	43.8%

\* Represents revenue from sales of raw materials and other license fees which are related to down apparel products



## MANAGEMENT DISCUSSION AND ANALYSIS

In FY2023/24, the Group further optimized the quality of its sales channels to increase their efficiency. By building a Top Stores system and consolidating the “single-stores’ operation”, it concentrated effective, high-quality resources on specific target markets. In terms of the development of its offline channels, the Group continued to steadily improve the existing channel structure, layout, quality, and store image, and steadily enhance the management capabilities and operational efficiency of the channels by systematizing and refining market segmentation and store formats management. Regarding the development of the Top Stores, the Group operated and managed the selected model stores systematically. By building over 250 projects, covering approximately 500 retail outlets, and allocating resources precisely, it achieved rapid and effective business growth in its Top Stores, which also set a business benchmark for the future iteration of the sales channels. As for consolidating the single-stores’ operation, the Group constructed a three-tiered organizational management methodology with high targets as the driving force and customer demand as the origin and forged ahead with its store-centric and customer-value-oriented business process reform. As a result, the Group implemented effectively the closed-loop single stores’ operation strategy.



As of March 31, 2024, the total number of regular retail stores of the Group’s down apparel business (excluding peak-season stores) (net) decreased by 206 to 3,217 as compared to that as at the end of the previous financial year; self-operated retail stores (net) decreased by 263 to 1,136 and retail stores operated by third-party distributors (net) increased by 57 to 2,081. The self-operated retail stores and those operated by third-

party distributors accounted for 35.3% and 64.7% of the entire retail network respectively. Among the total retail stores of the Group’s branded down apparel business, approximately 28.4% were located in first- and second-tier cities (i.e. Beijing, Shanghai, Guangzhou, Shenzhen and provincial capital cities in China) and approximately 71.6% were located in third-tier cities or lower-tier ones.

## Retail network breakdown by down apparel brand

As at March 31, 2024	Bosideng		Snow Flying		Bengen		Total	
	Number of stores	Change	Number of stores	Change	Number of stores	Change	Number of stores	Change
<b>Specialty stores</b>								
Operated by the Group	669	-152	10	-3	–	–	679	-155
Operated by third party distributors	1,617	18	108	25	–	–	1,725	43
Subtotal	2,286	-134	118	22	–	–	2,404	-112
<b>Concessionary retail outlets</b>								
Operated by the Group	393	-65	64	-41	–	-2	457	-108
Operated by third party distributors	318	13	38	1	–	–	356	14
Subtotal	711	-52	102	-40	–	-2	813	-94
<b>Total</b>	<b>2,997</b>	<b>-186</b>	<b>220</b>	<b>-18</b>	<b>–</b>	<b>-2</b>	<b>3,217</b>	<b>-206</b>

Change: Compared with that as at March 31, 2023

## Retail network of down apparel business by region

	As at March 31, 2024	As at March 31, 2023	Change
Eastern China	1,050	1,139	-89
Central China	702	726	-24
Northern China	259	276	-17
Northeast China	336	399	-63
Northwest China	360	376	-16
Southwest China	510	507	3
<b>Total</b>	<b>3,217</b>	<b>3,423</b>	<b>-206</b>

### Region

**Eastern China** : Jiangsu, Anhui, Zhejiang, Shanghai, Fujian, Shandong

**Central China** : Hubei, Hunan, Henan, Jiangxi, Guangdong, Guangxi, Hainan

**Northern China** : Beijing, Tianjin, Hebei

**Northeast China** : Liaoning, Jilin, Heilongjiang, Inner Mongolia

**Northwest China** : Xinjiang, Gansu, Qinghai, Shaanxi, Ningxia, Shanxi

**Southwest China** : Sichuan, Tibet, Chongqing, Yunnan, Guizhou

## MANAGEMENT DISCUSSION AND ANALYSIS

In FY2023/24, in addition to a number of regular types of stores as mentioned above (e.g. flagship stores, high-end stores, mainstream stores and mass stores, etc.), the Group had also established over 1,400 peak-season stores (peak-season stores mainly refer to stores that are opened in peak seasons for one week to three months, mainly in provincial capital cities), with such popular seasonal products such as the Top Sellers as the mainstay products for sale. They were located mainly in core business districts and sporting venues.

### OEM Management Business:

In FY2023/24, the Group's revenue from the OEM management business amounted to approximately RMB2,669.7 million, representing 11.5% of the Group's total revenue and an increase of 16.4% as compared to that of the same period of last year. The Group's top five customers accounted for approximately 89.5% of the total revenue at the OEM management business.

In FY2023/24, despite such factors as geopolitical risks and downturn in some regional consumer markets, the OEM management business maintained stable and healthy development. It is mainly attributable to the following: First, the Group focused on its core customers, built a core competitive edge in Original Equipment Manufacturer (OEM)/Original Design Manufacturer (ODM) management business, developed new product categories, and conducted technological innovation, thereby achieving a steady

increase in orders from existing core customers. Second, the Group cultivated more new, high-quality customers to continuously supplement the incremental high-quality orders for the OEM management business. Third, the Group responded quickly to orders from OEM management customers so as to match the adjusted pace of the customers' order placement and align with the customers' needs to satisfy the consumer demand. Fourth, the Group established an efficient and open management mechanism and its on-going production continuous capacity planning overseas to further adapt to the trend of supply chain globalization and effectively boost customer confidence.

Through effective cost management, the gross profit margin at the OEM management business reached

approximately 20.6%, representing an increase of 0.7 percentage points as compared to the same period of the previous financial year.

### Ladieswear Business:

The Group operates four mid-range and high-end ladieswear brands. After 20 to over 30 years of brand development, the four brands present a rich, multi-tiered product portfolio with unique, differentiated styles. JESSIE focuses on the internal search for self, leisurely self-adaptation, and embodies the elegance, relaxation, and wit of women; BUOU BUOU embodies the gentleness, conviction, and self appreciation of women, and is designed to be more delicate, elegant, and romantic; KOREANO highlights simplicity, smoothness, and comfort, allowing



customers to have the ultimate wearing experience, with a style that is more casual, cool, and conveys a sense of the wearer's astuteness; KLOVA is positioned as a brand for a simple and classic style, targeted at women who are pursuing understated luxury, advocating for self-expression, and having a taste for individuality. Through innovation in fabrics, styles, colors, and cuts, it creates a uniquely characteristic product series. In the highly competitive ladieswear market in China, the Group has won the favor of Chinese female consumers through the distinctive images of its rich, multi-tiered product portfolio and brand positioning.

In terms of brand management, the four ladieswear brands, based on different characteristics and attributes, leveraged membership operations and content promotion. First, the Group focused on creating differentiated brand styles, strengthening the brand recognition, upgrading the visual system and iterating the store image. Second, through cross-over collaboration and cooperating with celebrities and key opinion leaders, the Group enhanced its brand influence and built up a diversified brand culture. Third, by enhancing innovation in content creation output and promotion methods, and implementing multi-platform collaborative promotion, the Group attracted new customers via online platforms such as the brand's WeChat official accounts, WeChat Channels, Xiaohongshu, WeChat and other media platforms, enhanced and iterated store

image to refresh consumers' perception and accelerated brand building at its physical stores. Fourth, the Group further integrated brand building with the development of its membership operation system. Through members' consumption cycle management, the Group increased its interaction with consumers and developed the repurchasing cycle management.

In terms of product development, the Group adopted the following measures. First, upholding the market and customer-oriented concept, the Group improved the design and development process. Second, the reserve and utilization of key fabric resources were upgraded. Third, the Group integrated external resources and carried out joint cooperation, thus further diversifying and enriching the product offering. Fourth, the Group focused on the core product categories and attached great importance to the development and management of Top Sellers. Fifth, the Group was committed to aligning its commodity management with its multi-tiered store operations, satisfying consumers' diverse needs and improving its commodity management efficiency with such methods as style classification, and price-range stratification.

In terms of sales channel development, the Group redefined existing stores and gradually realized multilevel management of stores on the one hand, based on the principle of "matching sales channels with merchandise" and, on the other hand, the Group clarified its channel

expansion strategies and plans for each brand through in-depth analysis of the core region and key markets. Also, the Group empowered new retail for the ladieswear brands, adopted private domain store operation strategies to draw in and increase traffic, thus boosting the capabilities of single stores' operation. In terms of driving business development with regional model stores, the Group optimized resources allocation across sales channels to ensure stable and long-term growth. This optimization involved refining the operating models based on the successful experience of its stores in regional markets, facilitating the replication of its model stores in new regional market models. Policy-driven initiatives supported core franchisees in establishing a presence in shopping malls and outlet stores.

Although the development of the ladieswear industry in the post-pandemic era still faces many challenges and uncertainties, the ladieswear business segment of the Group still achieved steady and healthy growth through brand leadership, product innovation, and pipeline optimization. In FY2023/24, the revenue from the Group's ladieswear business was approximately RMB819.8 million, representing an increase of 16.6% as compared with that in the previous financial year. The ladieswear apparel business contributed to 3.5% of the Group's total revenue. The revenues from the ladieswear brands were as follows:

## MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from ladieswear apparel business by brand					
Brands	For the year ended March 31,				
	2024		2023		Change
	RMB million	% of ladieswear apparel business revenue	RMB million	% of ladieswear apparel business revenue	
JESSIE	302.7	36.9%	254.9	36.3%	18.8%
BUOU BUOU	198.1	24.2%	167.7	23.8%	18.1%
KOREANO and KLOVA	319.0	38.9%	280.4	39.9%	13.8%
Total revenue from ladieswear apparel business	819.8	100.0%	703.0	100.0%	16.6%

Revenue from ladieswear apparel business by sales category					
Sales categories	For the year ended March 31,				
	2024		2023		Change
	RMB million	% of ladieswear apparel business revenue	RMB million	% of ladieswear apparel business revenue	
Self-operated	763.0	93.1%	654.6	93.1%	16.6%
Wholesale	56.8	6.9%	48.4	6.9%	17.3%
Total revenue from ladieswear apparel business	819.8	100.0%	703.0	100.0%	16.6%





### **Fashion Ladieswear – JESSIE**

The JESSIE brand has clearly defined its vision of “becoming the leading force in the future development of Chinese Ladieswear brands”, and is positioned as a brand that manifests the wearer’s elegance, laid-back attitude to life, and wit. Following the adjusted style and positioning, the JESSIE brand continues to explore the brand culture, refine the essence of its brand, and promote it through multiple platforms to strengthen its presence in customers’ minds. In terms of products, the brand launched the Xiangyunsha series with upgraded fabric and the Forbidden City co-branded series through collaboration with external parties in the design. Focusing on its core product categories, the JESSIE brand strives to establish its strengths in its core product categories such as commuter dresses, simple sweaters, stylish business jackets, and urban coats. In terms of sales channels, the brand is exploring promising sales channels such as fashionable shopping centers, actively optimizing customer policies in its franchise business, cultivating high-quality customers in regional markets, supporting its customers in opening and expanding their stores, and building a sustainable incremental market. In terms of retail operations, the brand enhanced the standardization of the service at its stores and upgraded the retail operations by implementing strategies specific to different types of store operations and to individual stores, aiming for consistently top sales performance.

## MANAGEMENT DISCUSSION AND ANALYSIS



### Fashion Ladieswear – BUOU BUOU

In FY2023/24, the BUOU BUOU ladieswear business continued to record a recovery in revenue growth by focusing on branding, channels, products, and marketing. Due to BUOU BUOU's ongoing adjustments in branding, products, and channels, existing unprofitable and inefficient outlets are being closed, and products which are not suitable to the sales channels are being cleared. This resulted in revenue growth in the current financial year. However, operating profit did not increase simultaneously. 2024 marks the 20th anniversary of BUOU BUOU's establishment, the brand remains committed to being the "representative

brand of affordable luxury ladieswear" in China. BUOU BUOU will continue to optimize the operational team, introduce talented individuals from the fashion industry, and enhance its efforts in multiple aspects, including brand promotion, its sales channels' coverage, product development, and marketing upgrades, aiming for a substantial improvement in operational performance in its 20th anniversary.

In terms of brand, BUOU BUOU aims to shape and elevate its brand influence by enhancing brand recognition, upgrading visual systems and store images, and conducting various experiential brand activities, conveying the BUOU BUOU fashion attitude to consumers. In terms of sales channels, BUOU BUOU continues to

optimize the channel mix by exploring the possibility of extending its presence to fashionable shopping centers, and elevating the management standard at its direct retail operations. In terms of products, BUOU BUOU is repositioning its product styles, strengthening the link between product research and sales development and channel development, and creating exclusive product portfolios tailored to the target customers' profiles at different types of sales channels. In terms of marketing, BUOU BUOU aims to strengthen customer interaction and loyalty through content creation and event planning, by reaching consumers directly by various means such as online and offline channels and new retail.

A woman with blonde hair tied back, wearing a light pink, short-sleeved, knee-length dress, is sitting on a wooden chair. She is looking towards the camera with a slight smile. The background is a modern interior with wooden paneling and a window with a grid pattern. A dark brown decorative shape is overlaid on the bottom right of the image.

## Fashion ladieswear – KOREANO and KLOVA

KOREANO is gradually shifting its targets towards the younger generation, catering to the need for lifestyle wear that embodies casual, stylish, and smart looks. On the other hand, KLOVA maintains a high-end positioning, increasingly introducing customized product lines to meet customers' personalized needs, reflecting sophistication, simplicity, and classic styles. In terms of business models, both the KOREANO and KLOVA brands have consistently focused on member services and conducted various marketing activities. From building a member retention system to hosting designer "customization salons", the brands communicate their culture, design concepts, new product styling insights, and product recommendations to customers, continuously enhancing the member experience. Additionally, the brands are actively exploring new retail operations by leveraging platforms such as Xiaohongshu, optimizing its message dissemination strategies through its stores and products, and utilizing influencer marketing to boost brand visibility and traffic. In terms of sales channel expansion, the brands concentrate on "increasing market coverage in core regions and cultivating key markets", achieving a market coverage by its multi-tiered store operations in key markets. In terms of product upgrades, the brands enhance the supply chain's responsiveness, accelerate turnover of new collections, diversify product styles, designs, and color applications, and further promote its high-end customized products to precisely address the needs of the high-end members.

## MANAGEMENT DISCUSSION AND ANALYSIS

As of March 31, 2024, the total number of retail outlets of the Group's ladieswear apparel business decreased by 32 (net) to 425, self-operated retail outlets decreased by 32 (net) to 329 and the number of retail outlets operated by third party distributors remained at 96, compared with the figures

in the previous financial year. Self-operated retail outlets and those operated by third party distributors accounted for 77.4% and 22.6% of the entire retail network, respectively. Approximately 64.0% of the total retail outlets of the Group's ladieswear apparel business are located

in first-and second-tier cities (i.e. Beijing, Shanghai, Guangzhou, Shenzhen and other provincial capital cities in China) and approximately 36.0% are located in third-tier cities or lower-tiered ones.

<b>Retail network breakdown by ladieswear brand</b>											
	<b>JESSIE</b>		<b>BUOU BUOU</b>		<b>KOREANO</b>		<b>KLOVA</b>		<b>Total</b>		
	Number of stores	Change	Number of stores	Change	Number of stores	Change	Number of stores	Change	Number of stores	Change	
<b>As at March 31, 2024</b>											
<b>Specialty stores</b>											
Operated by the Group	1	–	8	-1	–	–	–	–	9	-1	
Operated by third party distributors	10	-2	4	-2	–	–	–	–	14	-4	
Subtotal	11	-2	12	-3	–	–	–	–	23	-5	
<b>Concessionary retail outlets</b>											
Operated by the Group	110	-5	92	-4	64	-18	54	-4	320	-31	
Operated by third party distributors	63	–	19	4	–	–	–	–	82	4	
Subtotal	173	-5	111	–	64	-18	54	-4	402	-27	
<b>Total</b>	<b>184</b>	<b>-7</b>	<b>123</b>	<b>-3</b>	<b>64</b>	<b>-18</b>	<b>54</b>	<b>-4</b>	<b>425</b>	<b>-32</b>	
Change: Compared with those as at March 31, 2023											



### Retail network of ladieswear apparel business by region

	As at March 31, 2024	As at March 31, 2023	Change
Eastern China	54	61	-7
Central China	139	146	-7
Northern China	38	51	-13
Northeast China	48	50	-2
Northwest China	84	82	2
Southwest China	62	67	-5
<b>Total</b>	<b>425</b>	<b>457</b>	<b>-32</b>

Region

**Eastern China** : Jiangsu, Anhui, Zhejiang, Shanghai, Fujian, Shandong

**Central China** : Hubei, Hunan, Henan, Jiangxi, Guangdong, Guangxi, Hainan

**Northern China** : Beijing, Tianjin, Hebei

**Northeast China** : Liaoning, Jilin, Heilongjiang, Inner Mongolia

**Northwest China** : Xinjiang, Gansu, Qinghai, Shaanxi, Ningxia, Shanxi

**Southwest China** : Sichuan, Tibet, Chongqing, Yunnan, Guizhou

## MANAGEMENT DISCUSSION AND ANALYSIS

### Diversified apparel business segment

In FY2023/24, revenue from the Group's diversified apparel business segment was approximately RMB203.2 million,

representing a slight increase of 0.3% compared with that of the previous financial year. Specifically, the school uniform business developed by the Group in 2016 recorded a slight increase of 1.3%

in revenue in FY2023/24. Revenue from that business segment in FY2023/24 was as follows:

Revenue from the diversified apparel business by brand					
For the year ended March 31,					
Brands	2024		2023		Change
	RMB million	% of diversified apparel business revenue	RMB million	% of diversified apparel business revenue	
Sameite	188.5	92.8%	186.1	91.9%	1.3%
Other brands and others	14.7	7.2%	16.5	8.1%	-10.8%
Total revenue from diversified apparel business	203.2	100.0%	202.6	100.0%	0.3%

Revenue from diversified apparel business by sales category					
For the year ended March 31,					
Sales categories	2024		2023		Change
	RMB million	% of diversified apparel business revenue	RMB million	% of diversified apparel business revenue	
Self-operated	188.5	92.8%	186.1	91.9 %	1.3%
Wholesale	13.4	6.6%	14.5	7.1%	-7.7%
Others*	1.3	0.6%	2.0	1.0%	-32.4%
Total revenue from diversified apparel business	203.2	100.0%	202.6	100.0%	0.3%

\* Represents rental income

## School uniform business – Sameite

During FY2023/24, the school uniform business under the diversified apparel business segment remained in operation under the Sameite brand. Adhering to the clothing design concept of “carrying education with clothes and inheriting culture with clothes”, the Sameite brand insists on providing students with safe, comfortable, fashionable and functional school uniforms, and makes it its mission to enable every child to be dressed in uniforms while they are pursuing their dreams. Currently, the Sameite brand serves more than 500 schools, with an annual supply of over one million pieces.

During FY2023/24, in terms of brand building, the Sameite brand focused on user services, integrated resources through innovative cross-border cooperation to capture the top resources in the industry, increased the interaction between brands and customers through offline scenario-based activities, and realized the linkage of private education resources through online multi-media platform promotion. In terms of channel upgrading, firstly, the Sameite brand got a share of the market of the key schools by establishing direct sales operations in core areas and enhanced its customer adherence for stable cooperation with existing customers; secondly, the Sameite brand increased its regional market coverage by establishing benchmarking regional agents. In terms of product development, the Sameite brand continued to consolidate its advantage as an established producer and provider

of warm clothing in the category of winter school uniforms to build the brand label of Sameite, and ensured the continuous upgrading of its product mix by undertaking projects of high-end private school uniforms.

During FY2023/24, the Sameite brand won the titles of the Outstanding Work Award at the first National School Uniform Exhibition, the Most Influential Brand of the Year in China’s school uniform industry, the first award in the China School Uniform Design Competition in terms of the kindergarten sports collections, the special award in the China School Uniform Design Competition in terms of the primary school uniform collections, the first award in the China School Uniform Design

Competition in terms of the primary school sport collections, and the first award in the China School Uniform Design Competition in terms of the junior high school uniform collections. In addition, the Sameite brand won the titles of the National Quality Leading Brand of School Uniform Industry, the National Product and Service Quality Integrity Model Enterprise, and the National Product and Service Quality Integrity Model Enterprise.

During FY2023/24, the revenue from school uniform business of the Sameite brand amounted to approximately RMB188.5 million, representing an increase of 1.3% compared with that for the previous financial year.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Children's wear business, MAN and HOME business

Since FY2018/19, the Group had started to downsize the MAN and HOME business under the diversified apparel business segment. During FY2023/24, there was no additional investment in the project company which cooperated with the Japanese brand of Petit main.

### ONLINE SALES

Online sales channels have been a key focus of the Group for vigorous development. Since the Group's strategic transformation in 2018, it has continued to show the trend of high-quality growth. Despite certain changes in the competitive landscape of the e-commerce platforms, certain adjustments in the approach to competition, the headline effect of brands and the rationalization of consumers during FY2023/24, the Group still focused on enhancing the capabilities and operational efficiency of its online platforms through the strategies such as emphasizing core product categories, conducting intensive brand campaigns, and refining operations, so as to achieve rapid and high-quality growth.

In terms of brand building, the Group has continued to consolidate its leading position on the online platforms and has continued to focus on developing certain markets of the industry. By emphasizing core product categories, the Group excelled in platform category rankings through

functional design, product advantages, and fashionable styles. Through intensive brand campaigns, the Group amplified the campaign volume through such tactics as new product launches, live broadcasts of brand endorsements and co-creation with IP owners. By focusing on the important festival marketing on the online platforms, integrating high-quality resources of the brand platform, deeply developing high-quality customers, accurately matching people and goods, and front-loading sales breakpoints in phases, the Group realized high-quality development in branding and sales on online platforms.

For the customer membership operation, the Group continued to expand its customer base in an effective way on one hand — it cooperated with platforms in holding activities such as members' challenges by coordinating the resources of activities available to the members of platforms in order to increase the number of members and enhance fan loyalty; on the other hand, the Group focused on the accumulation of high-quality members by refining the membership management through market segmentation and activities such as members' day exclusive to high-quality members organized on a regular basis with the aim of increasing the proportion of members with high values in the membership, thus increasing the members' contribution to revenue.

During the expansion of the emerging platforms, the Group always ensures that its business development through

online platforms keeps up with the times. For instance, it had been developing its business on the emerging platforms such as Douyin. In terms of brand building, based on its positioning as "the world's leading expert in down apparel", the Group has established its ecosystem filled with professional content on Douyin through brand marketing campaigns and IP jointly established by the Bosideng brand and Douyin. In addition to the great success of the IP named "China's Good Down", which was jointly established by the Bosideng brand and Douyin in November 2023, collaborative activities of stars' live broadcasts with Douyin's Super Brand Day (抖音超品日) planned by Bosideng brand in December 2023 also saw record-breaking sales through stars' live broadcasts and on Douyin's Super Brand Day, respectively. Such case was awarded the Annual Marketing Prize of Douyin. In terms of store operations, the Group continued to consolidate its single stores by categorizing them into and operating sub-category stores and regional Top Stores. This approach resulted in the formation of a "rocket-type" sales channel matrix, with the official flagship store as the bellwether and the sub-category stores and regional Top Stores as cornerstones. In terms of content and operation optimization, the Bosideng brand on Douyin continued to deepen its innovation in marketing content and explore new models of sales through technology upgrade, cross-sector cooperation, data analysis and intelligent allocation while maintaining original models of sales, with the aim of achieving



high-quality development in all aspects. As of March 31, 2024, more than 80% of the Bosideng brand's revenue from Douyin was generated from live broadcasts.

During FY2023/24, revenue from the total online sales conducted by the Group's brands was RMB6,931.5 million, representing a year-on-year increase of 40.6%. Revenue from the online sales of the branded down apparel business and ladieswear business were approximately RMB6,836.2 million and RMB95.3 million, respectively, accounting for 35.0% and 11.6% of the revenue of the branded down apparel business and ladieswear apparel business, respectively. By sales category, revenue from the self-operated and wholesale businesses through online sales amounted to approximately RMB6,175.1 million and RMB756.4 million, respectively.

## OPERATION OF JOINT VENTURE

On December 1, 2021, Bosideng International Fashion Limited (a direct wholly-owned subsidiary of the Company) ("BSD Fashion") and Bogner (a German company) entered into a joint venture agreement in relation to the formation of a joint venture (the "Joint Venture"). The Joint Venture is granted the exclusive right to sell and distribute apparel under BOGNER and FIRE+ICE in mainland China, Hong Kong, China, Macau, China and Taiwan, China.



As of March 31, 2024, the Joint Venture actively expanded its business in the Greater China Region. In terms of brand building, the Joint Venture significantly increased brand exposure by collaborating with celebrities and key opinion leaders (KOLs) in promotion. In terms of brand strategy, the Joint Venture built an interactive experience for consumers in all aspects with focus on core online platforms. In terms of product promotion, in FY2023/24, on top of the core branded luxury ski suits collection, the Joint Venture successively launched urban, sports, and Wanderlust travel capsule collections in different scenarios. In terms of sales

channel development, the Bogner brand strengthened its strategic deployment of resources in China and gradually penetrated the country's high-end target market by establishing a presence in high-end shopping centers in key cities such as Beijing and Shanghai, as well as through the establishment of flagship stores on Tmall.

During FY2023/24, the operating loss of the Joint Venture and the loss of corresponding proportion recorded by the Group were RMB30.2 million and RMB15.6 million, respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

### GROSS PROFIT

Gross profit of the Group increased by 38.7% to RMB13,833.5 million in FY2023/24 from approximately RMB9,975.9 million in the same period of last year.

Gross profit margin at the branded down apparel business decreased by 1.2 percentage points to 65.0%, mainly because of the increased share of wholesale business and the impact of the launch of Bosideng's sun-protective clothing in FY2023/24. Wholesale business has a lower gross profit margin compared to direct sales, and sun-protective products have a lower margin compared to down jacket products. Meanwhile, the revenue growth at Snow Flying outpaced that of the Bosideng brand, but the former

had slightly lower gross profit margins. Accordingly, this adjustment in channel structure, product mix and revenue structure of the various brands led to a decrease in the gross profit margin of the branded down apparel business segment. As to the OEM management business, the gross profit margin of that segment increased by 0.7 percentage points to 20.6% because of an effective cost management and the benefit from the exchange rate changes. In the ladieswear business, the fierce market competition and adjustment of product structure led to a decrease in the gross profit margin by 1.1 percentage points to 67.5% as compared to that in the previous financial year.

Although the gross profit margin at the branded down apparel business segment decreased due to the impact of the mix of

the sold products and revenue mix of the brands in this financial year, as compared with that in the previous financial year because its revenue growth in FY2023/24 was faster than other business segments as it remained the Group's largest business segment, with an increase in contribution to revenue and gross profit. Moreover, the gross profit margin of the branded down apparel business segment was higher than that of the OEM management business and the diversified apparel business. Therefore, the overall gross profit margin of the Group increased by 0.1 percentage point to 59.6% as compared with last year.

The table below sets out the analysis on the gross profit margin at each brand:

Brands	For the year ended March 31,		
	2024	2023	Change (percentage point)
Bosideng	69.6%	70.8%	-1.2
Snow Flying	46.0%	46.0%	Unchanged
Bengen	39.2%	33.6%	+5.6
<b>Branded down apparel business</b>	<b>65.0%</b>	<b>66.2%</b>	<b>-1.2</b>
<b>OEM Management Business</b>	<b>20.6%</b>	<b>19.9%</b>	<b>+0.7</b>
JESSIE	64.8%	66.6%	-1.8
BUOU BUOU	59.9%	64.0%	-4.1
KOREANO and KLOVA	74.9%	73.0%	+1.9
<b>Ladieswear Business</b>	<b>67.5%</b>	<b>68.6%</b>	<b>-1.1</b>
<b>Diversified apparel business</b>	<b>20.2%</b>	<b>25.7%</b>	<b>-5.5</b>
<b>The Group</b>	<b>59.6%</b>	<b>59.5%</b>	<b>+0.1</b>

## OPERATING PROFIT

During FY2023/24, the Group's operating profit increased steadily and significantly by 55.6% to approximately RMB4,397.6 million. The operating profit margin was 18.9%. The increase in operating profit was mainly due to the Group's focus on the efficiency regarding the selling and distribution expenses and administrative expenses in daily operations as well as the steady and fast growth in revenue. Furthermore, due to the recovery of the Group's ladieswear business in FY2023/24, operating losses and goodwill impairment significantly reduced. As a result, the Group's operational efficiency improved.

## DISTRIBUTION EXPENSES

During FY2023/24, the Group's distribution expenses, which mainly comprised advertising and promotion expenses, depreciation charge of right-of-use assets, contingent rents and sales personnel's expenses, amounted to approximately RMB8,055.1 million, representing an increase of 31.5% compared with approximately RMB6,124.7 million in the same period of last year. The Group's distribution expenses accounted for 34.7% of its total revenue, representing a decrease of 1.8 percentage points compared with the 36.5% in FY2022/23. The ratio of distribution expenses to the total revenue of the Group decreased, mainly due to the fact that, on the one hand, the core down apparel business of the Group has expanded mainly due to the improvement in store operation efficiency, the scale of

which did not change significantly despite the rapid growth in revenue in the second half of FY2023/24; on the other hand, the Group continued to strengthen the control of daily operating expenses and pay attention to the efficiency regarding the expenses in FY2023/24. Therefore, the ratio of distribution expenses to revenue decreased.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses, which mainly comprised salary and welfare, amortization of fees for share options, depreciation and consultancy expenses, amounted to approximately RMB1,507.9 million in FY2023/24, representing an increase of 25.2% as compared to approximately RMB1,204.0 million of the same period of last year. Administrative expenses as a percentage of the Group's total revenue decreased by 0.7 percentage points to 6.5% from the 7.2% in FY2022/23, mainly due to the strict management of the Group's administrative operating costs in FY2023/24.

## FINANCE INCOME

The Group's finance income increased by 27.6% to approximately RMB374.2 million in FY2023/24 from approximately RMB293.2 million of the same period of last year, mainly due to the increase in the interest income from wealth management products and deposits, and the foreign exchange gains during the financial year.

## FINANCE COSTS

During FY2023/24, the Group's finance costs increased slightly to approximately RMB216.4 million, representing an increase of 3.0% compared with that in the same period of last year. The increase in finance costs was mainly due to the increase in amortization of lease liabilities during the financial year.

## TAXATION

The Group was committed to adhering to the spirit and provisions of the tax laws and regulations in the countries where the Company operates.

Income tax expenses increased to approximately RMB1,421.1 million in FY2023/24 from approximately RMB730.1 million. The effective tax rate was approximately 31.3%. The increase in income tax expenditure is primarily due to an anticipated rise in the Group's overseas funding needs in FY2024/25, which in turn has led to an increase in PRC dividend withholding tax provided against the dividend distributed during the year and to be distributed in the foreseeable future out of earnings of the PRC subsidiaries for offshore subsidiaries.

## DIVIDENDS

The Board recommended the payment of a final dividend of HKD20.0 cents (equivalent to approximately RMB18.2 cents) per ordinary share for the year ended March 31, 2024. The proposed dividend will be

## MANAGEMENT DISCUSSION AND ANALYSIS

paid on or around September 13, 2024 to shareholders whose names appear on the register of members of the Company on August 26, 2024. The proposed dividend shall be subject to approval by the shareholders of the Company at the annual general meeting to be held on or about August 20, 2024 (the "AGM").

### LIQUIDITY AND FINANCIAL RESOURCES

In FY2023/24, the Group's net cash generated from operating activities amounted to approximately RMB7,338.8 million; net cash used in investing activities amounted to approximately RMB2,426.5 million and net cash used in financing

activities amounted to approximately RMB2,379.6 million. Cash and cash equivalents for the year ended March 31, 2024 amounted to approximately RMB6,227.0 million.

As at March 31, 2024, the distribution of cash and cash equivalents by currency was as follows:

	RMB'000
Renminbi	5,670,671
US dollar	450,437
Pound sterling	2,580
Hong Kong dollar	101,341
Japanese yen	1,878
Euro	108
<b>Total</b>	<b>6,227,015</b>

In order to obtain reasonable returns on the Group's available cash reserves, the Group appropriately increased the amounts placed in time deposits in order to obtain stable returns against the background of the consistently decreasing deposit interest rates at financial institutions. In addition, under the general trend of net value management of financial institutions' treasury market, the market share of capital guaranteed treasury has been significantly reduced. Other financial assets placed in this financial year includes a small amount of capital guaranteed short-term investments with banks in the PRC. The vast majority of other financial assets are capital non-guaranteed and

short-term investments at medium and low risks in wealth management subsidiaries of banks in the PRC. The expected but unguaranteed returns of capital guaranteed short-term investments with banks ranged from 1.05% to 3.31% per annum. Other financial securities refer to trading stocks held by Shuo Ming De Investment Co., Ltd. ("Shuo Ming De Investment"). Shuo Ming De Investment invested approximately RMB224,921,000 in February 2018 to subscribe for 12,184,230 shares of Jinhong Fashion Group Co., Ltd. (a company listed in Shanghai Stock Exchange with stock code: 603518) ("Jinhong Group") through a private placement at a subscription price of RMB18.46 per share. Due to the

bonus issue of shares by Jinhong Group in May 2019, the number of shares held by Shuo Ming De Investment increased to 17,057,922, and the investment cost was adjusted to RMB13.19 per share. In July 2021, Shuo Ming De Investment reduced its shareholding in Jinhong Group by 2,787,223 shares by way of centralized bidding, at an average price of RMB24.60 per share, and the current shareholding held by it in Jinhong Group is less than 5%. Further details of the Investment are set out in Note 26 to the Financial Statements.

As at March 31, 2024, the bank borrowings of the Group amounted to approximately RMB768.4 million (March 31, 2023: RMB770.4 million) and the carrying amount of liability component of

the convertible bonds was approximately RMB1,714.5 million (March 31, 2023: approximately RMB1,608.0 million). The gearing ratio (being total borrowings/total equity) of the Group was 18.0% (March

31, 2023: 18.9%). As at March 31, 2024, the distribution of borrowings by currency unit and types of interest rate adopted were as follows:

Types of interest rate	HK dollars RMB million	Japanese yen RMB million	Renminbi RMB million	Total RMB million
Floating interest rate	543.9	214.5	-	758.4
Fixed interest rate	-	-	10.0	10.0
<b>Total</b>	<b>543.9</b>	<b>214.5</b>	<b>10.0</b>	<b>768.4</b>

The Group anticipates that it will be able to arrange with its lenders to obtain new loans to replace the existing borrowings as they fall due in the foreseeable future and, if it is not available, the Group has sufficient cash and assets held for sale to meet its borrowing repayment requirements.

As of March 31, 2024, two major internationally authoritative rating agencies, namely Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P"), have respectively assigned long-term credit ratings of the Group as "Baa3 (stable outlook)" and "BBB- (stable outlook)". The Group has attained the "double investment grades" from both Moody's and S&P.

## SUSTAINABLE DEVELOPMENT

In active response to quality development, common prosperity and "dual-carbon" objective and other important strategies in China, the Group has integrated

Environmental, Social and Governance ("ESG") concepts into all aspects of its operations and management, while tackling various uncertain and unpredictable factors and changes in the market, to facilitate its high-quality development of corporates in a sustainable manner.

### Continued to be recognized by MSCI, an internationally authoritative institution, and maintained its grade A ESG rating

Morgan Stanley Capital International ("MSCI") issued an ESG rating report on January 16, 2024. The Group maintained its MSCI ESG grade A rating, making the Group a leader in China's textile and apparel industries. In terms of the establishment and improvement of the ESG system, the Group has established an ESG interconnected management structure at three-levels in terms of decision-making, management and implementation since 2021 so as to ensure the effective

achievement of its ESG targets, timely supervision of performance and assessment of new risks and new opportunities on sustainable development. As to the management of important ESG issues, the Group closely kept up with the times and kept abreast of the needs of various stakeholders, continuously focusing on 22 issues of materiality such as building new types of operations to meet consumers' needs, creating new customer experiences; upgrading raw materials and improving the quality of products, developing the measures for the administration of chemical safety and raw material procurement and establishing strict process, promoting chemical safety management by joining in ZDHC (Zero Discharge of Hazardous Chemicals); enhancing product innovation, building a stable and green supply chain; strengthening itself as China's domestic brand and helping to enhance the country's cultural confidence. We also analyzed and found out the points for new breakthroughs in various issues on sustainable development

## MANAGEMENT DISCUSSION AND ANALYSIS

and the opportunity and improvement for feeding back to the industry's value chain. Meanwhile, the Group attached great importance to promoting sustainable development among its upstream and downstream partners, with supplier empowerment training covering sustainable development, carbon emission management, business ethics and other content. Through long-term and unremitting efforts, the Group's ESG practices had been continuously recognized by MSCI, an internationally authoritative rating institution.

### **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS ACQUISITIONS**

During FY2023/24, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates or joint ventures. There were also no other material investments or capital assets acquisitions approved by the Board as at March 31, 2024.



## CONTINGENT LIABILITIES

As at March 31, 2024, the Group had no material contingent liabilities.

## CAPITAL COMMITMENTS

As at March 31, 2024, the Group had outstanding capital commitments in respect of plant, property and equipment, equity investments and advertising and promotional expenses amounting to approximately RMB156.0 million (March 31, 2023: approximately RMB167.6 million).

## PLEDGE OF ASSETS

As at March 31, 2024, bank deposits amounting to approximately RMB671.4 million had been pledged to banks as security for the issuance of bills payable (March 31, 2023: approximately RMB1,028.2 million).

## FINANCIAL MANAGEMENT AND TREASURY POLICY

The financial risk management of the Group is the responsibility of the Group's treasury management center at its head office. The Group adopted prudent funding and treasury management policies while prioritizing risk prevention and maintaining a sound cash management strategy. The Group's funding in the Year was primarily cash generated from its operating activities, bank borrowings and/or bond issuances. The major objective of the Group's treasury

policies is to appropriately improve the overall income level of funds on the basis of ensuring liquidity.

## FOREIGN CURRENCY EXPOSURE

The business operations of the Group were conducted mainly in mainland China with revenue and expenses of the Group's subsidiaries denominated in Renminbi, and therefore, the Group has chosen Renminbi as the reporting currency. Some of the Group's cash and bank deposits were denominated in Hong Kong dollars or US dollars. The Company and some of its overseas subsidiaries selected US dollars as their functional currency. Any significant exchange rate fluctuations of Hong Kong dollars, US dollars, Pound sterling or any other functional currencies of the entities may have a financial impact on the Group.

Facing the instability of the foreign exchange market, the Group will make use of forward contracts and foreign exchange swaps to mitigate the exchange rate risk as and when appropriate.

## HUMAN RESOURCES

As of March 31, 2024, the Group had 11,831 full-time employees (as of March 31, 2023: 12,183 full-time employees), representing a year-on-year decrease of 352 employees. For the year ended March 31, 2024, staff costs (including Directors' remuneration in the form of salaries, other allowances and equity-settled share-based

transaction expenses) were approximately RMB2,656.6 million (approximately RMB1,839.8 million for the previous financial year).

Based on its strategically important aspiration to become the "world's leading expert in down apparel", the Group focuses on the value creation that customers can explicitly perceive, and enables them to associate value creation with the Group's strategic core capabilities. To perform well now and look ahead to the future, the Group continues to step up its efforts to identify and develop strategically significant employees and actively fosters a new generation of young talents. As college students are cornerstones of the internal talent generation system of the Group, maintaining sufficient, high-quality reserve graduates is a key part and the foundation of building a system for fostering talents internally. The 2024 campus recruitment was carried out under three programs, namely the Millions Annual Salary Plan, Young Eagle Plan and Leading Action, and ensured employment of high-quality graduates through such initiatives as the "High Energy Cup" campus innovation design competition and university-enterprise cooperation, with the aim of attracting outstanding graduates from target universities with cultural and character traits that align with the Group. This will allow the Group to continuously build and consolidate its brand image as a preferred employer for textile and garment colleges, and expand Bosideng brand's influence as an employer.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's remuneration and bonus policy is primarily based on the duties, performance, outstanding contribution and length of service of each employee with reference to prevailing market conditions. To provide a comfortable and harmonious living environment to employees of the Group, the Group offered staff dormitories with hotel-style management services or corresponding accommodation allowance to those non-local university graduates, professional technicians and management staff who did not have place of residence in Changshu once they were employed by the Group.

### CORPORATE CULTURE

The Group attaches great importance to the construction and continuity of corporate culture. We firmly believe that culture is the foundation for the Group to achieve the development goal of "creating a 100-year brand, building a 100-year enterprise", the Group's core impetus for leading development and sustainability, the gene and essence of the corporation and brand in the entrepreneurial process, the soul and bloodline that run through the development of the corporation, and the driving force, philosophical pillar and guiding direction of development. In the course of the development of the Group, the excellent corporate culture with Bosideng's characteristics has been crystallized, and a large number of key talents and outstanding cadre with Bosideng genes have emerged. It is precisely because of the strong driving

force of the corporate culture that the Group has successfully completed the previous strategic transformation and laid the foundation for the implementation of its strategies in the future.

The Group advocates the practice of corporate culture, and focuses on the strategic core tasks and organizes a series of activities such as explaining case studies for excellence, fostering model employees and learning from the organizational experience and cultural development, to form a closed loop that encompasses "identification with the corporate culture and values, understanding of the essence of the corporate culture, making the corporate culture and values ingrained in behaviour and ultimately the practices and actions that yield value and results", to create "a user-first orientation, a cultural soil for open-mindedness, evaluation and motivation of value results, benchmarking demonstration for cadres role models, and the spirit of unyielding pursuit of excellence", and to form a cohesive team that has the same ideas and concepts and aligns actions with goals, and makes its teams unite their efforts so as to ensure the efficient achievement of strategic goals.

### TALENT DEVELOPMENT

In order to implement its strategy better, the Group attaches greater importance to the cultivation of talents who are the "primary resources" of enterprises. After years of accumulation, the Group has established a scientific system for talent

training. From strategic interpretation, business path analysis, organizational structure inventory, job classification, to clear organization and personnel capabilities, the competence standards, evaluation standards, evaluation process, development access and other aspects involved in the talent training process have been subject to multiple rounds of iterations to adapt to strategic implementation. On the one hand, the Group insists on introducing leading talents from outside to match market changes, lead industry development, and establish leading advantages. On the other hand, the Group will also continue to develop an outstanding management team with operation abilities, professionals, experts, retail talents and strategic reserve talents internally so as to develop talent echelon, stimulate organizational vitality, and guarantee the realization of strategic objectives.

The Group believes that talents are the cornerstone of brand development, and designers are the creators of core competitive products. Focusing on the brand's positioning as "the world's leading expert in down apparel", it is always the product design team's long-term goal to establish a leading, diversified, professional and highly creative organization in its talent development strategy. In this regard, the Group continues to upgrade the talent mix of its design team by actively introducing outstanding talents while focusing on breakthroughs and the upgrading of core design capabilities, and integrating internal



and external quality resources to enhance the team's design vision and capability. In addition, the Group constantly recruits outstanding fresh graduates to join the design team and enable the team to remain vigorous and produce refreshing products continuously.

Stores are the key places for customers to explicitly perceive value. Therefore, the Group affirms a retail model with stores at the core in its past and future strategic deployment and development, and establishes a retail talent cultivation mechanism and continuously strengthens the store talent development by setting clear leading talent profiles as the high benchmarking standards in order to create a younger store team with strong learning abilities, continuously improve business skills and provide customers with quality experiences and services. In addition, to better consolidate the operation of single stores, the Group particularly strengthens the cultivation of retail departments and personnel. Currently, the Group has formulated a plan for fostering the talents' capabilities for retail operations, commodity management, display operation, the position of regional manager and other posts, invested resources in enhancing the operation ability of in-service management staff of the retail company, so as to integrate the supply chain for retail talents and constantly provide the talent echelon of the retail operations with a better understanding of customers and operations.



The strategic reserve of talents is highlighted based on the Group's three-year strategic business plan. The "Eagle" talent training is a talent strategy project of the Group to build the internal talent echelon, which aims to build a management team of the Bosideng Group with unified cultural value and Bosideng leadership. This talent training project covers university students, reserve managers/directors and reserve retail general managers. Through the practice in a series of projects and the accumulation of experience, the Group has established a comprehensive training and development system for reserve management personnel. With nearly 4 years of efforts, the Group has developed a comprehensive talent training and development programme that covers the capability to assume strategic

roles, talent selection, talent training, talent evaluation talent development. It has also established professional systems for the organization and talent identification, posts and ranks, and criteria for talent evaluation and the development of courses to provide professional support for talent development.

So far, the "Eagle" project has cultivated 736 outstanding university students, 112 excellent reserve managers, 37 excellent reserve directors, and 18 excellent retail company general managers, thereby providing strategic talents for the Group and laying a solid foundation for the achievement of the strategic goal of becoming "the world's leading expert in down apparel".

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK

Since the beginning of 2024, China's economic rebound has maintained its momentum on the back of steady growth. The country's economic restructuring also progressed steadily. The domestic market has also been revitalized. All this has laid a solid foundation of enterprises' sustainable, high-quality development and boosted confidence. The textile and apparel industry has embarked on a new journey to modernization, which will be driven by new quality productive forces. It is against this backdrop that the Group has set its sights on grasping the opportunities arising from technological innovation, accelerating digital transformation, and the promotion of green development. Furthermore, China's growing cultural confidence has injected impetus to the development of domestic brands in the new era. The aspiration for a better life is driving a shift in consumer attitudes and behaviors. Demand for high-quality, high-performance, high-value-added, and environmentally friendly clothing has been growing.

As a leading company in the industry, the Group is oriented to people's new demands and expectations for a better life. We always believe in long-termism and value creation. "Focusing on the mainstay business of down jackets and focusing on the main track of fashion and functional apparel enhanced with technology" is the way forward for the Group's development. We are enhancing



our core capabilities for strategic planning, research, development and innovation, collaborative supply, and management system. We also have enhanced our brand leadership, product category management, sales channel operation, and customer experience. Guided by high standards and innovation, we have begun a new journey to sustainable, high-quality development.

**Down apparel business:**

The Group has always focused on the core business of down jackets, concentrating advantageous resources on the development of the core competitiveness of the down jacket business and striving to become a leader in the global down jacket industry. Building on the strengthening of the core business of down jackets, the Group is focusing on the track of “fashion and functional apparel enhanced with technology” and extending the scope of the related product categories and business. The main brand of Bosideng will focus on positioning itself as “the world’s leading expert in down apparel”, emphasizing its four core strategies of enhancing brand leadership, product category management, channel operation, and customer experience to solidify its core brand competitiveness and facilitate its evolution from “China’s No. 1” to “Global Leader”. Additionally, the Group is conducting strategic planning for the development of the market for highly cost-effective down jackets, with a focus on fostering the Snow Flying brand and forming a brand matrix so as to expand its market share and strengthen the core business.

In terms of branding, the Group will adhere to a brand-led development model. It will convey the Bosideng brand’s core belief in warming the world and its expertise, and promote Chinese culture and the aesthetics of down apparel worldwide. Based on its brand culture and consumer mindset, the Group will optimize

its brand management system, innovate brand communication strategies, and raise the efficiency of conversion to sales through branding. Meanwhile, the Group will comprehensively build a brand matrix, affirm its brand positioning, strengthen its capabilities for operating its various brands, and unlock the brand value in fashion and functional apparel enhanced with technology.

In terms of products, the Group will focus on enhancing its products’ core competitiveness. Through innovation-driven approaches, the Group will convey the essence of its brands through original design and enhance the products’ value through technological innovation to continuously meet the growing and evolving needs of a better life. Additionally, the Group will try to understand consumer demand with precision, innovate and extend the core product categories of “fashion and functional apparel enhanced with technology”, unlock the value of new product categories, and create opportunities for growth.

In terms of sales channels, the Group will further enhance the single stores’ operation to improve quality and efficiency. By focusing on customers, the Group will optimize and upgrade the sales channel mix, strategically plan its multi-tiered market coverage and store networks, and enhance its scientific approach to planning for its directly-operated stores and franchise business while strengthening its operation modes specific to different types of stores, and enhance the capability

of refined operation of sales channels. Moreover, the Group will strengthen customer management by building a fine-tuned operating system throughout the customer’s lifecycle and establishing an user-value-driven business growth model.

**OEM business:**

Building on its global leadership in the field of down jackets, the Group will leverage its professional expertise to achieve continued growth. On the one hand, it will deepen existing good and stable partnerships with core clients, cultivate new customers, and continuously improve both the quality and profitability of its business operation. On the other hand, the Group will further enhance its ODM design capabilities and technological innovation, explore more resources for its production, build its differentiated core competencies, and achieve high-quality operation.

**Ladieswear business:**

The Group continues to pay attention to the future development of the ladieswear business. It has started with brand positioning, defined the target customers for each of its ladieswear brands, constructed a differentiated development model, and is building up distinctive operation capabilities and a management system with the aim of achieving healthy and sustainable growth in its ladieswear business with higher management efficiency.



# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE CODE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices. The corporate governance principles of the Company emphasize accountability and transparency and are adopted in the best interests of the Company and its shareholders. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of its shareholders and to fulfil its commitment to excellence in corporate governance.

The Group has applied and complied with the applicable code provisions set out in the Code for the Year, except for code provisions C.2.1 and C.5.1, the details of which are disclosed below.

## CORPORATE PURPOSE, STRATEGY AND CULTURE

The Board has established the Company's mission, vision, core values and strategy, and has ensured that these are aligned with a high degree of consistency and convergence of the Company's corporate culture, clearly expressed to all members of the Company, and provide operating guidance for the management team. All Directors should act with integrity, lead by example, and promote the desired corporate culture.

### **Mission:**

#### **Warming the world**

The Group will stay true to its original mission of warming the world. With a focus of human development, the Group strives to deliver exceptional craftsmanship and quality, provide sincere and thoughtful services, drive technological innovation, and create shared values that build upon customers' love and trust for a better life.

### **Vision:**

#### **Being the leading fashionable, functional and technological apparel group in the world**

The Group is committed to building a leading organization in terms of scale, with a global market presence and excellent operations, and which is to become the preferred brand for customers, the best employer for employees, an environmental enterprise co-existing with partners harmoniously and a trend leader, expert in down apparel as well as a functional expert, which promotes industrial upgrading, leading the sustainable and healthy development of the industry, and gaining social respect.

# CORPORATE GOVERNANCE REPORT

## **Core Values:**

### **Customers Foremost, Openness and Innovation, Results Driven, Striving for the Best**

The Group is committed to meeting the evolving needs of its customers and has built four major capabilities: leading brands, leading products, retail upgrades, and high product quality and quick response, in order to provide high-quality products and services for customers. Honesty and trustworthiness are at the core of the Group's values, and it upholds the principles of taking the right path, abiding by rules, being responsible and benefiting others. The Group faces challenges without fear, stays abreast of the latest trends, fosters teamwork, strives to be a pioneer in its industry and embodies a positive and enterprising spirit. The Group dares to innovate and push beyond boundaries, adapting to changes with an open and inclusive mindset that respects professionalism. The Group's operational concept focuses on providing excellent services to its customers, relying on its physical stores and prioritizing the needs of its customers. The Group establishes shared values, responsibility and work standards that are aligned with the global business environment.

## **Corporate Strategy:**

The Group has established the development vision of "Being the leading fashionable, functional and technological apparel group in the world", clarified the strategic direction of "focusing on principal business and key brands" by regarding our mission as our foundation, centering on customers, regarding our brands as leaders, and driving our development by innovation. By focusing on the main theme of "fashionable, functional and technological apparel", the Group continued to consolidate the four core competencies in "leading brands, leading products, retail upgrades and high product quality and quick response" and the two security systems in relation to "organization, mechanism, culture and talent development and digital operation" and has devoted its efforts to realising Bosideng's original mission of "Bosideng warms the world".

The Group regards it as its responsibilities to empower employees internally, warm customers externally and give back to the society, and unswervingly strives towards the development goal of "creating a 100-year brand, building a 100-year enterprise" by advocating and practicing the concept of "sustainable fashion".

## BOARD OF DIRECTORS

The Board is charged with providing effective and responsible leadership for the Company. The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of the Group's overall purposes, values and strategies, internal control and risk management systems and internal audit function, monitoring its operational and financial performance and evaluating the performance of the senior management of the Group. The Directors, individually and collectively, have to make decisions objectively in the best interests of the Company and its shareholders.

As at July 18, 2024 (being the Latest Practicable Date), the Board consisted of eight Directors, of whom five are executive Directors and three are independent non-executive Directors. The executive Directors are responsible for implementing business strategies and managing the business of the Group in accordance with all applicable laws, rules and regulations, including but not limited to the Listing Rules. All Directors (including the independent non-executive Directors) have been consulted on all major and material matters of the Group. The Company maintains appropriate Directors' and senior management's insurance.

The role of the Board includes convening shareholders' meetings and reporting their work to shareholders in shareholders' meetings, implementing the resolutions of the shareholders' meetings, determining the Group's business plans and investment plans, preparing the Group's annual budget and final accounts, putting forward proposals for dividend and bonus distributions and for the increase or reduction of registered or issued share capital, formulating proposals for share repurchases in accordance with any repurchase mandate granted by the shareholders as well as exercising other powers, functions and duties as conferred by the Articles. The Board is also responsible for performing the corporate governance duties set out in code provision A.2.1 of the Code. The Directors are continually updated with the most up-to-date regulatory requirements, business activities and development of the Company to facilitate the discharge of their responsibilities through regular Board meetings and by acting in good faith and with due diligence and care. During the Year, the following were discussed during Board meetings: (i) developing and reviewing the Group's policies and practices on corporate governance and making recommendations; (ii) reviewing and monitoring the training and continuous professional development of the Directors and senior management of the Group; (iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the Directors and employees of the Group; and (v) reviewing the Group's compliance with the Code and disclosure in this annual report.

During the Year, the Board convened a total of two Board meetings based on the needs of the operations and business development of the Group, instead of holding at least four regular board meetings during the Year as required under code provision C.5.1 of the Code. Each Board meeting had been arranged to discuss multiple topics and resolutions. During the Year, the Directors were provided with all relevant information on an ongoing basis to enable them to stay informed of the Group's development progress and to make swift decisions as required. The Company will consider holding more regular Board meetings in the coming year to comply with the requirements under the said code provision.

## CORPORATE GOVERNANCE REPORT

The composition of the Board and their respective attendance at the Board meetings and the Board committee meetings convened during the Year, as well as at the annual general meeting held on August 22, 2023, are as follows:

	No. of meetings attended/held				
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meeting	Annual General Meeting
<b>Executive Directors</b>					
Mr. Gao Dekang <i>(Chairman of the Board and CEO)</i>	2/2	N/A	1/1	1/1	1/1
Ms. Mei Dong	2/2	N/A	N/A	N/A	0/1
Ms. Huang Qiaolian	2/2	N/A	N/A	N/A	0/1
Mr. Rui Jinsong	2/2	N/A	N/A	N/A	0/1
Mr. Gao Xiaodong	2/2	N/A	N/A	N/A	0/1
<b>Independent non-executive Directors</b>					
Mr. Dong Binggen	2/2	2/2	1/1	1/1	0/1
Mr. Wang Yao	2/2	2/2	1/1	1/1	0/1
Dr. Ngai Wai Fung	2/2	2/2	N/A	N/A	1/1

Throughout the Year, the Board had met the requirements of Rules 3.10 and 3.10A of the Listing Rules of having at least three independent non-executive Directors (representing at least one-third of the Board) with one of them (namely, Dr. Ngai Wai Fung) possessing the appropriate accounting professional qualifications.

The independent non-executive Directors bring a variety of experience and expertise to the Company. Each of the independent non-executive Directors has confirmed his independence in writing pursuant to Rule 3.13 of the Listing Rules. The Directors are of the view that all independent non-executive Directors have met the independence guidelines set out in Rule 3.13 of the Listing Rules.

The appointment of each of the Directors may be terminated by either the Company or the Director by giving a three-month written notice and the Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Minutes of the Board meetings are kept by the Company Secretary and are available for inspection by the Directors and the auditor of the Company.

Save as disclosed in the section headed "Directors and Senior Management" in this annual report, there is no relationship (including financial, business, family or other material or relevant relationship) between each Director (including the independent non-executive Directors) and the other members of the Board or the senior management of the Group.



## DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors receive comprehensive, formal and tailored induction on appointment, so as to ensure their understanding of the business and operations of the Group and Directors' responsibilities and obligations under the Listing Rules, the SFO and other relevant regulatory requirements.

All Directors are continually updated on developments in the relevant statutory and regulatory regimes, and the latest business and market changes to facilitate the discharge of their responsibilities and obligations under the Listing Rules and the relevant statutory requirements. Briefings and professional development for Directors will be arranged when necessary.

Pursuant to the requirements of code provision C.1.4 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills, and should provide their training records to the Company. According to the training records provided by the Directors, the trainings attended by them during the Year are summarized as follows:

<b>Directors</b>	Corporate Governance, Regulatory Development and Trainings on other relevant topics
<b>Executive Directors</b>	
Mr. Gao Dekang	√
Ms. Mei Dong	√
Ms. Huang Qiaolian	√
Mr. Rui Jinsong	√
Mr. Gao Xiaodong	√
<b>Independent non-executive Directors</b>	
Mr. Dong Binggen	√
Mr. Wang Yao	√
Dr. Ngai Wai Fung	√

# CORPORATE GOVERNANCE REPORT

## THE ROLES OF THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the Code provides that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Gao Dekang is the founder of the Group, the chairman of the Board and the CEO. The Board believes that it is necessary to vest the roles of the chairman and the CEO in the same person due to Mr. Gao Dekang's unique role, his experience and well-established reputation in China's down apparel industry, and the importance of Mr. Gao Dekang in the strategic development of the Company. This dual role provides strong and consistent market leadership and is critical for efficient business planning and the decision-making of the Company. As all major decisions are made in consultation with members of the Board and relevant Board committees, and there are independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure a sufficient balance of powers within the Board.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices within the Company.

## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiry by the Company, all Directors have confirmed that they had complied with the required standards set out in the Model Code throughout the Year and up to the date of this annual report. No incident of non-compliance in relation to the guidelines of the Model Code by the Directors and relevant employees was noted by the Company during the Year.

## MECHANISMS TO ENSURE INDEPENDENT VIEWS AND INPUT ARE AVAILABLE TO THE BOARD OF DIRECTORS

During the Year, the Board reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board on an annual basis. Taking into account the following measures, the Board is of the opinion that those are proper, adequate and/or effective:

- a sufficient number of three independent non-executive Directors representing more than one-third of the Board and all of them continue to devote adequate time to the Company;
- the independent non-executive Directors have an equal status to other Board members;

- all independent non-executive Directors share their views and opinions through regular meetings;
- annual meetings between the chairman of the Board and all independent non-executive Directors without the presence of other Directors, providing an effective platform for the chairman of the Board to listen to independent views on various issues concerning the Group;
- interaction with the management and other Board members, including the chairman of the Board, outside of the boardroom, upon request by the Directors;
- independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company; and
- the Board reviews its structure, size, composition (including the skills, knowledge and experience) and the board diversity policy adopted by the Board (the "Board Diversity Policy") at least once a year to maintain a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors).

## AUDIT COMMITTEE

The Audit Committee was established by the Company on September 15, 2007, whose primary duties are to review and supervise the financial reporting process and internal control procedures of the Group, nominate and monitor the external auditor, and perform other duties and responsibilities as assigned by the Board. Please refer to the terms of reference of the Audit Committee published on the websites of the Company and the Stock Exchange for the principal roles and functions of the Audit Committee. The Financial Statements have been reviewed by the Audit Committee and audited by KPMG, the Company's external auditor. As at July 18, 2024 (being the Latest Practicable Date), the Audit Committee comprised three independent non-executive Directors (i.e. Dr. Ngai Wai Fung (Chairman), Mr. Dong Binggen and Mr. Wang Yao).

During the Year, the Audit Committee held two meetings and the major works performed during the Year are summarized as follows:

- review, and making recommendation for the Board's approval, of the 2022/23 annual results and 2023/24 interim results of the Group, as well as the financial information contained therein with a focus on compliance with accounting and auditing standards, the Listing Rules and other requirements in relation to financial reporting and the reports prepared by the external auditor relating to accounting matters and other major findings identified during the course of the interim review and annual audit;

## CORPORATE GOVERNANCE REPORT

- review of the continuing connected transactions of the Group;
- review of the accounting policies adopted by the Group and matters related to common accounting practices;
- review of the nature and scope of audit;
- discussion with the external auditor and the management on possible accounting risks;
- assist the Board with the evaluation of the efficiency of the financial reporting procedures, and the systems of internal control and risk management;
- review of and monitor the scope, effectiveness and results of the internal audit function, so as to ensure co-ordination between the internal and external auditors and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group;
- approval of the audit fees and terms of engagement of the external auditor; and
- review of the external auditor's qualifications, independence and performance, and making recommendation for the Board's re-appointment of the external auditor.

During the Year, the Board had no disagreement with the Audit Committee's view on the re-appointment of the Company's external auditor.

### REMUNERATION COMMITTEE

The Remuneration Committee was established by the Company on September 15, 2007, whose primary duties are to determine the remuneration packages of individual executive Directors and senior management of the Group based on the Company's operating results, individual performance and comparable market statistics. Please refer to the terms of reference of the Remuneration Committee published on the websites of the Stock Exchange and the Company for the principal roles and functions of the Remuneration Committee.

As at July 18, 2024 (being the Latest Practicable Date), the Remuneration Committee consisted of one executive Director and two independent non-executive Directors (i.e. Mr. Wang Yao (Chairman), Mr. Gao Dekang and Mr. Dong Binggen).

During the Year, the Remuneration Committee held one meeting and reviewed the Group's policy on remuneration of all the Directors and senior management of the Group, assessing performance of executive Directors and approving the terms of executive Directors' service contracts by the Remuneration Committee. During the Year, the Remuneration Committee, after assessing their performance, had also determined the remuneration packages of all executive Directors and senior management of the Group (i.e. the model disclosed in code provision E.1.2(c)(i) of the Code was adopted), made recommendations to the Board on the remuneration of the independent non-executive Directors (i.e. required under code provision E.1.2(d) of the Code) and reviewed and approved matters relating to share schemes described under Chapter 17 of the Listing Rules. The Remuneration Committee noted that the Board has not resolved to approve any remuneration or cooperation arrangements with which the Remuneration Committee has disagreed with.

Pursuant to code provision E.1.5 of the Code, the annual remuneration of the members of the senior management of the Group by band for the Year are set out below:

Remuneration band	Number of persons
RMB5,000,001 to RMB5,500,000	1
RMB6,500,001 to RMB7,000,000	1
RMB8,500,001 to RMB9,000,000	1
RMB9,000,001 to RMB9,500,000	1
RMB11,000,001 to RMB11,500,000	1

Note: The members of the senior management of the Group disclosed above refer to employees other than Directors.

## NOMINATION COMMITTEE

The Nomination Committee was established by the Company on September 15, 2007, whose primary functions are to determine the nomination policy for the Directors, review the structure, size, diversity and composition of the Board, identify individuals suitably qualified to become Board members with reference to the candidates' experience and qualifications and the Company's corporate strategy and diversity policy, assess the independence of independent non-executive Directors and select and make recommendations to the Board regarding candidates to fill vacancies on the Board. The Board is ultimately responsible for the selection and appointment of new Directors. Please refer to the terms of reference of the Nomination Committee published on the websites of the Company and the Stock Exchange for the principal roles and functions of the Nomination Committee.

As at July 18, 2024 (being the Latest Practicable Date), the Nomination Committee consisted of one executive Director and two independent non-executive Directors (i.e. Mr. Gao Dekang (Chairman), Mr. Dong Binggen and Mr. Wang Yao).

## CORPORATE GOVERNANCE REPORT

The Nomination Committee noted that all the independent non-executive Directors have served for more than nine years, and is aware of the requirement to appoint a new independent non-executive Director at the AGM pursuant to code provision B.2.4(b) of the Code. The Group will take practical steps to appoint a new independent non-executive Director as and when appropriate. The Nomination Committee will continue to review the structure of the Board, consider a range of diversity perspectives, as well as the merits and contributions that the candidates will bring to the Board.

During the Year, the Nomination Committee held one meeting and had performed various duties, including reviewing the structure, number and composition (including the skills, knowledge and experience) of the Board and senior management of the Group, assessing the independence of independent non-executive Directors, making recommendations to the Board on matters relating to the succession of Directors and disclosing the policy on nomination of Directors during the Year, including the nomination process adopted by the Nomination Committee for director candidates and the selection and recommendation criteria during the Year.

### BOARD DIVERSITY

The Board adopted the Board Diversity Policy setting out the approach to the diversity of members of the Board, and embedded within the Board Diversity Policy is the nomination policy for the Directors. The Company recognizes and embraces the benefits of diversity of the Board members and strives to have high transparency in the selection process of the Board. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives that are appropriate to the requirements of the Company's business. All Board appointments are made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

During the Year, the Company had continued to comply with its Board Diversity Policy, and the Board considered that it has a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, the textile industry, auditing and accounting. The Directors obtained degrees in various majors including business administration, engineering, economics and accounting. Furthermore, the Board consists of a wide range of ages, ranging from 48 years old to 74 years old. The current gender ratio of all employees of the Group is approximately 80.7% (female) to approximately 19.3% (male), and the percentage of female general management and above exceeded 50.0%. The Group will also continue to take steps to promote gender diversity at all levels of the Group, including but without limitation at the Board and the management levels, and continue to take opportunities to increase the proportion of female Board members over time as and when suitable candidates are identified, subject to the Board being satisfied with the competence and experience of the relevant candidates after a comprehensive review process based on reasonable criteria. The Group will also try to ensure gender diversity when recruiting staff at the senior level and engage more resources in training female staff with the aim of promoting them to the senior management or directorship of the Company, and will continue to apply the principle of merit-based recruitment with reference to our diversity policy as a whole. All Directors, including independent non-executive Directors, have brought a variety of valuable business experiences, knowledge and professional skills to the Board for its efficient and effective operation. Independent non-executive Directors are invited to serve on the Board Committees namely, the Audit Committee, the Remuneration Committee and the Nomination Committee.

As at the date of this annual report, the Board comprises eight Directors, which includes five executive Directors and three independent non-executive Directors. Details of the current members of the Board are set out as follows:

Gender			Male	Female
			6	2
Nationality				Chinese
				8
Age group	40-49	50-59	60-69	70-79
	1	3	2	2
Length of service			6-10 years	Over 10 years
			1	7

Biographies of the Directors (including their ages and appointment dates) are set out in the section headed “Directors and Senior Management” in this annual report.

## APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company, and each of the independent non-executive Directors has entered into an appointment letter with the Company, both of which are for a fixed term of three years and renewable automatically for successive term of one year, until terminated by either party by giving a three-month written notice. Each Director is subject to re-election at the annual general meeting of the Company upon retirement. The Articles provide that any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first annual general meeting after his/her appointment and be subject to re-election at the annual general meeting.

## INTERNAL CONTROL AND RISK MANAGEMENT AND INTERNAL AUDIT FUNCTION

The Board acknowledges its responsibility over the risk management and internal control systems, reviewing their effectiveness and maintaining a sound and effective internal audit function of the Group. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Under the internal control and risk managements systems of the Group, the processes used to identify, evaluate and manage significant risks by the Group are summarized as follows:

- risk identification: identify risks that may potentially affect the Group’s business and operations;

## CORPORATE GOVERNANCE REPORT

- risk assessment: assess the risks identified by using the assessment criteria developed by the management, and consider the impact and consequences on the business and the likelihood of their occurrence;
- risk response: prioritize risks by comparing the results of the risk assessment, and determine the risk management strategies and internal control processes to prevent, avoid or mitigate the risks; and
- risk monitoring and reporting: perform ongoing and periodic monitoring of the risks and ensure that appropriate internal control processes are in place, revise risk management strategies and internal control processes in case of any significant change of circumstances, and report the results of risk monitoring to the management and the Board regularly.

Furthermore, set out below are the main features of the said systems:

- risk management and internal control procedures have been designed to identify risks, safeguard assets against misappropriation and disposition, and to protect the interests of stakeholders;
- comprehensive management accounting system to provide financial and operational performance assessment, proper maintenance of accounting records for the provision of reliable financial information used for reporting or for publication; and
- strict compliance with relevant laws, rules and regulations, strict prohibition on unauthorized access and use of confidential, sensitive or inside information.

The Board has conducted reviews of its systems of internal control and risk management semi-annually, through the Audit Committee, to ensure the effectiveness and adequacy of the systems. Key processes used to conduct the said reviews include considering the internal control evaluations conducted by the management and the internal and external auditors as well as the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, as well as those relating to environmental, social and governance performance and reporting. In the event that any material internal control defects are identified during the reviews, the Audit Committee will review the actions performed or the plans to be carried out by the management in addressing the issues and defects regarding the internal control and risk management systems. The corresponding remedial plans and recommendations to resolve such defects will then be submitted to the Board for consideration. The Board convened meetings with the Audit Committee semi-annually to discuss financial, operational and risk management controls. The Directors are of the view that the existing systems of internal control and risk management are effective and adequate to the Group.



The Company has an internal audit function, the effectiveness of which had been reviewed by the Audit Committee during the Year. Further information about the Audit Committee, including its work during the Year, is set out in the section headed “Audit Committee” in this annual report.

Further, stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest. All Directors and those employees who could have access to, or monitor, the information of the Group, are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit. The Board is also vested with the responsibility to disseminate to the shareholders of the Company and the public any inside information in the form of announcements, in accordance with the Listing Rules.

## **MANAGEMENT FUNCTION**

The Articles set out matters which are specifically reserved to the Board in terms of decision-making. In order to enhance efficiency, the Board has delegated the day-to-day responsibilities and operations to the senior management of the Group under the supervision of the Board. The management team meets regularly to review and discuss with executive Directors on daily operational issues, financial and operating performance as well as to monitor and ensure that the management of the Group is carrying out the directions and strategies set by the Board properly.

## **DIRECTORS AND AUDITOR’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Directors acknowledge that it is their responsibility to oversee the preparation of the financial statements for each financial period to ensure that they give a true and fair view of the state of affairs, results and cash flow of the Group.

In preparing the Financial Statements, the Directors have selected suitable accounting policies and applied them consistently, adopted appropriate International Financial Reporting Standards, made prudent and reasonable judgments and estimates, and prepared the Financial Statements on a going concern basis. The Directors also warrant that the Financial Statements will be published in a timely manner.

The statement of the auditor of the Group about their reporting responsibilities on the Financial Statements is set out in the section headed “Independent Auditor’s Report” on pages 102 to 109 of this annual report.

# CORPORATE GOVERNANCE REPORT

## AUDITOR'S REMUNERATION

During the Year, the fees charged by the Company's external auditor, KPMG, for audit and non-audit services are set out below:

	RMB'000
Audit services (including interim financial report review services)	5,600
Non-audit services (including tax advisory, compliance and other special audit services)	558
Total	6,158

The Audit Committee is responsible for making recommendations to the Board as to the selection, appointment, re-appointment, resignation and/or dismissal of the external auditor, which are subject to the approval by the Board and at the annual general meetings of the Company by its shareholders.

Certain factors that the Audit Committee will take into account when assessing the external auditor include the audit performance, quality, objectivity and independence of the auditor.

## COMPANY SECRETARY

During the Year, Ms. Liang Shuang was the Company Secretary and she had taken no less than 15 hours of professional training. The biography of Ms. Liang is set out in the section headed "Directors and Senior Management" of this annual report.

## DIVIDEND POLICY

The Board has adopted the Dividend Policy setting out the appropriate procedures on recommending and declaring the dividend payment of the Company. The Dividend Policy aims to allow the shareholders of the Company to participate in the Company's profits whilst preserving the Company's liquidity to capture future growth opportunities. The dividend distribution decision of the Company will depend on, among other factors, its financial results, cashflow, current and future operations and liquidity and capital requirements. In addition to the declaration of dividends based on the foregoing, the Board may also declare special dividends from time to time. The Dividend Policy will be reviewed by the Board on a regular basis.

## WHISTLEBLOWING POLICY

The whistleblowing policy has been put in place to enable all employees and other parties who deal with the Group (e.g. customers, suppliers, creditors and debtors, etc.) to report any misconduct, malpractice or irregularity within the Group. This policy allows individuals to raise concerns in writing by post, by email or by phone to the audit and supervision center which has been delegated by the Audit Committee (the “Audit and Supervision Center”) to supervise and implement the day-to-day operations of such policy. Reports made under this policy will be treated with utmost confidentiality and anonymity. If there is sufficient evidence to reasonably suggest that a case involving a possible criminal offence or element of corruption exists, the Audit and Supervision Center will report to the president of the Company and/or the Audit Committee. After consulting the legal advisors of the Company, the matter will be reported to the relevant local authorities as soon as reasonably practicable in accordance with the relevant laws and regulations, and the Company’s rules and regulations. For details regarding the whistleblowing policy, please refer to the Corporate Governance page on the website of the Company.

## ANTI-CORRUPTION POLICY

The Group has formulated its own anti-corruption policy to ensure that all Directors, senior officers, employees and contractual workers of the Group (the “Applicable Personnel”) comply with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) (the “POBO”), as well as other relevant laws of other countries or regions as applicable, to avoid any criminal and civil penalties as provided under the POBO and such other relevant anti-corruption laws of other countries or regions, and to mitigate the risk of any reputational damage that may arise from the Group’s involvement in any form of bribery, corruption, money laundering and financing of terrorism, whether in Hong Kong or elsewhere. The policy includes specific requirements for integrity and conduct and outlines the policies and controls in place which applies to all levels of Applicable Personnel. The policy is regularly reviewed to ensure that it remains effective in preventing corruption and maintaining the Group’s commitment to ethical business practices. For details regarding the anti-corruption policy, please refer to the Corporate Governance page on the website of the Company.

## COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company is committed to strictly complying with the provisions of the Listing Rules in the disclosure of information and any other information that may significantly impact the decisions of the shareholders of the Company and other relevant parties on a true, accurate, complete and timely basis. In accordance with the good faith principle, the Company ensures that all of its shareholders have equal access to such information. The Company has duly fulfilled its statutory obligations in respect of information disclosures.

## CORPORATE GOVERNANCE REPORT

Effective communication with investors is a top priority for the management of the Group. Since the listing of the Company in October 2007, the executive Directors (including the CEO) and the senior management of the Group held regular briefings and results presentations, attended investors' forums and responded to investors' call-in enquiries, arranged site visits and participated in roadshows, reverse road shows, face-to-face meetings, and telephone conferences, to communicate with institutional investors and financial analysts in mainland China, Hong Kong, China and overseas countries. These efforts are aimed at keeping investors abreast of the latest updates on the Company's business and development as well as its operating strategies and prospects. The Company values the advice and feedback of its investors and strives to develop an interactive and mutually beneficial relationship with them. By listening to their input, the Company can better meet the needs and expectations of its investors, which ultimately benefits both the Company and its shareholders.

Shareholders and investors of the Company who wish to make inquiries to the Company can contact us via mail, email, telephone, or fax. The contact address and details are as follows:

Address: Unit 5709, 57/F., The Center  
99 Queen's Road Central  
Central, Hong Kong

Email: bosideng\_ir@bosideng.com  
Tel: (852) 2866 6918  
Fax: (852) 2866 6930

The Company has established a shareholders' communication policy. For details, please refer to the Corporate Governance page on the website of the Company.

### SHAREHOLDERS' RIGHTS

Shareholders of the Company may request to convene extraordinary general meetings. Pursuant to Article 58 of the Articles, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary (i) to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; (ii) to add resolutions in the meeting agenda; and (iii) such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to hold such meeting shall be reimbursed to the requisitionist(s) by the Company.

Shareholders of the Company may put forward proposals at general meetings of the Company by sending the same to the Company, either by post, by email or by facsimile (the contact details are set out in the section headed “Communications with Shareholders and Investor Relations” above), specifying his/her information, contact details and the proposal(s) he/she intends to put forward at the general meeting regarding any specified transaction/business and the supporting documents.

During the Year, the Company has reviewed the implementation and effectiveness of its shareholders’ communication policy and considered that the policy was effectively implemented with the measures as disclosed under the sections headed “Communications with Shareholders and Investor Relations” and “Shareholders’ Rights” above.

## **MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**

During the Year, no amendments were made by the Company to the memorandum of association and the Articles of the Company.

## DIRECTORS AND SENIOR MANAGEMENT

### EXECUTIVE DIRECTORS

**Mr. Gao Dekang**, born in 1952, is the Chairman and the CEO and a director of certain subsidiaries of the Group. He is a representative of the 10th to 12th National Congress and a National Model Worker (全國勞動模範). He is the founder of the Group and Bosideng brand, and was appointed as an executive Director in July 2006. He is responsible for strategic decision-making of the Group. Since 2017, he has been responsible for and deeply involved in the overall operation and management of the Group. He has over 48 years of experience in the apparel industry. He is a senior economist and a senior engineer and received an EMBA degree and a Master's degree in business management.

Mr. Gao has held the following public offices:

Year	Public Offices
2016	Executive Director of the China National Textile and Apparel Council
2018	Honorary President of the 7th Council of the China National Garment Association
2019	Member of the 12th Executive Committee of the All-China Federation of Industry and Commerce
2019	Vice President of the 8th Council of the China Commerce Association for General Merchandise
2019	Vice President of the 6th Council of the China Federation of Industrial Economics
2021	Vice President of the 5th Council of the China National Light Industry Council
2023	Executive Director of the China Society for Promotion of the Guangcai Program
2023	Chairman of the Textile and Garment Chamber of Commerce, All-China Federation of Industry and Commerce

Mr. Gao has been widely recognized throughout the years:

Year	Award
1993	Special Contributor to the Development of China's Apparel Industry
1997	Special Contribution Award by the Chinese Young Volunteers Association
1998	Outstanding factory manager (manager and chairman) of China
2000	Merit in the Apparel Industry in the PRC
2001	Special Contribution Award for the Mother River Protection Operation
2005	Palmyry Contribution and Exploit Award in the China Feather and Down Garments Industry
2005	Down apparel expert in China
2005	Outstanding Persons of the Textile Brand Culture Development of the PRC
2006	National Title of "Outstanding Staff Caring Private Entrepreneur"
2006	2006 Brand China Person of the Year
2006	2006 CCTV China Economic Person of the Year
2007	Top ten business leaders in China
2008	Global Leader of Chinese Entrepreneurs
2009	Excellent Contributor of Chinese Socialism
2009	Outstanding Administrator of the 30th Anniversary for Total Quality Control in the PRC
2011	Leader of the Textile and Apparel Industry in China
2011	2011 Forbes 25 Influential Chinese in Global Fashion
2012	The 7th China Charity Award
2012	China's Outstanding Quality People
2013	Special Contributor to the Textile Enterprises Culture Construction in the PRC
2015	2014-2015 Outstanding Persons in the Enterprises Culture Construction in the PRC
2015	Most Respected Entrepreneur of China in 2015 by Hurun Report
2017	Person of the Year in Innovation for the Textile Industry in the PRC
2017	CCTV's Charitable Person of the Year
2018	The Pioneer of China's Feather and Down industry
2018	Outstanding Persons in the Textile Industry of 40 years of Reform and Opening up
2018	Craftsman of the Nation in the Light Industry
2019	Commemorative Medal Celebrating the 70th Anniversary of the Founding of the People's Republic of China
2020	China National Light Industry Council 1st Class Science and Technology Progress Award
2020	Role Model in the PRC Textile Industry's Fight Against COVID-19
2021	Innovative Person of the 13th Five-year Plan for the PRC Textile Industry
2022	Annual National Excellent Entrepreneur awarded by China Enterprise Confederation (中國企業聯合會) and China Enterprise Directors Association (中國企業家協會)
2022	Annual National Excellent Textile Entrepreneur awarded by China National Textile and Apparel Council
2022	Meritorious Entrepreneur in China's Down Apparel Industry awarded by China Feather and Down Industrial Association
2022	Contributor to the Talent Development in the PRC Textile Industry awarded by China National Textile and Apparel Council
2022	Outstanding Brand Figure of China Textile and Apparel awarded by China National Textile and Apparel Council

## DIRECTORS AND SENIOR MANAGEMENT

Mr. Gao is the spouse of Ms. Mei Dong (an executive Director and the Executive President of the Company) and the father of Mr. Gao Xiaodong (an executive Director and a Vice President of the Company).

**Ms. Mei Dong**, aged 56, is an executive Director and the Executive President of the Company. Ms. Mei was appointed as an executive Director in July 2006 and is responsible for the execution and promotion of operation and management of the Group. Ms. Mei is a director and/or legal representative of certain subsidiaries of the Group. She has over 30 years' experience in the down apparel industry. Ms. Mei obtained various awards and honors such as the recognition of "Successful Female Entrepreneur" (巾幗建功) in China and the National Model Worker (全國勞動模範). Ms. Mei joined Bosideng Corporation Limited ("Bosideng Corporation") in June 1994, and remained with the Group after the reorganization of the businesses of the Group prior to its listing. She received an EMBA degree (majoring in Business Administration) from Phoenix International University in New Zealand in 2002. She is the spouse of Mr. Gao Dekang (the Chairman, the CEO, a controlling shareholder of the Company and an executive Director) and the mother of Mr. Gao Xiaodong (an executive Director and a Vice President of the Company).

**Ms. Huang Qiaolian**, aged 59, is an executive Director and a Vice President of the Company. She is also the General Manager of Shanghai Bosideng Fashion Design and Development Centre Co., Ltd. (a subsidiary of the Company). Ms. Huang was appointed as an executive Director in June 2007. Ms. Huang is responsible for conducting monographic studies on the fashion trends of down apparel, unveiling the fashion trends and designing apparel products. Her works have been displayed in numerous exhibitions in countries such as Korea, Canada and Russia, and in special releases held during the New York Fashion Week and the Milan Fashion Week in 2018 and 2019, respectively. She presented a special fashion release during the China-France cultural exchange in Paris, France, in July 2024. She received various honors such as contemporary renowned designer, one of the top ten fashion designers in China and the contributing designer in publishing research on the garment trends in China. She has over 20 years of experience in the fashion industry. She serves various positions in different associations and organizations, such as the chairperson of the Fashion Art Committee of the China Fashion Association (中國服裝設計師協會時裝藝術委員會) and the special researcher for the fashion trends of China, etc.. Ms. Huang joined Bosideng Corporation in March 1997 and had remained with the Group since the reorganization of the businesses of the Group prior to its listing. She graduated from the School of Fashion Design in Jiangsu (江蘇服裝設計學校) in 1987, and further studied in Donghua University majoring in High Fashion in 1994 and the Public School of High Fashion in Paris, France (法國巴黎高級時裝公學院) in 1999. She studied in East China Normal University in Shanghai majoring in Business Administration in 2004.

**Mr. Rui Jinsong**, aged 51, is an executive Director and the Senior Vice President of the Company. He is the General Manager of the Bosideng brand division and a director of certain other subsidiaries of the Group. He was appointed as an executive Director with effect from May 2013. Mr. Rui is fully responsible for the overall management of the operational management business of the Group's core Bosideng brand. Mr. Rui graduated from Wuxi Light Industry College majoring in Textile Engineering in 1994. He joined Bosideng Corporation in May 2004 and had remained with the Group since the reorganization of the businesses of the Group prior to its listing, from which he acquired practical experience in brand positioning strategy, core competitiveness building and brand operating management.



**Mr. Gao Xiaodong**, aged 48, is an executive Director and a Vice President of the Company. He joined the Group in 2013 and was appointed as an executive Director in March 2017. Mr. Gao is fully in charge of the Group's diversified apparel businesses. He is a qualified senior economist and has obtained a master's degree in business administration from Centenary College in 2009. Mr. Gao joined Bosideng Corporation in 2002 and has been serving as its Chairman since January 2024, during which he accumulated tremendous experience in the apparel, highway, real estate and hotel segments. Mr. Gao is the son of Mr. Gao Dekang (the Chairman, the CEO, an executive Director and a controlling shareholder of the Company) and Ms. Mei Dong (an executive Director and the Executive President of the Company).

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Dong Binggen**, aged 74, a senior engineer, was appointed as an independent non-executive Director in September 2007. He graduated from Eastern China Textile Institute (currently known as Donghua University) in 1977. From February 1997 to December 2023, he worked with Hualian Development Group Co., Ltd. as the Chairman, President and Secretary of the Communist Party Committee, and since December 2023, he was the Honorary Chairman of Hualian Development Group Co., Ltd. Mr. Dong was the Chairman of China Union Holdings Ltd. (SZSE, Stock Code: 000036) from June 2004 to June 2019. He had also been the Chairman of the Shenzhen Textile Industry Association and the President of the Shenzhen Textile Engineering Association. He is currently a member of the Standing Committee and the Invited Vice Chairman of China Textile Industry Association.

**Mr. Wang Yao**, aged 65, was appointed as an independent non-executive Director in September 2007. Mr. Wang currently acts as the Vice President of the Commerce Economy Association of China. In the past, he had served as a director of the China National Commercial Information Center, and the Vice President of the China General Chamber of Commerce. He received a Ph.D. in Engineering from Harbin Institute of Technology in 1989. He also obtained the qualification as a professor-grade senior engineer.

**Dr. Ngai Wai Fung**, aged 62, was appointed as an independent non-executive Director in September 2007. He is currently the director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited, a company specializing in company secretarial, corporate governance and compliance services for pre- and post-listing companies. Prior to that, he was a director and the head of listing services of an independent integrated corporate services provider. Dr. Ngai has over 30 years of professional practice and senior management experience, including acting as an executive director, the chief financial officer and a company secretary, most of which are in the areas of finance, accounting, internal control, regulatory compliance, corporate governance and company secretarial work for listed issuers including major red chips companies. He had led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities. Dr. Ngai is currently a Vice Chair of Professional Services Panel of the Hong Kong Chartered Governance Institute (HKCGI), Vice Chairman of the General Committee of the Chamber of Hong Kong Listed Companies and the Chairman of its Membership Services Sub-Committee, a member of both Environmental, Social and Governance Committee and Financial and Regulatory Affairs Committee Sub-Committees, and a member of Governance Committee of Hong Kong Institute of Certified Public Accountants (HKICPA). He

## DIRECTORS AND SENIOR MANAGEMENT

was the President of The Hong Kong Institute of Chartered Secretaries (currently known as The Hong Kong Chartered Governance Institute) (2014-2015), a non-official member of the Working Group on Professional Services under the Economic Development Commission of the Hong Kong Special Administrative Region (2013-2018), a member of the Qualification and Examination Board of the Hong Kong Institute of Certified Public Accountants (2013-2018) and the first batch of Finance Expert Consultants of the Ministry of Finance of the People's Republic of China (2016-2021). He is a fellow of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Chartered Governance Institute, a fellow of The Hong Kong Chartered Governance Institute, a fellow of The Hong Kong Institute of Directors, a fellow of the Hong Kong Securities and Investment Institute and a member of the Chartered Institute of Arbitrators. Dr. Ngai obtained a Doctoral degree in Finance at the Shanghai University of Finance and Economics in 2011, a Master's degree in Corporate Finance from The Hong Kong Polytechnic University in 2002, a Master's degree in Business Administration from Andrews University of Michigan in 1992 and a Bachelor's degree in Law at the University of Wolverhampton in 1994.

Dr. Ngai is currently an independent non-executive director of each of the following companies, namely Powerlong Real Estate Holdings Limited (SEHK, Stock Code: 01238) and China Energy Engineering Corporation Limited (SEHK, Stock Code: 03996). He is also an independent director of SPI Energy Co., Ltd. (listed on Nasdaq Stock Market, Stock Code: SPI). He was an independent non-executive director of BBMG Corporation (SEHK, Stock Code: 02009; SSE, Stock Code: 601992) from November 2015 to May 2021, an independent non-executive director of China Communications Construction Company Limited (SEHK, Stock Code: 01800; SSE, Stock Code: 601800) from November 2017 to February 2022, an independent non-executive director of BaWang International (Group) Holding Limited (SEHK, Stock Code: 01338) from December 2008 to May 2022; an independent non-executive director of TravelSky Technology Limited (SEHK, Stock Code: 00696) from January 2016 to September 2022; an independent non-executive director of Beijing Capital Grand Limited (SEHK, Stock Code: 01329) from December 2013 to May 2023.

## SENIOR MANAGEMENT

**Mr. Zhu Gaofeng**, aged 49, is the Chief Financial Officer and a Vice President of the Group. Mr. Zhu is qualified as an internationally certified internal auditor and a China certified public accountant. He graduated from Yancheng Commerce School (鹽城商業學校) in Jiangsu Province in 1993, obtained a professional degree in finance and accounting from Anhui College of Finance and Trading (安徽財貿學院) in 1998 and obtained a Bachelor's degree in accounting from Yancheng Teachers University (鹽城師範學院) in 2008. Mr. Zhu joined Bosideng Corporation in 2005. Prior to joining the Group, he had worked in management positions relating to finance in Jiangsu Yueda Investment Co., Ltd. (SSE, Stock Code: 600805) for 12 years. Mr. Zhu has previously served as the auditing manager, vice-financial officer, financial controller, assistant to the president and vice president of the Group.

**Mr. Wang Lijun**, aged 45, is the Vice President and the General Manager of the Foreign Trade Division of the Group. Mr. Wang graduated from Changshu College (常熟高等專科學校) (currently known as Changshu Institute of Technology) majoring in Foreign Trade English in June 2000 and graduated from Nanjing University of Science and Technology with a Master's degree in business administration in June 2014. Mr. Wang joined Bosideng Corporation in July 2000 and successively served as the business supervisor, business manager, business director and Deputy General Manager of the Foreign Trade Division. In April 2017, he was appointed as the General Manager of the Foreign Trade Division, and is responsible for the overall foreign trade business of the Group. Mr. Wang has extensive experience in apparel development, technological management, production management and international expansion.

**Mr. Zhao Xiang**, aged 39, is the Group's Vice President and the General Manager of the Bosideng brand division e-commerce operation center. Mr. Zhao graduated from Tianjin Foreign Studies University in 2007. He joined Bosideng Corporation in 2010 and successively served as the marketing minister of the region, General Manager of retail companies as well as the director of the retail operation center, and was appointed as the General Manager of the E-Commerce Center under the Bosideng Brand Division in April 2020. He is currently responsible for the online platform operation and sales management of the Bosideng brand. Mr. Zhao has many years of practical experience in comprehensive resource allocation, team talents cultivation and retail business operation.

**Mr. He Maosheng**, aged 46, is the Group's Vice President and the General Manager of the Supply Chain Management Center. He graduated from Jiangxi Institute of Fashion Technology majoring in design and engineering in 1998, having been dedicated to apparel management for 24 years. He joined Bosideng Corporation in December 2010 and successively served as the director of the supply chain of the Group, the assistant to the executive president, the general manager of the Supply Chain Management Center and the Group's Vice President. He is responsible for three core business segments, i.e. the supply chain, scientific research and technology, and centralized procurement, covering the Group's middle-end core functions such as cutting-edge scientific research and technology, excellent operation, strategic procurement of materials, quick and flexible delivery, iteration of ecological resource, control of cost of centralized procurement and refine/digital and intelligent operation and management of factories. Through digital and intelligent transformation and integration of value chains of commodities for years, he has developed a unique operation model and system, and has built the supply chain as the Group's core competitive edge and a segment to improve efficiency and create returns and values.

## DIRECTORS AND SENIOR MANAGEMENT

**Mr. Wu Xiaoming**, aged 39, is the Vice President and the Director of the Human Resources Management Center of the Group. Mr. Wu graduated from Hefei University of Technology in 2008 with a major in information management and information systems and obtained an EMBA degree from Nanjing University in 2021. He joined the Group in December 2018 as the Director of the Human Resources Center of the Group. He was appointed as the Vice President and the Director of the Human Resources Center of the Group in April 2023, responsible for formulating the human resources strategy of the Group and carrying out organizational talent development and corporate culture construction. Since Mr. Wu joined the Group, he has successfully promoted a number of major human resources reform projects such as the Group's organizational development, talent structure upgrades, and performance incentives, supporting the brands and businesses' strategical development. Prior to joining the Group, Mr. Wu mainly worked in Midea Group's human resources management department for 10 years. He has solid theoretical knowledge and practical experience in human resource strategic planning, organizational design, talent development, performance-based incentives and other fields.

### COMPANY SECRETARY

**Ms. Liang Shuang**, aged 35, joined the Group in December 2018 and was appointed as the Company Secretary in May 2019. She graduated from Hong Kong Baptist University with a Bachelor of Business Administration (Honours) in Accounting in 2011 and from The University of Warwick in the United Kingdom with a Master of Science in Accounting and Finance in 2012. Ms. Liang is a member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and is qualified as a Chartered Secretary and a Chartered Governance Professional. She is a fellow of each of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the 2nd Accounting Professional Committee under the Council for the Promotion of Guangdong-Hong Kong-Macao Cooperation. Prior to joining the Company, she worked at KPMG Hong Kong, responsible for the audit of several Hong Kong listed companies, and worked at China Everbright Limited (SEHK, Stock Code: 00165), managing private equity funds regulated under the Securities and Futures Commission of Hong Kong.

### CHANGES OF INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF LISTING RULES

Below is the information relating to the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2023/24 interim report:

- Mr. Gao Xiaodong, an executive Director, was appointed as Chairman of Bosideng Corporation Limited in January 2024.
- Dr. Ngai Wai Fung, an independent non-executive Director, was appointed as a Vice Chairman of the General Committee of the Chamber of Hong Kong Listed Companies in June 2024.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## REPORT OF DIRECTORS

The Board presents this annual report, together with the Financial Statements set out in the Auditor's Report contained in this annual report.

### PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on July 10, 2006 as an exempted company with limited liability. The Group's operations are substantially conducted through its direct or indirect subsidiaries in the PRC. The Group primarily focuses on developing and managing the portfolio of its down apparel brands, which includes research, design and development, raw materials procurement, outsourced manufacturing, and marketing and distribution of branded down apparel products, OEM products and non-down apparel products.

The Group's revenue and net profits attributable to the shareholders of the Company during the Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 110 to 111 and Note 6 to the Financial Statements in this annual report.

### BUSINESS REVIEW

A fair review of the business of the Group, a discussion and analysis of the Group's performance during the Year, the material factors underlying its results and financial position, the future development of the Group's business, and principal business risks and uncertainties are provided in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" and "Subsequent Events" on pages 8 to 11 and on pages 12 to 57 and page 101 of this annual report, respectively. Additionally, the financial risk management objectives and policies of the Company can be found in Note 38 to the Financial Statements. These discussions form part of this report of directors.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has always encouraged environmental protection, strictly complied with environmental regulations and promoted environmental protection awareness among employees. The Group implements strict monitoring through the establishment of an ever-improving environmental management system. For details, please refer to the 2023/24 ESG report of the Company.

### COMPLIANCE WITH LAWS AND REGULATIONS

During the Year and up to the date of this annual report, the Group has complied with all the relevant laws and regulations in the places where the Group operates in all material respects.

### DEPENDENCE OF EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group adopts market remuneration practices by reference to market terms, company performance, and individual qualifications and performance with well and organized management structures, so that no key and specific employee would materially and significantly affect the Group's success. Meanwhile, no major customers cumulatively account for more than 5% of the Group's income and there are no major suppliers that cannot be replaced by other appropriate suppliers. In this connection, no customer or supplier would have any material impact on the success of the Group's business performance.

# REPORT OF DIRECTORS

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 6 of this annual report.

## RESULTS AND DISTRIBUTION

The results of the Group for the Year are set out in the Financial Statements. The Board has resolved to recommend the payment of a final dividend of HKD20.0 cents (equivalent to approximately RMB18.2 cents) per Share in respect of the Year.

## NON-CURRENT ASSETS

Details of the acquisition and other movements of non-current assets during the Year are set out in Notes 15 to 22 and Notes 25 to 28 to the Financial Statements.

## SHARE CAPITAL

Details of the movement in the Group's share capital during the Year are set out in Note 36 to the Financial Statements.

## RESERVES

Details of the movements in the reserves of the Group during the Year are set out in Note 36 to the Financial Statements of which, the reserves available for distribution to shareholders of the Company amounted to approximately RMB2,941.4 million (FY2022/23: approximately RMB3,474.4 million).

## BANK BORROWINGS

Details of bank borrowings of the Group as at March 31, 2024 are set out in Note 30 to the Financial Statements.

## DONATIONS

The Group's charitable and other donations during the Year amounted to approximately RMB19.1 million (FY2022/23: approximately RMB12.4 million).

## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the Year and up to July 18, 2024 (being the Latest Practicable Date) were as follows:

### Executive Directors:

Mr. Gao Dekang (*Chairman of the Board and CEO*)

Ms. Mei Dong

Ms. Huang Qiaolian

Mr. Rui Jinsong

Mr. Gao Xiaodong

### **Independent non-executive Directors:**

Mr. Dong Binggen

Mr. Wang Yao

Dr. Ngai Wai Fung

All of the Directors were appointed for a fixed term of three years under their respective service contracts or appointment letters entered into with the Company, renewable automatically for successive terms of one year, until terminated by either party by giving a three-month written notice. In accordance with Article 84 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation and these retiring Directors shall be eligible for re-election at that annual general meeting. Accordingly, Mr. Gao Xiaodong, Mr. Wang Yao and Dr. Ngai Wai Fung shall retire by rotation at the AGM.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation, other than statutory compensation.

### **INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has received from each of its independent non-executive Directors the confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers the independent non-executive Directors to be independent.

### **DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Directors and Senior Management" in this annual report.

### **DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES**

As at March 31, 2024, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

## REPORT OF DIRECTORS

### (i) Long position in shares of the Company

Name of Director	Nature of interest	Number of Shares	Approximate percentage of interest in the Company (Note 1)
Mr. Gao Dekang	Interest of controlled corporation (Note 2)	262,479,999	2.40%
	Deemed interest (Note 3)	2,763,697	0.02%
	Founder of discretionary trust (Note 4)	1,714,862,385	15.70%
	Founder of discretionary trust (Note 5)	611,656,857	5.60%
	Founder of discretionary trust (Note 6)	2,836,311,202	25.97%
	Founder of discretionary trust (Note 7)	2,000,000,000	18.31%
Ms. Mei Dong	Deemed interest (Note 2)	262,479,999	2.40%
	Beneficial owner (Note 3)	2,763,697	0.02%
	Beneficiary of discretionary trust (Note 4)	1,714,862,385	15.70%
	Beneficiary of discretionary trust (Note 5)	611,656,857	5.60%
	Beneficiary of discretionary trust (Note 6)	2,836,311,202	25.97%
	Beneficiary of discretionary trust (Note 7)	2,000,000,000	18.31%
Ms. Huang Qiaolian	Beneficial owner (Note 8)	18,137,697	0.16%
Mr. Rui Jinsong	Beneficial owner (Note 8)	99,854,242	0.91%
Mr. Gao Xiaodong	Beneficiary of discretionary trust (Note 4)	1,714,862,385	15.70%
	Beneficiary of discretionary trust (Note 5)	611,656,857	5.60%
	Beneficiary of discretionary trust (Note 6)	2,836,311,202	25.97%
	Beneficiary of discretionary trust (Note 7)	2,000,000,000	18.31%

#### Notes:

- The percentage represents the number of Shares interested divided by the total number of the issued Shares as at March 31, 2024 of 10,921,041,385.
- These Shares were directly held by Kong Bo Development Limited. Kong Bo Development Limited is owned as to 80% by Lucky Pure Limited, which is in turn wholly owned by Mr. Gao Dekang. As Ms. Mei Dong is the spouse of Mr. Gao Dekang, Ms. Mei Dong is deemed to be interested in the 262,479,999 Shares interested by Mr. Gao Dekang under the SFO.
- Mr. Gao Dekang is the spouse of Ms. Mei Dong. Thus, he is deemed to be interested in the 2,763,697 Shares held by Ms. Mei Dong under the SFO.



4. These Shares were directly held by New Surplus, which is wholly owned by Topping Wealth Limited. Topping Wealth Limited is wholly owned by Kova Group Limited, which is wholly owned by a trust, the trustee of which is Cititrust Private Trust (Cayman) Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO. Further, Topping Wealth Limited had conferred and assigned all its voting rights in New Surplus to Bo Flying Limited, which is wholly owned by Bosideng Corporation Limited, which in turn is owned as to 75.04% by Kangbo Holdings Group Co., Ltd. and 24.46% by Jiangsu Kangbo Investment Co., Ltd. (a company wholly owned by Mr. Gao Dekang). Kangbo Holdings Group Co., Ltd. is owned as to 81.56% by Jiangsu Kangbo Investment Co., Ltd. and 18.44% by Mr. Gao Dekang. Accordingly, each of Mr. Gao Dekang, Kova Group Limited, Topping Wealth Limited, Cititrust Private Trust (Cayman) Limited, Bo Flying Limited, Bosideng Corporation Limited, Kangbo Holdings Group Co., Ltd. and Jiangsu Kangbo Investment Co., Ltd. is deemed to be interested in the 1,714,862,385 Shares held by New Surplus under the SFO. Mr. Gao Dekang is a director of each of New Surplus, Topping Wealth Limited, Lucky Pure Limited (as mentioned in note 2 above), Bo Flying Limited, Blooming Sky Ventures Limited (as mentioned in note 6 below), Kong Bo Investment Limited (as mentioned in note 6 below), Jiangsu Kangbo Investment Co., Ltd., Honway Enterprises Limited (as mentioned in note 5 below), Bosideng Corporation Limited and Kangbo Holdings Group Co., Ltd. Mr. Gao Xiaodong is a director of Bosideng Corporation Limited and Kangbo Holdings Group Co., Ltd., and a general manager of Jiangsu Kangbo Investment Co., Ltd.
5. These Shares were directly held by Honway Enterprises Limited, which is wholly owned by First-Win Enterprises Limited, which is in turn wholly owned by a trust, the trustee of which is Cititrust Private Trust (Cayman) Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO.
6. These Shares were directly held by Kong Bo Investment Limited. Kong Bo Investment Limited is owned as to 90% by Blooming Sky Ventures Limited, which is wholly owned by Blooming Sky Investment Limited, which is in turn wholly owned by a trust, the trustee of which is BOS Trustee Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO.
7. These Shares were directly held by Blooming Sky Ventures Limited (as mentioned in note 6 above).
8. Details of the Options and awarded Shares are set out in the section headed “Share Option Scheme” and “Share Award Scheme” of this annual report, respectively.

Save as disclosed above, as at March 31, 2024, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or were deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## **DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in this annual report, for the Year, at no time did the Company or any of its subsidiaries enter into any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their respective spouses or children under the age of 18 were granted any right to subscribe for the share capital or debt securities of the Company or any other body corporate or had exercised any such right.

## REPORT OF DIRECTORS

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at March 31, 2024, according to the register of interests kept by the Company under section 336 of the SFO, and so far as was known to the Directors or chief executive of the Company, the following persons, other than Directors or the chief executive of the Company, had an interest or short position in the Shares which would be required to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the number of the issued Shares carrying rights to vote in all circumstances at a general meeting of the Company:

Name of shareholder	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Company (Note 5)
Jiangsu Kangbo Investment Co., Ltd.	Interest of controlled corporation (Note 1)	1,714,862,385	15.70%
Kangbo Holdings Group Co., Ltd.	Interest of controlled corporation (Note 1)	1,714,862,385	15.70%
Bosideng Corporation Limited	Interest of controlled corporation (Note 1)	1,714,862,385	15.70%
Bo Flying Limited	Interest of controlled corporation (Note 1)	1,714,862,385	15.70%
BOS Trustee Limited	Trustee (Note 3)	4,836,311,202	44.28%
Blooming Sky Investment Limited	Interest of controlled corporation (Note 3)	4,836,311,202	44.28%
Blooming Sky Ventures Limited	Interest of controlled corporation (Note 3)	4,836,311,202	44.28%
Kong Bo Investment Limited	Beneficial interest (Note 4)	2,836,311,202	25.97%

Name of shareholder	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Company (Note 5)
Cititrust Private Trust	Trustee (Note 2)	611,656,857	5.60%
(Cayman) Limited	Trustee (Note 1)	1,714,862,385	15.70%
Kova Group Limited	Interest of controlled corporation (Note 1)	1,714,862,385	15.70%
Topping Wealth Limited	Interest of controlled corporation (Note 1)	1,714,862,385	15.70%
New Surplus	Beneficial interest (Note 1)	1,714,862,385	15.70%
First-Win Enterprises Limited	Interest of controlled corporation (Note 2)	611,656,857	5.60%
Honway Enterprises Limited	Beneficial interest (Note 2)	611,656,857	5.60%

Notes:

1. Same as the interests as disclosed in note 4 in the section headed “Directors and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares or Debentures” above.
2. Same as the interests as disclosed in note 5 in the section headed “Directors and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares or Debentures” above.
3. Same as the interests as disclosed in notes 6 and 7 in the section headed “Directors and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares or Debentures” above.
4. Same as the interests as disclosed in note 6 in the section headed “Directors and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares or Debentures” above.
5. The percentage represents the number of Shares interested divided by the total number of the issued Shares as at March 31, 2024 of 10,921,041,385.

Save as disclosed above, as at March 31, 2024, no person had an interest or short position in the Shares which would require to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 5% or more of the issued Shares carrying rights to vote in all circumstances at a general meeting of the Company.

## **DIRECTORS’ INTERESTS IN COMPETING BUSINESS**

None of the Directors is or was interested in any business apart from the Group’s business, which competes or is likely to compete (either directly or indirectly) with the Group’s business at any time during the Year and up to the date of this annual report.

As disclosed in the Prospectus, Mr. Gao Dekang has entered into a Non-competition Deed (as defined in the Prospectus) dated September 15, 2007 in favour of the Company. Mr. Gao Dekang has provided the Group with a written confirmation that the Parent Group had fully complied with the Non-competition Deed as at the date of this annual report.

The independent non-executive Directors have, based on the information available to them, including information and confirmation provided by or obtained from the Parent Group, for the Year, conducted a review of the compliance with the Non-competition Deed and are of the view that: (i) the Parent Group has complied with the non-competition undertakings pursuant to the Non-competition Deed; and (ii) there have been no decisions taken in relation to whether to exercise the option pursuant to the Non-competition Deed and whether to pursue any business opportunities which may be referred or offered to the Group by the Parent Group pursuant to the Non-competition Deed.

## **DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

Save as those transactions as disclosed under the section headed “Connected Transactions” and Note 40 to the Financial Statements under the section “Related Party Transactions”, no Director or an entity connected with a Director had a material interest in any transaction, arrangement or contract of significance to the Group’s business which was subsisting during the Year or as at March 31, 2024 in which the Group was a party.

# REPORT OF DIRECTORS

## REMUNERATION POLICY

The remuneration policy of the Group to reward its employees is based on their performance, qualifications and competence displayed.

The remuneration of the Directors recommended by the Remuneration Committee to the Board was determined with regards to the Company's operating results, individual performance and comparable market statistics.

Details of the remuneration of the Directors and of the five highest paid individuals in the Group are set out in Notes 12 and 13 to the Financial Statements, respectively.

## PROVIDENT AND RETIREMENT BENEFIT SCHEMES

The Group's employees in mainland China participate in various defined contribution schemes provided by the relevant provincial and municipal governments under which the Group is required to make monthly contributions to these schemes. The Group's subsidiaries in the PRC contribute funds to the retirement schemes, which are calculated on a stipulated percentage of the average employee salary provided by the relevant provincial and municipal governments.

The Group has arranged for its Hong Kong employees to join the MPF Scheme. Under the MPF Scheme, each member of the Group in Hong Kong (the employer) and its employees make monthly contributions to the MPF scheme generally at 5% of the employees' earnings as defined under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The monthly contributions of each of the employer and the employee are subject to a maximum contribution of HKD1,500 per month and thereafter contributions are voluntary.

The Group has arranged for its employees in the United Kingdom to join the National Insurance and the relevant pension scheme, respectively (collectively, the "UK Schemes"). Under the UK Schemes, each member of the Group in the United Kingdom (the employer) and its employees make monthly contributions to the UK Schemes pursuant to the relevant laws and regulations. The Group's subsidiaries in the United Kingdom contribute funds to the UK Schemes, which are calculated on a stipulated percentage of the average employee salary provided by the government of the United Kingdom.

The Group has no obligations to make further payments of post-retirement benefits beyond the above-mentioned contributions.

The Group's contributions to the retirement benefit schemes charged to the consolidated statement of comprehensive income for the Year were approximately RMB239,397,000 (FY2022/23: approximately RMB195,535,000). The Group's contributions made to the above defined contribution schemes are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture result from the schemes.

Details of the Group's contributions to the retirement benefit schemes are shown in Note 8 to the Financial Statements.

## MANAGEMENT CONTRACTS

Save as disclosed below under the section headed “Connected Transactions” and the employment contracts, no contracts concerning the management and administration of the whole or any substantial part of the Company’s business were entered into or existed during the Year.

## CONNECTED TRANSACTIONS

The Group has entered into certain non-exempt continuing connected transactions and connected transactions with the Parent Group, which are subject to the reporting, announcement and/or independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Certain related party transactions as disclosed in Note 40 to the Financial Statements also constituted non-exempt continuing connected transactions which were required to be disclosed in accordance with Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules in respect of the above-mentioned connected transactions.

Further details of these transactions are set out below, in the chapter headed “Relationship with Controlling Shareholders and Connected Transactions” of the Prospectus and in the Company’s announcements dated March 11, 2010, January 9, 2012, April 22, 2013, June 26, 2014, December 23, 2014, March 23, 2016, March 28, 2017, March 22, 2019, May 27, 2019 and December 20, 2021, respectively, and circulars dated March 31, 2010, February 7, 2012, July 25, 2014, January 21, 2015, May 12, 2017, July 26, 2019 and March 8, 2022, respectively.

Save as those transactions as disclosed under this section and Note 40 to the Financial Statements under the section headed “Related Party Transactions”, at no time during the Year had the Company or any of its subsidiaries entered into any contract of significance with the controlling shareholder of the Company or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the controlling shareholder of the Company or any of its subsidiaries to the Company or any of its subsidiaries.

## FRAMEWORK MANUFACTURING OUTSOURCING AND AGENCY AGREEMENT

The Group outsourced the manufacturing process of down apparel, OEM products and/or its down related materials to third party manufacturers and the Parent Group on a non-exclusive basis. Under the Renewed Framework Manufacturing Outsourcing and Agency Agreement, the Parent Group shall provide labour, factories, premises, necessary equipment, water and electricity for the processing of the down apparel products (including semi-finished and finished products), OEM products and/or down related materials of the Group. After determining the processing fee which is to be charged at the costs to be incurred for the processing services estimated by the Group and the applicable mark-up rate ranging from 5% to 10% (depending on the location, quantity and the turnaround time of the processing services required) (the “Estimated Cost”), the Company will then invite independent third parties to consider if they are able to provide the processing services on similar terms (i.e. quality, turnaround time, payment terms) at a fixed price (being the Estimated Cost) or any lower price they can offer. Should the terms offered by independent manufacturers be lower than the Estimated Cost with other terms better than or similar to those offered by the Parent Group, the Group will then appoint the other outsourcing manufacturers for the processing of down apparel products and/or its down related materials.

## REPORT OF DIRECTORS

The Renewed Framework Manufacturing Outsourcing and Agency Agreement is a renewed version of the existing agreement dated September 15, 2007 (as supplemented by an agreement dated May 27, 2019) which had an initial term of three years from September 15, 2007 to September 14, 2010 and had been renewed and further extended to September 14, 2022. The Renewed Framework Manufacturing Outsourcing and Agency Agreement has an initial term of three years from September 15, 2022. Subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, the Renewed Framework Manufacturing Outsourcing and Agency Agreement is renewable at the option of the Company for another term of three years or such other terms as agreed by the parties by giving at least three months' notice prior to the expiry of the term.

The annual caps of the Renewed Framework Manufacturing Outsourcing and Agency Agreement for the three financial years ending March 31, 2025, were RMB2,010,000,000, RMB2,460,000,000 and RMB3,000,000,000, respectively.

The actual amount of fees paid or payable by the Group to the Parent Group for the Year was approximately RMB1,654,196,000 (FY2022/23: RMB1,519,319,000).

### LEASE AGREEMENTS

As at March 31, 2024, the Parent Group leased 14 properties with a total area of approximately 52,922 square metres to the Group, which were mainly used as the Group's regional offices, warehouses and showrooms, pursuant to the property lease agreement dated September 15, 2007 and agreements supplemental to the property lease agreement entered into between the Company and Mr. Gao Dekang.

The term of each lease granted under the original property lease agreement shall be no more than 20 years from the date thereof. Under the property lease agreement, the Group may terminate a lease of any premise, by giving a 30-day prior notice, at any time prior to its expiry at its sole discretion and without any penalty. The Parent Group, on the other hand, is not entitled to terminate any lease under the property lease agreement without the Group's consent.

On April 22, 2013, the Company and Mr. Gao Dekang entered into the supplemental lease agreement, pursuant to which the Parent Group agreed to lease additional premises in the PRC to the Group from time to time for a term not more than three years from April 22, 2013 and has been renewed and further extended to April 21, 2025. The new leases to be entered into under the supplemental lease agreement shall, subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, be renewable at the option of the Company for another term of three years by giving at least three months' notice prior to the expiry of the term. Under the property lease agreement and its supplemental agreements, the annual rental paid and expected to be paid by the Group to the Parent Group for the leasing of properties have been determined on an arm's length basis by reference to the prevailing market condition in the PRC and the market rates of comparable properties, which in any event are not higher than the rent applicable to a third party tenant at the relevant time.

The Board has approved the annual caps of RMB18,000,000, RMB19,000,000 and RMB20,000,000 for the three financial years ending March 31, 2025, respectively, on December 20, 2021.

The actual amount of rental paid or payable by the Group to the Parent Group for the Year was approximately RMB9,371,000 (FY2022/23: RMB11,895,000).

## FRAMEWORK INTEGRATED SERVICE AGREEMENT

The Parent Group had also provided the Group with various ancillary services, which currently include the provisions of hotel accommodation and property management services, which include repair and maintenance, security and general cleaning, for the properties occupied by the Group in the PRC, pursuant to the Framework Integrated Service Agreement.

The Framework Integrated Service Agreement had an initial term of three years from September 15, 2007 to September 14, 2010 and had been renewed and further extended to September 14, 2025. Subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, the Framework Integrated Service Agreement is renewable at the option of the Company for another term of three years or such other term as agreed by the parties by giving at least three months' notice prior to the expiry of the term.

The service fees payable by the Group to the Parent Group under the Framework Integrated Service Agreement are determined with reference to (i) the rate set by the PRC government, or (ii) the rate not higher than the rate recommended by the PRC government (if the PRC government has not fixed a rate), or (iii) the rate not higher than the market price for similar services provided in the vicinity or the market price for similar services provided in the PRC if no market price for similar services provided in the vicinity is available, or (iv) a fee agreed by the parties after taking into account the actual cost or reasonable cost (whichever is lower) plus reasonable profits for the provision of similar services if bases (i) to (iii) are not available.

The Board has approved the annual caps of RMB20,000,000, RMB21,000,000 and RMB22,000,000 for the three financial years ending March 31, 2025, respectively, on December 20, 2021.

The actual amount of service fees paid or payable by the Group to the Parent Group for the Year was approximately RMB17,202,000 (FY2022/23: RMB15,913,000).

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have confirmed that the continuing connected transactions set out above and in Note 40 to the Financial Statements were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on better terms to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

## REPORT OF DIRECTORS

Pursuant to Rule 14A.56 of the Listing Rules, the Company engaged its auditor to perform certain agreed-upon procedures in respect of the continuing connected transactions set out above on a sample basis. The auditor has reported its factual findings on the selected samples based on the agreed procedures to the Board and has confirmed that the continuing connected transactions set out above have complied with the requirements under Rule 14A.56 of the Listing Rules.

### EQUITY-LINKED AGREEMENT

Save as disclosed in the sections headed “Share Option Scheme”, “Share Award Scheme” and “Convertible Bonds” below, no equity-linked agreement was entered into or renewed by the Company during the Year or subsisted as at March 31, 2024.

### SHARE OPTION SCHEME

The adoption of the Share Option Scheme was proposed by the Board on July 26, 2017 and approved by the shareholders of the Company on August 25, 2017. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The purpose of the Share Option Scheme is to replace the former share option scheme and to attract skilled and experienced personnel, to incentivize them to remain with the Company and to give effect to the customer-focused corporate culture of the Company, and to motivate them to strive for the future development and expansion of the Company, by providing them with the opportunity to acquire equity interests in the Company. The Board may, at its absolute discretion, offer any director (including independent non-executive directors), employee (whether full-time or part-time), consultant or advisor of the Group (who in the sole discretion of the Board has contributed or will contribute to the Group) Options to subscribe for Shares on the terms set out in the Share Option Scheme. The amount payable on acceptance of an Option is HKD1.00. Details of the Share Option Scheme were provided in the Company’s circular dated July 26, 2017.

Unless otherwise terminated by the Board or the Company’s shareholders in general meeting in accordance with the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years from August 25, 2017 (the “Adoption Date”), after which no further Option will be granted or offered, but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting Option granted prior to the expiry of this 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme. The remaining life of the Share Option Scheme is approximately three years.

The maximum number of Shares in respect of which Options may be granted under the Share Option Scheme when aggregated with the maximum number of Shares in respect of which Options may be granted under any other scheme shall not exceed 10% of the Company’s issued share capital on the Adoption Date (being 1,068,256,038 Shares, accounting for approximately 9.69% of the total number of issued Shares as at the Latest Practicable Date) without prior approval from the Company’s shareholders. The maximum 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 Options granted and yet to be exercised under any other scheme shall not exceed 30% of the Company’s issued share capital from time to time.



The period within which the Options must be exercised will be specified by the Company at the time of grant, and must expire no later than 10 years from the date of grant of the Option (being the date on which the Board makes a written offer of grant of the Option to the relevant proposed beneficiary) unless the Company obtains separate shareholders' approval in relation to such grant.

The amount payable for each Share to be subscribed for under an Option upon exercise shall be not less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of the Shares.

As of March 31, 2024, the Company can further grant 43,699,039 Options under the Share Option Scheme (as of March 31, 2023: 411,747,039). According to the scheme mandate limit of the Share Option Scheme, the Company may further grant 43,699,039 Options, representing approximately 0.40% of the issued share capital of the Company as at July 18, 2024, being the Latest Practicable Date. There is no service provider sublimit provided under the Share Option Scheme.

Further information of the Options is set out in Note 37 to the Financial Statements and details of the movement of the Options during the Year are included in the table as follows:

Category of participants	As at March 31, 2023	Granted during the Year	Number of Options			As at March 31, 2024 (Note 2)	Date of grant (Note 4)	Exercise price (Note 3)
			Exercised during the Year (Note 1)	Cancelled during the Year	Lapsed during the Year			
<b>Directors</b>								
Rui Jinsong	13,280,000	-	-	-	-	13,280,000	26/10/2018	HKD1.07
	16,500,000	-	-	-	10,500,000	6,000,000	23/04/2020	HKD1.94
	-	30,000,000	-	-	-	30,000,000	28/11/2023	HKD3.24
	<b>29,780,000</b>	<b>30,000,000</b>	<b>-</b>	<b>-</b>	<b>10,500,000</b>	<b>49,280,000</b>		
Huang Qiaolian	6,974,000	-	-	-	5,600,000	1,374,000	23/04/2020	HKD1.94
	-	5,000,000	-	-	-	5,000,000	28/11/2023	HKD3.24
	<b>6,974,000</b>	<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>5,600,000</b>	<b>6,374,000</b>		
<b>Others</b>								
Employees (Except Gao Jianting)	29,771,999	-	2,340,000	-	-	27,431,999	26/10/2018	HKD1.07
	204,128,000	-	15,416,000	-	83,640,000	105,072,000	23/04/2020	HKD1.94
	101,400,000	-	-	-	43,692,000	57,708,000	20/12/2021	HKD4.98
	-	472,580,000	-	-	-	472,580,000	28/11/2023	HKD3.24
Gao Jianting (Note 5)	-	3,900,000	-	-	-	3,900,000	28/11/2023	HKD3.24
Consultant (Note 6)	100,000,000	-	-	-	-	100,000,000	23/10/2020	HKD3.41
	<b>435,299,999</b>	<b>476,480,000</b>	<b>17,756,000</b>	<b>-</b>	<b>127,332,000</b>	<b>766,691,999</b>		
<b>Total</b>	<b>472,053,999</b>	<b>511,480,000</b>	<b>17,756,000</b>	<b>-</b>	<b>143,432,000</b>	<b>822,345,999</b>		

# REPORT OF DIRECTORS

## Notes:

1. The weighted average closing prices of the Shares immediately before the dates on which the Options were exercised was approximately HKD3.84 (for Options exercised by employees).
2. As at March 31, 2024, the Company had a total of 822,345,999 outstanding Options, of which:
  - 2.1 40,711,999 Options were granted on October 26, 2018 under the Share Option Scheme, of which:
    - 2.1.1 11,961,999 Options had been vested and are exercisable;
    - 2.1.2 each of 7,180,000 Options shall be vested and are exercisable during each of the periods ending on October 25, 2025, 2026 and 2027, respectively; and
    - 2.1.3 7,210,000 Options shall be vested and are exercisable during the period commencing from October 26, 2027 and ending on October 25, 2028;
  - 2.2 112,446,000 Options were granted on April 23, 2020 under the Share Option Scheme and had been vested and are exercisable;
  - 2.3 100,000,000 Options were granted on October 23, 2020 under the Share Option Scheme, of which:
    - 2.3.1 30,000,000 Options shall be vested and are exercisable during the period commencing from October 23, 2021 and ending on October 22, 2024;
    - 2.3.2 30,000,000 Options shall be vested and are exercisable during the period commencing from October 23, 2022 and ending on October 22, 2024;
    - 2.3.3 40,000,000 Options shall be vested and are exercisable during the period commencing from October 23, 2023 and ending on October 22, 2024; and
  - 2.4 57,708,000 Options were granted on December 20, 2021 under the Share Option Scheme, of which:
    - 2.4.1 18,588,000 Options had been vested and are exercisable;
    - 2.4.2 39,120,000 Options shall be vested and are exercisable during the period commencing from December 20, 2024 and ending on December 19, 2025; and
  - 2.5 511,480,000 Options were granted on November 28, 2023 under the Share Option Scheme, of which:
    - 2.5.1 153,444,000 Options shall be vested and are exercisable during the period commencing from July 28, 2024 to July 27, 2027;
    - 2.5.2 153,444,000 Options shall be vested and are exercisable during the period commencing from July 28, 2025 to July 27, 2027; and
    - 2.5.3 204,592,000 Options shall be vested and are exercisable during the period commencing from July 28, 2026 to July 27, 2027.
3. The closing price of the Shares immediately before the respective dates of grant (being October 26, 2018, April 23, 2020, October 23, 2020, December 20, 2021 and November 28, 2023) was HKD1.08, HKD1.97, HKD3.44, HKD4.89 and HKD3.08 per Share, respectively.
4. The validity period for each batch of Options granted on October 26, 2018, April 23, 2020, October 23, 2020, December 20, 2021 and November 28, 2023 is 10 years, 51 months, 48 months, 48 months and 44 months from the respective date of grant.
5. As disclosed in the announcement of the Company dated November 28, 2023, such 3,900,000 Options were granted to Mr. Gao Jianting, who is a core employee, and also son of Mr. Gao Dekang and Ms. Mei Dong.

6. As disclosed in the announcement of the Company dated October 23, 2020, such 100,000,000 Options were granted to Wise Triumph Group Limited (the “Consultant”), who is an independent consultancy company of the Group which provides multi-latitude strategic consulting services to the Group. The Board believes that the grant of the Options will help motivate the Consultant to continue to contribute to the future multi-latitude development and expansion of the Group, including but not limited to aspects such as brand, strategy and overall business development both in China and overseas. The vesting criteria and conditions include the overall consolidated financial results of the Group and the Consultant’s own key performance indicators, including but not limited to the result indicators of the Bosideng brand for the relevant financial years as well as the objectives of the competitive strategies of the Bosideng brand, for the three financial years ended March 31, 2023.
7. The percentage of the number of Shares that may be issued in respect of the Options granted under the Share Option Scheme of the Company during the Year divided by the weighted average number of Shares of the relevant classes in issue during the Year was approximately 4.7%.
8. The performance targets for the Share Option Scheme include both the financial performance targets and/or personal appraisal targets of the Group. Share Options not vested or exercisable as a result of non-fulfillment of the performance-based conditions or not exercised during the relevant exercise periods shall lapse with immediate effect.

## SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on April 23, 2020 to replace the former share award scheme and to recognize and reward the contribution of certain eligible persons (including the directors and core management team of the Group) to the growth and development of the Group and to incentivize them for the growth and development of the Group through an award of Shares. The Share Award Scheme only involves existing Shares. Subject to any early termination of the Share Award Scheme and any resolutions by the Directors to renew the term of the Share Award Scheme, the Share Award Scheme shall remain in force for a period commencing on the adoption date, i.e. April 23, 2020, and will end on the business day immediately prior to the tenth (10th) anniversary of the said adoption date, i.e. April 22, 2030. The remaining life of the Share Award Scheme is approximately six years. The participants under the Share Award Scheme are any employees and directors of the Group based on the absolute discretion of the members of the senior management of the Company who are in charge of the finance department and human resources department of the Company, delegated with the power and authority by the Board to administer the Share Award Scheme.

The terms of the Share Award Scheme do not specify any amount required to be paid on the acceptance of awarded Shares. The basis of determining the purchase price of the awarded shares under the Share Award Scheme is 50% of the average closing price per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the relevant date of grant.

## REPORT OF DIRECTORS

Further information of the awarded Shares granted pursuant to the Share Award Scheme is set out in Note 37 to the Financial Statements and the details of the movement of the awarded Shares during the Year are included in the table as follows:

Category of participants	Date of grant	Number of awarded Shares				Outstanding as at March 31, 2024	Purchase price per awarded Share (Note 4)
		Outstanding as at March 31, 2023 (Note 1)	Granted during the Year	Vested during the Year (Note 3)	Lapsed during the Year		
<b>Directors</b>							
Rui Jinsong	April 23, 2020	16,500,000	–	6,000,000	10,500,000	–	HKD0.97
	November 28, 2023	–	20,000,000	–	–	20,000,000	HKD1.62
Huang Qiaolian	April 23, 2020	3,200,000	–	–	3,200,000	–	HKD0.97
		<b>19,700,000</b>	<b>20,000,000</b>	<b>6,000,000</b>	<b>13,700,000</b>	<b>20,000,000</b>	
<b>Five highest paid individuals during the Year (Note 2)</b>							
Employees	April 23, 2020	18,250,000	–	7,800,000	10,450,000	–	HKD0.97
Employees	December 20, 2021	5,600,000	–	2,400,000	–	3,200,000	HKD2.49
Employees	November 28, 2023	–	29,200,000	–	–	29,200,000	HKD1.62
		<b>23,850,000</b>	<b>29,200,000</b>	<b>10,200,000</b>	<b>10,450,000</b>	<b>32,400,000</b>	
<b>Others (in aggregate)</b>							
Employees	April 23, 2020	9,900,000	–	3,600,000	6,300,000	–	HKD0.97
Employees	December 20, 2021	5,600,000	–	1,200,000	1,200,000	3,200,000	HKD2.49
Employees	November 28, 2023	–	29,200,000	–	–	29,200,000	HKD1.62
		<b>15,500,000</b>	<b>29,200,000</b>	<b>4,800,000</b>	<b>7,500,000</b>	<b>32,400,000</b>	
<b>Total</b>		<b>59,050,000</b>	<b>78,400,000</b>	<b>21,000,000</b>	<b>31,650,000</b>	<b>84,800,000</b>	

Notes:

- The validity period for each batch of awarded Shares granted on April 23, 2020, December 20, 2021 and November 28, 2023 is 51 months, 48 months and 44 months from the respective date of grant.
- One of the five highest paid individuals during the Year was Mr. Rui Jinsong. Information relating to his awarded Shares were shown under the category of Directors above.
- The weighted average closing price of the Shares immediately before the vesting date of the awarded Shares held by Mr. Rui Jinsong, the five highest paid individuals (including Mr. Rui Jinsong) and others are approximately HK\$2.94, HK\$3.01 and HK\$3.06, respectively.
- The closing price of the shares immediately preceding the date of grant (i.e., November 28, 2023) was HK\$3.08 per share.
- The performance targets for the Share Award Scheme include both the financial results of the Group and/or each divisions and the performance of the selected persons. The awarded Shares not vested as a result of non-fulfillment of the performance-based conditions during the relevant vesting periods shall lapse with immediate effect, provided that the Company shall refund the amounts contributed by the selected persons to the relevant selected person.
- During the Year, no awarded Share was cancelled.

Since 1 January 2023, unless separately approved by the shareholders of the Company in general meeting (with the relevant eligible participant and such eligible participant's close associates (with the meaning ascribed thereto under the Listing Rules) (or such eligible participant's associates if such eligible participant is a connected person of the Company) abstaining from voting), no eligible participant shall be granted an Option or awarded Shares if such grant will result in the total number of Shares issued and to be issued in respect of all Options and awarded Shares granted (excluding any lapsed Options and awarded Shares) to such eligible participant in the 12-month period up to and including the date of such grant would in aggregate exceed 1% of the total number of issued Shares of the Company.

## CONVERTIBLE BONDS

The Company completed the issue of the Convertible Bonds with an initial aggregate principal amount of USD275 million on December 17, 2019, raising net proceeds of approximately USD271 million, all of which had been used on or before the year ended March 31, 2021 in accordance with the intended use as disclosed in the Company's announcement dated December 5, 2019. For details of the usage, please refer to the "Convertible Bonds" section under the "Report of Directors" of the Company's 2020/21 annual report.

The Convertible Bonds bear simple coupon interest at 1% per annum, and the interest shall be payable semi-annually. The rights of the bondholders to convert the Convertible Bonds into Conversion Shares are as follows:

- subject to redemption options pursuant to the terms and conditions of the Convertible Bonds, conversion rights are exercisable at any time from January 27, 2020 to December 7, 2024 (both days inclusive) at the bondholders' option;
- at the initial conversion price being HKD4.91 per Share (subject to adjustments in the manner provided in the terms and conditions of the Subscription Agreement), the Convertible Bonds would be convertible into 438,470,977 Conversion Shares; and
- since the issue of the Convertible Bonds on December 17, 2019 up to July 18, 2024 (being the Latest Practicable Date), the conversion price has been adjusted as follows:

## REPORT OF DIRECTORS

Effective Date	Adjustment to Conversion Price	Maximum number of Conversion Shares	Outstanding amount of Convertible Bonds as at the effective date
August 27, 2020	HKD4.91 per share adjusted to HKD4.73 per share	455,156,976	USD275,000,000
December 19, 2020	HKD4.73 per share adjusted to HKD4.67 per share	461,004,817	USD275,000,000
August 26, 2021	HKD4.67 per share adjusted to HKD4.56 per share	472,125,548	USD275,000,000
December 23, 2021	HKD4.56 per share adjusted to HKD4.52 per share	476,303,650	USD275,000,000
August 26, 2022	HKD4.52 per share adjusted to HKD4.37 per share	492,652,745	USD275,000,000
December 16, 2022	HKD4.37 per share adjusted to HKD4.28 per share	451,064,817	USD246,600,000
August 31, 2023	HKD4.28 per share adjusted to HKD4.08 per share	473,175,838	USD246,600,000
December 20, 2023	HKD4.08 per share adjusted to HKD4.01 per share	481,435,765	USD246,600,000

As at March 31, 2024, no Convertible Bonds had been converted into new Conversion Shares.

For further details of the Convertible Bonds, please refer to Note 33 to the Financial Statements and the Company's announcements dated December 5, 2019, December 17, 2019, August 21, 2020, December 3, 2020, August 20, 2021, December 1, 2021, August 22, 2022, November 24, 2022, August 22, 2023, and December 18, 2023 respectively.

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

During the Year, pursuant to the terms of the rules and deed of settlement of the Share Award Scheme, the trustee of the Share Award Scheme purchased on the Stock Exchange a total of 48,350,000 Shares at an aggregate consideration of approximately HKD164.2 million.

Save as mentioned above, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles and the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders of the Company.

### TAX RELIEF AND EXEMPTION

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

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the total number of issued Shares were held by the public as at July 18, 2024 (being the Latest Practicable Date).

## MAJOR SUPPLIERS AND CUSTOMERS

For the Year, the Group's five largest suppliers (comprising suppliers of down, fabric and ancillary materials) together accounted for approximately 41.5% of the Group's total raw material purchases and the largest supplier accounted for approximately 19.5% of the Group's total raw material purchases. None of the Directors, their associates or any shareholder of the Company (who or which, to the knowledge of the Directors, owns more than 5% of the number of issued Shares) had any equity interest in any of the Group's major suppliers.

For the Year, the Group's five largest customers accounted for less than 30% of the Group's revenue and none of the Directors, their associates or any shareholder of the Company (who or which to the knowledge of the Directors, owns more than 5% of the number of issued Shares) had any interest in any of the Group's major customers.

## COMMITMENTS AND CONTINGENT LIABILITIES

Details of the commitments and contingent liabilities of the Group are set out in Note 39 to the Financial Statements.

## INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the Directors is currently in force and was in force throughout the Year.

## SUBSEQUENT EVENTS

No material events happened subsequent to the Year and up to the date of this annual report.

## AUDITOR

The Financial Statements have been audited by KPMG. A resolution for the re-appointment of KPMG as the Company's auditor will be proposed at the AGM.

By order of the Board  
**Gao Dekang**  
*Chairman of the Board of Directors*

Hong Kong, June 26, 2024

# INDEPENDENT AUDITOR'S REPORT



## **Independent auditor's report to the shareholders of Bosideng International Holdings Limited**

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

### **OPINION**

We have audited the consolidated financial statements of Bosideng International Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 110 to 225, which comprise the consolidated statement of financial position as at March 31, 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## KEY AUDIT MATTERS (CONTINUED)

<b>Assessment of impairment of goodwill</b>	
<i>Refer to note 17 to the consolidated financial statements and the accounting policies on page 122.</i>	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>For the purpose of impairment testing, goodwill in the consolidated statement of financial position is allocated to three cash-generating units (“CGUs”) which are derived from the Group’s acquisitions of three ladieswear businesses (including JESSIE brand, BUOU BUOU brand and Tianjin ladieswear).</p> <p>An assessment of impairment of goodwill is performed by management annually.</p> <p>Management assessed impairment of goodwill as at March 31, 2024 with reference to a valuation report dated as of June 24, 2024 prepared by an external valuer appointed by management and the recoverable amount of each CGU is determined by management by preparing discounted cash flow forecasts for each CGU to which goodwill has been allocated and comparing the net present value of the forecast cash flows with the carrying values of the related assets.</p>	<p>Our audit procedures to assess the impairment of goodwill included the following:</p> <ul style="list-style-type: none"> <li>• assessing management’s identification of CGUs and the allocation of assets and liabilities to each CGU with reference to the requirements of the prevailing accounting standards;</li> <li>• assessing the qualification, experience and expertise of the external valuer appointed by management in assessing the impairment of goodwill and considering their objectivity and independence;</li> <li>• involving our internal valuation specialists to assist us in evaluating the methodology adopted by management in its impairment assessments with reference to the requirements of the prevailing accounting standards;</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (CONTINUED)

### Assessment of impairment of goodwill (continued)

Refer to note 17 to the consolidated financial statements and the accounting policies on page 122.

The Key Audit Matter	How the matter was addressed in our audit
<p>The preparation of discounted cash flow forecasts involves the exercise of significant management judgement, in particular in estimating growth rates of future revenue, future margins and the discount rates applied.</p> <p>We identified assessing impairment of goodwill as a key audit matter because assessing impairment involves forecasting future cash flows which is complex and inherently uncertain and could be subject to management bias.</p>	<ul style="list-style-type: none"><li>• comparing the most significant inputs in the discounted cash flow forecasts, including growth rates of future revenue, future margins, with the latest approved financial budgets, historical performance, management's forecasts, industry reports and business developments subsequent to the reporting date and assessing the discount rates applied in the discounted cash flow forecasts by benchmarking against the discount rates of similar retailers;</li><li>• obtaining sensitivity analyses of the key assumptions adopted in the discounted cash flow forecasts and considering the resulting impact of changes in the key assumptions to the conclusions reached in the impairment assessments and whether there is any indication of management bias; and</li><li>• assessing the reasonableness of the disclosures in the consolidated financial statements in respect of assessing impairment of goodwill with reference to the requirements of the prevailing accounting standards.</li></ul>

## KEY AUDIT MATTERS (CONTINUED)

### Valuation of inventories

Refer to note 23 to the consolidated financial statements and the accounting policies on page 133.

The Key Audit Matter	How the matter was addressed in our audit
<p>Sales of inventories in the apparel industry can be volatile with consumer demand changing according to current fashion trends.</p> <p>The Group typically sells or disposes of off-season inventories at a markdown from the original price to make room for new season inventories. Accordingly, the actual future selling prices of some items of inventories may fall below their purchase costs.</p> <p>Management calculates the inventory provision based on the forecast net realizable value of sales of inventories. The forecast quantities to be sold and the corresponding selling prices are prepared based on the Group's sales and marketing strategies, the current market conditions and the historical experience of distributing and selling products of a similar nature. Management also compares the subsequent sales quantities and selling prices with the forecast in each of the subsequent periods.</p>	<p>Our audit procedures to assess the valuation of inventories included the following:</p> <ul style="list-style-type: none"> <li>• assessing whether the inventory provisions at the reporting date were consistent with the Group's inventory provision policy by recalculating the inventory provisions based on the mechanisms and other parameters in the Group's inventory provision policy and considering the application of the Group's inventory provision policy with reference to the requirements of the prevailing accounting standards;</li> <li>• attending the Group's inventory counts at the year end to assess, on a sample basis, the quantity and condition of inventories at that date;</li> <li>• assessing, on a sample basis, whether items in the inventory ageing report were classified within the appropriate ageing bracket by comparing the ageing of the sampled items with information relating to production dates on the labels of garments or receipt dates on the receipt notes of raw materials we inspected during our attendance at the Group's inventory counts;</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (CONTINUED)

### Valuation of inventories (continued)

Refer to note 23 to the consolidated financial statements and the accounting policies on page 133.

The Key Audit Matter	How the matter was addressed in our audit
<p>We identified the valuation of inventories as a key audit matter because of the significant management judgement exercised by the management in determining the appropriate level of inventory provisions which involves predicting the amounts of inventories which will be unsold at the end of each season and the markdowns necessary to sell such off-season inventories on a discounted basis in future years. Both of these factors can be inherently uncertain and could be subject to management bias.</p>	<ul style="list-style-type: none"><li>• assessing the Group's inventory provision policy by comparing management's forecasts of the quantities of inventories which are unlikely to be sold in the foreseeable future at current selling price and the corresponding forecast markdowns with the historical sales amounts and markdown data for the current and the prior years;</li><li>• comparing inventory balances by season with respective balances in prior years and the movement by season with historical movements to identify inventories which were relatively slow moving;</li><li>• comparing the carrying amounts of a sample of inventory items at the reporting date with the selling prices actually achieved subsequent to the reporting date; and</li><li>• enquiring the management about any expected changes in plans for markdowns or disposals of off-season inventories and comparing their representations with actual sales transactions subsequent to the reporting date.</li></ul>

## **INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

## **RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

# INDEPENDENT AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tse Wong Pui.

### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

June 26, 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended March 31, 2024 (Expressed in Renminbi)

	Note	For the year ended March 31,	
		2024 RMB'000	2023 RMB'000
Revenue	6	23,214,033	16,774,220
Cost of sales		(9,380,493)	(6,798,344)
<b>Gross profit</b>		<b>13,833,540</b>	9,975,876
Other income	7	216,076	309,583
Selling and distribution expenses		(8,055,089)	(6,124,697)
Administrative expenses		(1,507,860)	(1,204,017)
Impairment losses on goodwill	17	(70,000)	(118,000)
Other expenses		(19,111)	(12,373)
<b>Profit from operations</b>		<b>4,397,556</b>	2,826,372
Finance income		374,212	293,214
Finance costs		(216,363)	(209,977)
<b>Net finance income</b>	10	<b>157,849</b>	83,237
Share of losses of associates and joint ventures	18,19	(14,195)	(22,296)
<b>Profit before taxation</b>		<b>4,541,210</b>	2,887,313
Income tax	11	(1,421,074)	(730,930)
<b>Profit for the year</b>		<b>3,120,136</b>	2,156,383
<b>Other comprehensive income for the year:</b>			
Item that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income ("FVOCI") (after tax)			
– net movement in fair value (non-recycling)		8,669	(16,483)
		8,669	(16,483)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside Mainland China		(49,832)	(107,083)
		(49,832)	(107,083)
<b>Other comprehensive income for the year</b>		<b>(41,163)</b>	(123,566)
<b>Total comprehensive income for the year</b>		<b>3,078,973</b>	2,032,817



for the year ended March 31, 2024 (Expressed in Renminbi)

	Note	For the year ended March 31,	
		2024 RMB'000	2023 RMB'000
<b>Profit attributable to:</b>			
Equity shareholders of the Company		<b>3,074,072</b>	2,138,574
Non-controlling interests		<b>46,064</b>	17,809
<b>Profit for the year</b>		<b>3,120,136</b>	2,156,383
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<b>3,032,909</b>	2,015,008
Non-controlling interests		<b>46,064</b>	17,809
<b>Total comprehensive income for the year</b>		<b>3,078,973</b>	2,032,817
<b>Earnings per share</b>	14		
– basic (RMB cents)		<b>28.34</b>	19.75
– diluted (RMB cents)		<b>27.52</b>	19.29

The notes on pages 118 to 225 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 36(b).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at March 31, 2024 (Expressed in Renminbi)

	Note	At March 31, 2024 RMB'000	2023 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	15	1,543,951	1,727,741
Right-of-use assets	16	958,155	978,126
Intangible assets and goodwill	17	1,236,397	1,342,278
Interest in associates	18	52,558	66,071
Interest in joint ventures	19	200,789	169,470
Investment properties	20	264,702	262,514
Prepayments		–	5,498
Other financial assets	26	358,902	169,738
Derivative financial instruments	21	3,726	–
Deferred tax assets	22	497,703	649,092
Pledged bank deposits	27	18,336	500,117
Time deposits	28	1,570,000	350,000
Long-term receivables	25	47,374	–
		<b>6,752,593</b>	6,220,645
<b>Current assets</b>			
Inventories	23	3,197,497	2,689,283
Trade and bills receivables	24	1,497,900	922,985
Deposits, prepayments and other receivables	25	1,287,676	1,355,434
Amounts due from related parties	40	93,752	142,808
Other financial assets	26	3,963,011	4,069,019
Pledged bank deposits	27	653,095	528,115
Time deposits	28	2,098,666	1,296,184
Cash and cash equivalents	29	6,227,015	3,718,211
		<b>19,018,612</b>	14,722,039

at March 31, 2024 (Expressed in Renminbi)

	Note	At March 31, 2024 RMB'000	2023 RMB'000
<b>Current liabilities</b>			
Current income tax liabilities	11(d)	497,071	669,005
Interest-bearing borrowings	30	768,436	770,406
Lease liabilities	31	356,071	263,945
Trade and other payables	32	7,765,152	4,346,472
Amounts due to related parties	40	86,815	4,074
Convertible bonds	33	1,709,523	–
		<b>11,183,068</b>	6,053,902
<b>Net current assets</b>		<b>7,835,544</b>	8,668,137
<b>Total assets less current liabilities</b>		<b>14,588,137</b>	14,888,782
<b>Non-current liabilities</b>			
Deferred tax liabilities	22	309,021	142,388
Lease liabilities	31	384,423	525,859
Derivative financial instruments	21	3,655	–
Convertible bonds	33	–	1,603,110
Other non-current liabilities	34	71,553	13,056
		<b>768,652</b>	2,284,413
<b>Net assets</b>		<b>13,819,485</b>	12,604,369
<b>Capital and reserves</b>			
Share capital	36(c)	819	818
Reserves		13,734,617	12,546,293
<b>Equity attributable to equity shareholders of the Company</b>		<b>13,735,436</b>	12,547,111
<b>Non-controlling interests</b>		<b>84,049</b>	57,258
<b>Total equity</b>		<b>13,819,485</b>	12,604,369

Approved and authorized for issue by the board of directors on June 26, 2024.

**Gao Dekang**

*Chairman of the Board of Directors*

**Gao Xiaodong**

*Director*

The notes on pages 118 to 225 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024 (Expressed in Renminbi)

	Attributable to the equity shareholders of the Company										
	Share capital	Share premium	Treasury shares held for the Share Award Scheme	Capital reserves	Statutory reserves	Translation reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB '000 (note 36(c))	RMB '000	RMB '000 (note 35(b))	RMB '000 (note 36(d))	RMB '000 (note 36(d))	RMB '000 (note 36(d))	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
<b>Balance at April 1, 2023</b>	818	1,928,764	(109,924)	144,772	1,001,472	(595,951)	152,644	10,024,516	12,547,111	57,258	12,604,369
<b>Total comprehensive income for the year:</b>											
Profit for the year	-	-	-	-	-	-	-	3,074,072	3,074,072	46,064	3,120,136
Foreign currency translation differences – foreign operations	-	-	-	-	-	(49,832)	-	-	(49,832)	-	(49,832)
Net change in fair value of equity investment at fair value through other comprehensive income, net of tax (non-recycling)	-	-	-	-	-	-	8,669	-	8,669	-	8,669
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(49,832)	8,669	3,074,072	3,032,909	46,064	3,078,973
<b>Transactions with owners, recorded directly in equity</b>											
Equity-settled share-based transactions (note 37)	1	37,280	-	91,653	-	-	-	-	128,934	-	128,934
Treasury shares granted for Share Award Scheme	-	-	(97,446)	(15,945)	-	-	-	(13,566)	(126,957)	-	(126,957)
Deregister of subsidiaries	-	-	-	-	(182)	-	-	182	-	-	-
Acquisition of non-controlling interests without a change in control	-	-	-	(2,147)	-	-	-	-	(2,147)	(12,010)	(14,157)
Appropriation to reserves	-	-	-	-	4,100	-	-	(4,100)	-	-	-
Dividends	-	-	-	-	-	-	-	(1,844,414)	(1,844,414)	(7,263)	(1,851,677)
	1	37,280	(97,446)	73,561	3,918	-	-	(1,861,898)	(1,844,584)	(19,273)	(1,863,857)
<b>Balance at March 31, 2024</b>	819	1,966,044	(207,370)	218,333	1,005,390	(645,783)	161,313	11,236,690	13,735,436	84,049	13,819,485

The notes on pages 118 to 225 form part of these financial statements.

for the year ended March 31, 2024 (Expressed in Renminbi)

	Attributable to the equity shareholders of the Company										
	Share capital RMB '000 (note 36(c))	Share premium RMB '000	Treasury shares held for the Share Award Scheme RMB '000 (note 35(b))	Capital reserves RMB '000 (note 36(d))	Statutory reserves RMB '000 (note 36(d))	Translation reserves RMB '000 (note 36(d))	Other reserves RMB '000	Retained earnings RMB '000	Total RMB '000	Non-controlling interests RMB '000	Total equity RMB '000
<b>Balance at April 1, 2022</b>	817	1,894,121	(140,334)	159,613	998,770	(488,868)	184,924	9,584,060	12,193,103	33,337	12,226,440
<b>Total comprehensive income for the year:</b>											
Profit for the year	-	-	-	-	-	-	-	2,138,574	2,138,574	17,809	2,156,383
Foreign currency translation differences - foreign operations	-	-	-	-	-	(107,083)	-	-	(107,083)	-	(107,083)
Net change in fair value of equity investment at fair value through other comprehensive income, net of tax (non-recycling)	-	-	-	-	-	-	(16,483)	-	(16,483)	-	(16,483)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(107,083)	(16,483)	2,138,574	2,015,008	17,809	2,032,817
<b>Transactions with owners, recorded directly in equity</b>											
Equity-settled share-based transactions (note 37)	1	34,643	-	(1,449)	-	-	-	-	33,195	-	33,195
Treasury shares granted for Share Award Scheme	-	-	30,410	(13,392)	-	-	-	2,254	19,272	-	19,272
Capital contribution to a subsidiary from a non-controlling interest	-	-	-	-	-	-	-	-	-	10,000	10,000
Redemption of convertible notes	-	-	-	-	-	-	(15,797)	-	(15,797)	-	(15,797)
Appropriation to reserves	-	-	-	-	2,702	-	-	(2,702)	-	-	-
Dividends	-	-	-	-	-	-	-	(1,697,670)	(1,697,670)	(3,888)	(1,701,558)
	1	34,643	30,410	(14,841)	2,702	-	(15,797)	(1,698,118)	(1,661,000)	6,112	(1,654,888)
<b>Balance at March 31, 2023</b>	818	1,928,764	(109,924)	144,772	1,001,472	(595,951)	152,644	10,024,516	12,547,111	57,258	12,604,369

The notes on pages 118 to 225 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2024 (Expressed in Renminbi)

	For the year ended March 31,	
	2024 RMB'000	2023 RMB'000
<b>Operating activities</b>		
Profit for the year	3,120,136	2,156,383
Adjustments for:		
Income tax	1,421,074	730,930
Depreciation	1,181,198	913,548
Amortization	35,881	35,881
Impairment losses	70,000	118,000
Equity-settled share-based transactions	99,552	5,957
Dividend income from other financial assets	(1,427)	–
Net loss on disposal of property, plant and equipment and right-of-use assets	28,962	19,301
Net interest (income)/expenses	(9,672)	40,372
Unrealized/realized fair value change of financial instruments	(141,239)	(140,451)
Share of losses of associates and joint ventures	14,195	22,296
<b>Operating profit before changes in working capital</b>	<b>5,818,660</b>	<b>3,902,217</b>
Increase in inventories	(508,214)	(1,097)
(Increase)/decrease in trade and bills receivables and deposits, prepayments and other receivables	(503,605)	291,605
Decrease in amounts due from related parties	70,556	78,460
Decrease/(increase) in pledged bank deposits for bills payable	356,801	(76,084)
Increase/(decrease) in trade and other payables	3,429,131	(262,764)
Decrease in amounts due to related parties	82,741	(4,299)
<b>Cash generated from operations</b>	<b>8,746,070</b>	<b>3,928,038</b>
Interest paid	(129,412)	(139,237)
Income tax paid	(1,277,876)	(738,142)
<b>Net cash generated from operating activities</b>	<b>7,338,782</b>	<b>3,050,659</b>

for the year ended March 31, 2024 (Expressed in Renminbi)

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Investing activities</b>		
Payments in relation to completion of acquisition of non-controlling interests in Jessie group	–	(136,933)
Payments in relation to investments in associates and joint ventures	(28,821)	(111,920)
Payment in relation to acquisition of non-controlling interests in a subsidiary	(14,157)	–
Payment of a loan provided to an associate	(42,500)	(21,000)
Collection of a loan repaid by an associate	21,000	–
Advances to a joint venture	(3,000)	–
Collection of advances to a joint venture	3,000	–
Payments of loans provided to third parties	(57,000)	–
Acquisition of property, plant and equipment	(559,973)	(508,164)
Acquisition of other financial assets	(6,480,450)	(9,010,163)
Proceeds from disposal of other financial assets	6,549,371	11,584,977
Increase in time deposits	(2,022,482)	(1,321,884)
Dividend income from other financial assets	1,427	–
Interest received	207,095	141,647
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,426,490)</b>	<b>616,560</b>
<b>Financing activities</b>		
Proceeds from interest-bearing borrowings	838,611	1,165,032
Repayment of interest-bearing borrowings	(838,611)	(1,374,974)
Payments for purchase of shares in connection with the Share Award Scheme	(149,787)	–
Proceeds from exercise of share options	29,382	27,238
Proceeds of upfront payment received from employees in connection with Share Award Scheme	102,219	–
Capital element of lease liabilities paid	(516,267)	(400,389)
Dividends paid	(1,845,102)	(1,721,671)
Payments for redemption of convertible bonds	–	(198,203)
Proceeds from capital contribution to a subsidiary from non-controlling interests	–	10,000
<b>Net cash used in financing activities</b>	<b>(2,379,555)</b>	<b>(2,492,967)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,532,737</b>	<b>1,174,252</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,718,211</b>	<b>2,502,563</b>
<b>Effect of foreign currency exchange rate changes</b>	<b>(23,933)</b>	<b>41,396</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6,227,015</b>	<b>3,718,211</b>

The notes on pages 118 to 225 form part of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION OF THE REPORTING ENTITY

Bosideng International Holdings Limited (the “Company”) was incorporated in the Cayman Islands on July 10, 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its registered address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the research, design and development, raw materials procurement, outsourced manufacturing, marketing and distribution of branded down apparel products, original equipment manufacturing (“OEM”) products and non-down apparel products in the People’s Republic of China (the “PRC”).

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on October 11, 2007.

## 2 BASIS OF PREPARATION

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange. Material accounting policies adopted by the Group is set out in note 4.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

### (b) Basis of measurement

The consolidated financial statements for the year ended March 31, 2024 comprise the Company and its subsidiaries and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- other investments in securities (see note 4(d)); and
- derivative financial instruments (see note 4(e)).



## 2 BASIS OF PREPARATION (CONTINUED)

### (c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (“functional currency”). These financial statements are presented in Renminbi (“RMB”, the “presentation currency”). All financial information presented in RMB has been rounded to the nearest thousand except where otherwise stated. The functional currency of the Company is United States Dollars (“USD”).

### (d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 5.

## 3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 1, *Presentation of financial statements* and IFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Except the amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*, none of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this consolidated financial statements. Impacts of the adoption of the amended IFRSs are discussed below:

*Amendments to IAS 1, Presentation of financial statements and IFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

*Amendments to IAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognized the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in the note 22(a), but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under IAS 12.

## **4 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

### **(a) Subsidiaries and non-controlling interests**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 4(j)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

### **(b) Associates and joint ventures**

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income (“OCI”) of those investees, until the date on which significant influence or joint control ceases.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (b) Associates and joint ventures (Continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the expected credit losses ("ECL"s) model to such other long-term interests where applicable (see note 4(j)(i)).

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see note 4(j)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

### (c) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 4(j)).

### (d) Other investments in securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 38(f). These investments are subsequently accounted for as follows, depending on their classification:

#### (i) *Non-equity investments*

Non-equity investments are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income from the investment is calculated using the effective interest method (see note 4(y)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Other investments in securities (Continued)

#### (i) *Non-equity investments (Continued)*

- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in OCI. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL, if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

#### (ii) *Equity investments*

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income in (see note 4(y)).

### (e) Derivative financial instruments

Derivative financial instruments are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognized in profit or loss.

### (f) Investment properties

Investment properties are land and/or buildings which are owned to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are measured at cost less accumulated depreciation and impairment losses (see note 4(j)(ii)). Cost includes expenditure that is directly attributable to the acquisition of the investment property. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of 20 to 50 years. Depreciation methods, useful lives and residual values are re-assessed at the end of each reporting period and adjusted if appropriate. Rental income from investment properties is accounted for as described in note 4(v)(ii)(b).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) Property, plant and equipment

#### (i) *Recognition and measurement*

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 4(j)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 4(x)). Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognized in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained earnings and is not reclassified to profit or loss.

#### (ii) *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property remains measured at cost less accumulated depreciation and impairment losses (see note 4(j)(ii)).

#### (iii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Ongoing repairs and maintenance is expensed as incurred.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) Property, plant and equipment (Continued)

#### (iv) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Freehold land with unlimited useful life is measured at cost and not depreciated.

Depreciation is recognized in profit or loss using the straight-line method over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

	Useful lives	Residual value
Land and buildings	20 – 50 years	0% ~ 10%
Machinery	5 – 10 years	4% ~ 10%
Motor vehicles and others	2 – 10 years	0% ~ 10%
Leasehold improvements	Over the shorter of the un-expired term of the lease and estimated useful lives	0%

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### (h) Intangible assets (other than goodwill)

#### (i) Customer relationships

Customer relationships acquired by the Group upon acquisition of subsidiaries are measured at fair value upon initial recognition. Subsequent to initial recognition, customer relationships are measured at cost less accumulated amortization and accumulated impairment losses (see note 4(j)(ii)). The estimated useful life of customer relationships is 3 to 15 years. The amortization method and useful lives are reviewed at the end of each reporting period.

#### (ii) Trademarks

Separately acquired trademarks are carried at cost less accumulated amortization and accumulated impairment losses (see note 4(j)(ii)). Trademarks acquired in a business combination are recognized initially at fair value at the acquisition date and subsequently carried at the amount initially recognized less accumulated amortization and accumulated impairment losses. Amortization of trademarks that have definite useful lives is calculated using the straight-line method to allocate the costs of acquired trademarks over their estimated useful life of 20 years. The amortization method and useful lives are reviewed at the end of each reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Intangible assets (other than goodwill) (Continued)

#### (iii) *Subsequent expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and trademarks, is recognized in profit or loss as incurred.

#### (iv) *Amortization*

Except for goodwill, intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### (i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### (i) *As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value such as certain properties. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.



## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Leased assets (Continued)

#### (i) *As a lessee (Continued)*

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Group's right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 4(g) and 4(j)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost (see notes 4(d)(i), 4(j)(i) and 4(y)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognized the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Leased assets (Continued)

#### (ii) *As a lessor*

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with note 4(v)(ii)(b).

### (j) Credit losses and impairment of assets

#### (i) *Credit losses from financial instruments*

The Group recognizes a loss allowance for ECLs on:

- financial assets measured at amortized cost (including cash and cash equivalents, pledged bank deposits, time deposits with maturity over 3 months, trade and bills receivables, deposits, other receivables and receivables due from related parties, including those loans to associates and joint ventures, that are held for the collection of contractual cash flows which represent solely payments of principal and interest).

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using effective interest rate determined at initial recognition or an approximation thereof for fixed-rate financial assets, trade and bills receivables, deposits, other receivables and receivables due from related parties including those loans to associates and joint ventures, where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments (Continued)

##### *Measurement of ECLs (Continued)*

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECLs model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

##### *Significant increases in credit risk*

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments (Continued)

*Significant increases in credit risk (Continued)*

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held);

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (i) *Credit losses from financial instruments (Continued)*

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

##### *Write-off policy*

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (ii) *Impairment of other non-current assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (iii) *Interim financial reporting and impairment*

Under the requirement of the Listing Rules, the Group is required to prepare an interim financial report in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 4(j)(i) and (ii)).

Impairment losses recognized in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognized had the impairment been assessed only at the end of the financial year to which the interim period relates.

## **4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **(k) Inventories**

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **(l) Contract liabilities**

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 4(v)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see note 4(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 4(v)(i)).

### **(m) Trade and other receivables**

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see note 4(j)(i)).

### **(n) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECLs (see note 4(j)(i)).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (o) Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with note 4(x).

#### (p) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

#### (q) Convertible bonds that contain an equity component

Compound financial instruments issued by the Group comprise convertible bonds denominated in USD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method. Interest is recognized in profit or loss. The equity component is not remeasured and is recognized in the capital reserve until the notes are converted.

If the notes are converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued.

#### (r) Employee benefits

##### (i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

##### (ii) *Termination benefits*

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognizes restructuring costs involving the payment of termination benefits.



## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (s) Share-based payment transactions

#### (i) *Equity-settled share-based payment transaction with employees*

The grant-date fair value of restricted share and share option granted to employees is measured using the Asian option model and binomial lattice model, respectively. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

#### (ii) *Equity-settled share-based payment transaction with parties other than employees*

For equity-settled share-based payment transaction with parties other than employees, services are recognized as expenses when they are received with reference to the fair value of the services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the services received, the entity shall measure their value by reference to the fair value of the equity instruments granted. The fair value shall be measured at the date the counterparty renders service.

### (t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (t) Income tax (Continued)

- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

### (u) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 4(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

#### (i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognizes revenue on a gross basis, including the sale of apparel products that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognized when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

##### (a) Sale of goods

Revenue is recognized when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognized is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

The Group has applied the practical expedient that for sales contracts that had an original expected duration of one year or less, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of IFRS 15.

##### (b) Royalty income

Royalties represent brand authorization business that the Group provides customers with the right to use brands and charges authorization fees. Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (v) Revenue and other income (Continued)

#### (ii) Revenue from other sources and other income

##### (a) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

##### (b) Rental income from operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are earned.

### (w) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (w) Translation of foreign currencies (Continued)

Foreign currency differences are recognized in OCI and accumulated separately in equity in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### (x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

### (y) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net realized/unrealized gain or loss on financial assets at FVPL;
- the foreign currency gain or loss on financial assets and financial liabilities;
- dividend income:
  - dividend income from unlisted investments is recognized when the shareholder's right to receive payment is established.
  - dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (y) Finance income and finance costs (Continued)

Interest income is recognized using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### (z) Related parties

- (a) A person, or a close member of that person’s family, is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group’s parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (z) Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### (aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 5 ACCOUNTING JUDGMENT AND ESTIMATES

### Accounting judgements and sources of estimation uncertainty

Notes 11, 17, 21, 24, 25, 26, 32 and 37 contain information about the assumptions and their risk factors relating to income tax, goodwill impairment, impairment for bad and doubtful debts, fair value of financial instruments, contract liabilities and fair value of share options and restricted shares granted. Other critical accounting judgements and key sources of estimation uncertainty are as follows:

#### (a) *Net realizable value of inventories*

The Group reviews the carrying amounts of inventories at each reporting date to determine whether the inventories are carried at lower of cost and net realizable value in accordance with the accounting policy set out in note 4(k). Management calculates the inventory provision based on the forecast net realizable value of sales of inventories. The forecast quantities to be sold and the corresponding selling prices are prepared based on the Group's sales and marketing strategies, the current market conditions, the historical experience of distributing and selling products of a similar nature and the aging information of the relevant inventories. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down and affect the Group's profit and net asset value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 ACCOUNTING JUDGMENT AND ESTIMATES (CONTINUED)

### Accounting judgements and sources of estimation uncertainty (Continued)

#### (b) *Impairment for non-current assets*

The management determines the impairment loss on non-current assets other than goodwill if circumstances indicate that the carrying value of an asset may not be recoverable. The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. Goodwill is tested annually for impairment. Management assesses impairment of goodwill by preparing discounted cash flow forecasts for each CGU to which goodwill has been allocated and comparing the net present value of the forecast cash flows with the carrying values of the related assets.

The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to level of sales volume, sales revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sales volume, sales revenue and amount of operating costs.

#### (c) *Determining the lease term*

As explained in policy note 4(i), the lease liability is initially recognized at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognized in future years.

## 6 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following four major operating segments. Certain operating segments have been aggregated to form the following reportable segments.

- Down related apparels – The down related apparels segment carries on the business of sourcing and distributing branded down and related apparels and certain brand authorization.
- OEM management – The OEM management segment carries on the business of sourcing and distributing OEM products.



## 6 REVENUE AND SEGMENT REPORTING (CONTINUED)

- Ladieswear apparels – The ladieswear apparels segment carries on the business of sourcing and distributing branded ladieswear apparels.
- Diversified apparels – The diversified apparels segment carries on the business of sourcing and distributing non-seasonal apparels, including school uniforms and children’s wear.

### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	For the year ended March 31,	
	2024 RMB'000	2023 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Disaggregated by major products or service lines		
– Sales of apparels	23,041,393	16,603,642
– Royalty income	168,274	167,037
<b>Revenue from other sources</b>		
Gross rentals from investment properties	4,366	3,541
<b>Consolidated revenue</b>	<b>23,214,033</b>	<b>16,774,220</b>

All revenue was recognized at point in time.

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 6(d).

### (b) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group’s senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

Segment profit represents revenue less cost of sales, and includes selling and distribution expenses and administrative expenses directly attributable to the segment. Items that are not specifically attributable to individual segments, such as unallocated entertainment expenses and consulting expenses, share of losses of associates and joint ventures, finance income, finance costs, government grants, and unallocated head office and corporate expenses are not included in segment profit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6 REVENUE AND SEGMENT REPORTING (CONTINUED)

#### (b) Segment results (Continued)

In addition to receiving segment information concerning segment profit, management is also provided with segment information concerning amortization expenses and impairment losses recognized in profit or loss during the reporting period on intangible assets and goodwill.

A measurement of segment assets and liabilities is not provided regularly to the Group's most senior executive management, and accordingly, no segment assets or liabilities information is presented.

Disaggregation of revenue from contracts with customers and revenue from other sources by the information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended March 31, 2024 and 2023 is set out below.

	For the year ended March 31, 2024				
	Down related apparels RMB'000	OEM management RMB'000	Ladieswear apparels RMB'000	Diversified apparels RMB'000	Group RMB'000
Revenue from external customers	19,521,311	2,669,712	819,800	203,210	23,214,033
Inter-segment revenue	21,715	25,595	–	32,120	79,430
<b>Reportable segment revenue</b>	<b>19,543,026</b>	<b>2,695,307</b>	<b>819,800</b>	<b>235,330</b>	<b>23,293,463</b>
<b>Reportable segment profit/(losses)</b>	<b>4,350,179</b>	<b>260,871</b>	<b>(20,805)</b>	<b>(1,617)</b>	<b>4,588,628</b>
Amortization of intangible assets	–	–	(35,881)	–	(35,881)
Impairment losses on goodwill	–	–	(70,000)	–	(70,000)

	For the year ended March 31, 2023				
	Down related apparels RMB'000	OEM management RMB'000	Ladieswear apparels RMB'000	Diversified apparels RMB'000	Group RMB'000
Revenue from external customers	13,574,497	2,294,134	702,953	202,636	16,774,220
Inter-segment revenue	15,612	46,986	–	24,505	87,103
<b>Reportable segment revenue</b>	<b>13,590,109</b>	<b>2,341,120</b>	<b>702,953</b>	<b>227,141</b>	<b>16,861,323</b>
<b>Reportable segment profit/(losses)</b>	<b>2,688,571</b>	<b>306,054</b>	<b>(50,681)</b>	<b>5,269</b>	<b>2,949,213</b>
Amortization of intangible assets	–	–	(35,881)	–	(35,881)
Impairment losses on goodwill	–	–	(118,000)	–	(118,000)

## 6 REVENUE AND SEGMENT REPORTING (CONTINUED)

### (c) Reconciliations of reportable segment revenues, profit before taxation

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Revenue</b>		
Reportable segment revenue	23,293,463	16,861,323
Elimination of inter-segment revenue	(79,430)	(87,103)
Consolidated revenue	23,214,033	16,774,220

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Profit before taxation</b>		
Reportable segment profit	4,588,628	2,949,213
Amortization expenses	(35,881)	(35,881)
Government grants (note 7)	216,076	309,583
Impairment losses on goodwill (note 17)	(70,000)	(118,000)
Share of losses of associates and joint ventures	(14,195)	(22,296)
Finance income (note 10)	374,212	293,214
Finance costs (note 10)	(216,363)	(209,977)
Unallocated expenses	(301,267)	(278,543)
Consolidated profit before taxation	4,541,210	2,887,313

### (d) Geographic information

Except for land and buildings and investment properties with the aggregate carrying amount of RMB250,016,000 (March 31, 2023: RMB238,173,000) located in the United Kingdom, all of the Group's property, plant and equipment and investment properties are located in mainland China at March 31, 2024.

The geographical location information of property, plant and equipment and investment property is based on the physical location of the assets.

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6 REVENUE AND SEGMENT REPORTING (CONTINUED)

#### (d) Geographic information (Continued)

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
PRC	21,817,412	15,402,131
North America	677,788	794,739
Europe and other regions	718,833	577,350
	<b>23,214,033</b>	16,774,220

### 7 OTHER INCOME

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Government grants	216,076	309,583

The Group received unconditional discretionary grants amounting to RMB216,076,000 for the year ended March 31, 2024 (for the year ended March 31, 2023: RMB309,583,000) from various local PRC government authorities.

### 8 PERSONNEL EXPENSES

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Salaries, wages and other benefits	2,317,612	1,638,310
Equity-settled share-based payments (note 37)	99,552	5,957
Contributions to defined contribution plans	239,397	195,535
	<b>2,656,561</b>	1,839,802

Employees of the Group's PRC subsidiaries are required to participate in defined contribution retirement schemes administered and operated by the local municipal governments where the subsidiaries are registered. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the respective local municipal government to the schemes to fund the retirement benefits of the employees. The Group remits all pension fund contributions to the respective tax bureau, which are responsible for the payment and liabilities relating to the pension funds.

## 8 PERSONNEL EXPENSES (CONTINUED)

The Group also operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed in Hong Kong under the Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of Hong Kong Dollars (“HKD”) 30,000. Contributions to the plan vest immediately.

The Company’s and its subsidiaries’ contributions made to the above defined contribution schemes are non-refundable and cannot be used to reduce the future or existing level of contribution of the Company and its subsidiaries should any forfeiture be resulted from the schemes.

The Group has no other material obligation for the payment of retirement benefits other than the contributions described above.

## 9 EXPENSE BY NATURE

The following expenses are included in cost of sales, selling and distribution expenses and administrative expenses:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Cost of inventories recognized as expenses included in cost of sales	<b>9,380,493</b>	6,798,344
Depreciation		
– assets leased out	<b>9,276</b>	8,663
– owned property, plant and equipment	<b>687,061</b>	473,879
– right-of-use assets	<b>484,861</b>	431,006
Amortization charge		
– intangible assets	<b>35,881</b>	35,881
Impairment losses on goodwill	<b>70,000</b>	118,000
Lease charge of short-term leases exempt from capitalization under IFRS 16	<b>117,765</b>	98,912
Variable lease payments	<b>1,916,759</b>	1,686,852
Auditors’ remuneration of audit service	<b>5,600</b>	5,600

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10 NET FINANCE INCOME

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Recognized in profit or loss:</b>		
Interest income on bank deposits, loan receivable due from a related party and long-term receivables	200,509	132,013
Interest income on other financial assets measured at amortized cost (note 26(a))	2,566	13,676
Total interest income on financial assets	203,075	145,689
Unrealized/realized net gain in financial assets classified as FVPL (note 26(c))	140,518	140,451
Dividend income (note 26(b))	1,427	–
Changes in fair value of derivative financial instruments (note 21)	721	–
Net foreign exchange gain	28,471	7,074
Finance income	374,212	293,214
Interest on interest-bearing borrowings and discounted bills and other finance cost	(73,256)	(71,661)
Interest on convertible bonds (note 33)	(70,685)	(66,886)
Bank charges	(22,960)	(23,916)
Interest expenses on lease liabilities	(49,462)	(47,514)
Finance costs	(216,363)	(209,977)
Net finance income recognized in profit or loss	157,849	83,237

### 11 INCOME TAX

#### (a) Income tax in profit or loss represents:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Current tax</b>		
Provision for income tax for the year	1,105,942	786,848
<b>Deferred tax</b>		
Origination and reversal of temporary differences (note 22(a))	315,132	(55,918)
	1,421,074	730,930

## 11 INCOME TAX (CONTINUED)

### (a) Income tax in profit or loss represents: (Continued)

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No tax provision has been made for Bosideng UK Limited and Bosideng Retail Limited, as they do not have assessable profits subject to any income tax in the United Kingdom during the years ended March 31, 2024 and 2023.
- (iii) The provision includes provision for PRC income tax and provision for Hong Kong income tax. Provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of each of the Group’s subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC. Provision for Hong Kong income tax is calculated at Hong Kong Profits Tax rate 16.5% on the estimated assessable Hong Kong profits for the years ended March 31, 2024 and 2023.

For the year ended March 31, 2024, the standard income tax rate for all domestic companies established in the PRC was 25%, except for Shanghai Bosideng Information Technology Co., Ltd., a software enterprise in the PRC and You Nuo (Tianjin) Clothing Limited (“You Nuo”), a clothing enterprise in the PRC. Shanghai Bosideng Information Technology Co., Ltd. was granted a preferential rate of 15% for high-tech enterprises for three years starting from 2022, and You Nuo was granted a preferential rate of 15% for high-tech enterprises for three years starting from 2023.

- (iv) Under the Enterprise Income Tax Law (“EIT Law”) and its relevant regulations, dividends receivable by non-PRC resident enterprises from PRC resident enterprises for earnings accumulated beginning on January 1, 2008 are subject to withholding tax at a rate of 10% unless reduced by tax treaties or agreements. Under the tax arrangement between the mainland China and the Hong Kong Special Administrative Region of the PRC, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% or more of the equity interest of a PRC resident enterprise is entitled to a reduced dividend withholding tax rate of 5%.

During the year ended March 31, 2024, a PRC dividend withholding tax of RMB244,939,000 (2023: RMB111,210,000) was provided against the dividend distributed during the year and to be distributed in the foreseeable future out of earnings of the PRC subsidiaries.

- (v) The equity-settled share-based payments expenses recognized in profit or loss could not be tax-deducted until the relevant share options are actually exercised or relevant restricted shares are vested and the individual income tax has been paid. Tax benefit from intrinsic value of share options exercised and restricted shares vested represents the difference between the actual costs offered by the Group to the employees in relation to equity-settled share-based payments, i.e. the total consideration obtained by the employees via trading the shares in capital market minus the proceeds received by the Group from the employees, and the corresponding expenses previously recognized in profit or loss being deducted in annual tax filing by relevant subsidiaries within the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11 INCOME TAX (CONTINUED)

#### (b) Reconciliation between income tax and accounting profit at applicable tax rates:

	For the year ended March 31,	
	2024 RMB'000	2023 RMB'000
Profit before taxation	4,541,210	2,887,313
Income tax at the applicable PRC income tax rate of 25%	1,135,303	721,828
Tax effect of unused tax losses and temporary differences not recognized, net of utilization	4,067	(11,808)
Tax effect of non-deductible expenses	50,259	26,781
Effect of tax concessions of PRC operations	2,607	(5,511)
Effect of tax rate difference under different tax jurisdictions	(426)	5,880
Effect of tax benefit from intrinsic value of share options exercised and restricted shares vested (note 11(a)(v))	(9,432)	(104,831)
Effect of share of losses of associates and joint ventures	2,028	3,297
Effect of PRC dividend withholding tax (note 11(a)(iv))	244,939	111,210
Others	(8,271)	(15,916)
Income tax	1,421,074	730,930

#### (c) Income tax recognized in other comprehensive income:

	For the year ended March 31,					
	2024			2023		
	Before tax amount RMB'000	Tax effect RMB'000	Net of tax amount RMB'000	Before tax amount RMB'000	Tax effect RMB'000	Net of tax amount RMB'000
Net change in fair value of other financial assets measured at FVOCI	11,559	(2,890)	8,669	(21,977)	5,494	(16,483)

#### (d) Income tax payable in the consolidated statement of financial position represents:

	For the year ended March 31,	
	2024 RMB'000	2023 RMB'000
Balance at the beginning of the year	669,005	620,299
Provision for current income tax recognized in profit or loss for the year	1,105,942	786,848
Payments during the year	(1,277,876)	(738,142)
Income tax payable at the end of the year	497,071	669,005



## 12 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

**For the year ended March 31, 2024**

	Directors' fees RMB'000	Salaries, allowances and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Equity-settled share-based payments RMB'000	Contributions to defined Contribution Schemes RMB'000	Total RMB'000
<b>Executive directors</b>						
Gao Dekang	330	7,108	-	-	-	7,438
Mei Dong	330	3,810	-	-	145	4,285
Huang Qiaolian	330	1,332	-	-	-	1,662
Rui Jinsong	330	14,442	-	20,898	145	35,815
Gao Xiaodong	330	1,309	-	-	101	1,740
<b>Independent non-executive directors</b>						
Dong Binggen	330	-	-	-	-	330
Wang Yao (i)	-	-	-	-	-	-
Ngai Wai Fung	385	-	-	-	-	385
	<b>2,365</b>	<b>28,001</b>	<b>-</b>	<b>20,898</b>	<b>391</b>	<b>51,655</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12 DIRECTORS' EMOLUMENTS (CONTINUED)

For the year ended March 31, 2023

	Directors' fees RMB'000	Salaries, allowances and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Equity-settled share-based payments RMB'000	Contributions to defined Contribution Schemes RMB'000	Total RMB'000
<b>Executive directors</b>						
Gao Dekang	330	4,820	–	–	–	5,150
Mei Dong	330	3,722	–	–	137	4,189
Huang Qiaolian	330	1,459	–	–	–	1,789
Rui Jinsong	330	2,690	–	27,262	137	30,419
Gao Xiaodong	330	1,310	–	–	137	1,777
<b>Independent non-executive directors</b>						
Dong Binggen	330	–	–	–	–	330
Wang Yao (i)	–	–	–	–	–	–
Ngai Wai Fung	385	–	–	–	–	385
	2,365	14,001	–	27,262	411	44,039

- (i) During the years ended March 31, 2024 and 2023, Mr. Wang Yao, an independent non-executive director, waived director's fee of RMB330,000.

During the years ended March 31, 2024 and 2023, no amount was paid or payable by the Group to the directors or any of the other four highest paid individuals set out in note 13 below as an inducement to join or upon joining the Group or as compensation for loss of office.

### 13 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (for the year ended March 31, 2023: one) is a director whose emoluments is disclosed in note 12. For the year ended March 31, 2024, the aggregate of the emoluments in respect of the other four (for the year ended March 31, 2023: four) individuals are listed as follows:

	For the year ended March 31,	
	2024 RMB'000	2023 RMB'000
Salaries and other emoluments	8,758	8,794
Equity-settled share-based payments	26,860	34,497
Contributions to defined contribution schemes	536	461
	<b>36,154</b>	43,752

For the year ended March 31, 2024, the other four (for the year ended March 31, 2023: four) individuals with the highest emoluments are within the following band:

	For the year ended March 31,	
	2024 Number of individuals	2023 Number of individuals
RMB6,500,001 to RMB7,000,000	1	–
RMB7,500,001 to RMB8,000,000	–	1
RMB8,500,001 to RMB9,000,000	1	–
RMB9,000,001 to RMB9,500,000	1	–
RMB10,000,001 to RMB10,500,000	–	1
RMB11,000,001 to RMB11,500,000	1	–
RMB11,500,001 to RMB12,000,000	–	1
RMB13,000,001 to RMB13,500,000	–	1

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share for the year ended March 31, 2024 is based on the profit attributable to equity shareholders of the Company of RMB3,074,072,000 for the year ended March 31, 2024 (2023: RMB2,138,574,000) and the weighted average number of ordinary shares in issue during the years ended March 31, 2024 and 2023, calculated as follows:

Weighted average number of ordinary shares:

	For the year ended March 31,	
	2024 '000	2023 '000
Issued ordinary shares at the beginning of the year	10,847,435	10,814,501
Effect of treasury shares purchased for the Share Award Scheme	(16,577)	–
Effect of restricted shares vested	11,472	6,097
Effect of share options exercised	2,905	5,241
Weighted average number of ordinary shares	10,845,235	10,825,839
Basic earnings per share (RMB cents)	28.34	19.75

#### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB3,144,757,000 (2023: RMB2,205,460,000), after adjusting for the effective interest on the liability component of convertible bonds of RMB70,685,000 (2023: RMB66,886,000), and the weighted average number of ordinary shares of 11,425,719,000 (2023: 11,435,784,000 shares), after adjusting for the effect of the Company's share-based payment arrangements (note 37) and the effect of conversion of convertible bonds, as follows:

Weighted average number of ordinary shares (diluted):

	For the year ended March 31,	
	2024 '000	2023 '000
Weighted average number of ordinary shares (basic)	10,845,235	10,825,839
Effect of share-based payment arrangements	99,048	121,734
Effect of conversion of convertible bonds	481,436	488,211
Weighted average number of ordinary shares (diluted)	11,425,719	11,435,784
Diluted earnings per share (RMB cents)	27.52	19.29

## 15 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings RMB'000	Machinery RMB'000	Motor vehicles and others RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Cost:</b>						
At April 1, 2022	973,204	301,213	444,112	1,628,812	140,971	3,488,312
Additions	848	14,451	76,602	333,441	30,846	456,188
Transfer among items under property, plant and equipment	103,067	32	3,150	22,833	(129,082)	–
Disposal	(457)	(1,673)	(19,741)	(54,738)	–	(76,609)
Movement of exchange rate	1,433	–	231	–	–	1,664
At March 31, 2023	1,078,095	314,023	504,354	1,930,348	42,735	3,869,555
Additions	–	29,374	36,195	440,994	21,343	527,906
Transfer among items under property, plant and equipment	–	26,178	1,837	15,978	(43,993)	–
Disposal	(2,626)	(152)	(22,536)	(115,299)	–	(140,613)
Movement of exchange rate	3,713	–	169	–	–	3,882
At March 31, 2024	<b>1,079,182</b>	<b>369,423</b>	<b>520,019</b>	<b>2,272,021</b>	<b>20,085</b>	<b>4,260,730</b>
<b>Accumulated depreciation:</b>						
At March 31, 2022	(262,428)	(68,597)	(300,263)	(1,098,942)	–	(1,730,230)
Depreciation charged for the year	(48,387)	(25,845)	(55,210)	(344,437)	–	(473,879)
Disposal	135	1,531	19,574	41,903	–	63,143
Movement of exchange rate	(623)	–	(225)	–	–	(848)
At March 31, 2023	(311,303)	(92,911)	(336,124)	(1,401,476)	–	(2,141,814)
Depreciation charged for the year	(48,516)	(26,942)	(55,522)	(556,081)	–	(687,061)
Disposal	1,859	142	16,046	95,671	–	113,718
Movement of exchange rate	(1,469)	–	(153)	–	–	(1,622)
At March 31, 2024	<b>(359,429)</b>	<b>(119,711)</b>	<b>(375,753)</b>	<b>(1,861,886)</b>	<b>–</b>	<b>(2,716,779)</b>
<b>Net book value:</b>						
At March 31, 2024	<b>719,753</b>	<b>249,712</b>	<b>144,266</b>	<b>410,135</b>	<b>20,085</b>	<b>1,543,951</b>
At March 31, 2023	766,792	221,112	168,230	528,872	42,735	1,727,741

Except for freehold land and buildings with the carrying amount of RMB39,602,000 (March 31, 2023: RMB36,987,000) which were located in the United Kingdom, all other buildings were located in mainland China at March 31, 2024. The properties located in the United Kingdom were acquired by the Group in June 2011.

As at March 31, 2024, no interest expense was capitalized as there were no material borrowing costs directly attributable to the acquisition of qualifying assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 16 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Properties leased for own use RMB'000	Land use rights RMB'000	Total RMB'000
<b>Cost:</b>			
At April 1, 2022	1,847,942	182,505	2,030,447
Additions	344,944	–	344,944
Disposals	(106,873)	–	(106,873)
At March 31, 2023 and April 1, 2023	2,086,013	182,505	2,268,518
Additions	474,614	–	474,614
Disposals	(22,198)	–	(22,198)
At March 31, 2024	<b>2,538,429</b>	<b>182,505</b>	<b>2,720,934</b>
<b>Accumulated depreciation:</b>			
At April 1, 2022	(887,992)	(20,565)	(908,557)
Charge for the year	(425,422)	(5,584)	(431,006)
Disposals	49,171	–	49,171
At March 31, 2023 and April 1, 2023	(1,264,243)	(26,149)	(1,290,392)
Charge for the year	(479,280)	(5,581)	(484,861)
Disposals	12,474	–	12,474
At March 31, 2024	<b>(1,731,049)</b>	<b>(31,730)</b>	<b>(1,762,779)</b>
<b>Net book Value</b>			
At March 31, 2024	<b>807,380</b>	<b>150,775</b>	<b>958,155</b>
At March 31, 2023	821,770	156,356	978,126

## 16 RIGHT-OF-USE ASSETS (CONTINUED)

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Land use rights (i)	5,581	5,584
Properties leased for own use (ii)	479,280	425,422
	<b>484,861</b>	431,006
Interest on lease liabilities (note 10)	49,462	47,514
Lease charge of short-term leases exempt from capitalization under IFRS 16	117,765	98,912
Variable lease payments	1,916,759	1,691,453
COVID-19-related rent concessions in the form of a discount on fixed lease payments	–	(4,601)

During the year ended March 31, 2024, additions to right-of-use assets were RMB474,614,000. This amount primarily related to the capitalized lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 29(c) and 31, respectively.

### (i) Land use rights

Land in respect of land use rights are all located in the PRC with a lease period of 41 to 50 years when granted.

### (ii) Properties leased for own use

The Group has obtained the right to use other properties as its warehouses and retail stores through tenancy agreements. The leases typically run for an initial period of 2 to 13 years.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. As the Group has been reasonably certain to exercise the extension options, future lease payments of leases with options to renew have been recorded as right-of-use assets and no potential exposure to these future lease payments is needed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 17 INTANGIBLE ASSETS AND GOODWILL

	Goodwill RMB'000	Customer relationships RMB'000	Trademarks RMB'000	Total RMB'000
<b>Cost:</b>				
At March 31, 2022, 2023 and 2024	1,708,151	648,822	633,795	2,990,768
<b>Amortization and impairment losses:</b>				
At March 31, 2022	(640,741)	(634,852)	(219,016)	(1,494,609)
Amortization charge for the year	–	(4,191)	(31,690)	(35,881)
Impairment losses	(118,000)	–	–	(118,000)
At March 31, 2023	(758,741)	(639,043)	(250,706)	(1,648,490)
Amortization charge for the year	–	(4,191)	(31,690)	(35,881)
Impairment losses	(70,000)	–	–	(70,000)
At March 31, 2024	<b>(828,741)</b>	<b>(643,234)</b>	<b>(282,396)</b>	<b>(1,754,371)</b>
<b>Net book value:</b>				
At March 31, 2024	<b>879,410</b>	<b>5,588</b>	<b>351,399</b>	<b>1,236,397</b>
At March 31, 2023	949,410	9,779	383,089	1,342,278

Customer relationships and trademarks acquired in the business combination were identified and recognized as intangible assets with definite useful lives and carried at historical cost with amortization. The amortization charge of customer relationships and trademarks for the year is included in “selling and distribution expenses” in the consolidated statement of profit or loss and other comprehensive income.

#### Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, customer relationships, trademarks and goodwill are allocated to the Group’s CGUs according to the Group’s operating divisions.

The management of the Group engaged an external valuer to conduct an impairment test to determine the recoverable amounts of each of the above CGUs containing intangible assets and goodwill as at March 31, 2024.

The recoverable amounts of each of the above CGUs were estimated based on the value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGUs. The value in use calculation uses cash flow projections based on financial budgets approved by the management for the purposes of impairment reviews covering a five-year period. Cash-flows beyond the five-year period are extrapolated using an estimated annual growth rate of 2.5% (for the year ended March 31, 2023: 3.0%). The discount rate used is the CGU’s specific weighted average cost of capital, adjusted for a risk premium to reflect specific risks relating to the CGU. The estimates of value in use of JESSIE brand ladieswear CGU, BUOU BUOU brand ladieswear CGU and Tianjin ladieswear CGU, respectively, were determined using a pre-tax discount rate with a range from 16.4% to 16.8% (for the year ended March 31, 2023: from 17.1% to 17.3%).



## 17 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

### Impairment testing for cash-generating unit containing goodwill (continued)

Based on assessments using the discounted cashflow forecast method, the recoverable amounts of JESSIE brand ladieswear CGU and Tianjin ladieswear CGU were higher than the carrying amounts. The businesses of BUOU BUOU brand ladieswear CGU was under-performed. According to the valuation reports issued by the external valuer on June 24, 2024, the recoverable amount of BUOU BUOU brand ladieswear CGU as at March 31, 2024 was RMB430,388,000, which was RMB70,000,000 lower than its carrying amount. Therefore, an impairment loss of RMB70,000,000 has been recognized in the profit or loss account for the year ended March 31, 2024. The impairment loss is fully allocated to goodwill.

The aggregate carrying amount of goodwill allocated to each CGU is as follows:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Gross value</b>		
Menswear	292,741	292,741
Ladieswear – JESSIE brand	484,312	484,312
Ladieswear – BUOU BUOU brand	525,137	525,137
Ladieswear – Tianjin Ladieswear	405,961	405,961
	<b>1,708,151</b>	1,708,151
<b>Accumulated impairment losses</b>		
Menswear	(292,741)	(292,741)
Ladieswear – JESSIE brand	(160,800)	(160,800)
Ladieswear – BUOU BUOU brand	(320,600)	(250,600)
Ladieswear – Tianjin Ladieswear	(54,600)	(54,600)
	<b>(828,741)</b>	(758,741)
<b>Net value</b>		
Menswear	–	–
Ladieswear – JESSIE brand	323,512	323,512
Ladieswear – BUOU BUOU brand	204,537	274,537
Ladieswear – Tianjin Ladieswear	351,361	351,361
	<b>879,410</b>	949,410

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 18 INTERESTS IN ASSOCIATES

The following list contains the particulars of associates, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Anhui Liugiao International Supply Chain Co., Ltd. ("Anhui Liugiao")	Limited liability company	Mainland China	Registered capital RMB100,000,000	35%	–	35%	Trading of down raw materials (i)
Anhui Ehong Down Co., Ltd. ("Anhui Ehong")	Limited liability company	Mainland China	Registered capital RMB33,350,000	40%	–	40%	Trading of down raw materials (ii)

- (i) Anhui Liugiao is a down supplier in the Chinese market, which was invested by a subsidiary of the Company on November 29, 2021.
- (ii) Anhui Ehong is a down supplier in the Chinese market, which was invested by the Group on October 30, 2023. Pursuant to relevant shares transfer agreement, the Group was granted a put option, giving it a right to require the original shareholders of Anhui Ehong to repurchase all the shares held by the Group at a price equal to the original consideration of RMB13,350,000 plus interests at 8% per annum by cash if certain conditions are met.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Aggregate information of associates that are not individually material:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	52,558	66,071
Aggregate amounts of the Group's share of those associates'		
– Profit for the year	3,700	4,369
– Other comprehensive income	–	–
Total comprehensive income	3,700	4,369

## 19 INTEREST IN JOINT VENTURES

Details of the Group's interest in joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint venture	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Bogner GCA Holding PTE. Ltd. ("Bogner GCA Holding")	Limited liability company	Singapore	Registered capital USD30,800,000	55%	–	55%	Wholesale and retail of clothes and accessories (i)
Bogner GCA IP GmbH & Co. KG ("Bogner IPCo")	Limited partnership	Germany	Registered capital EUR100	45%	–	45%	Holding and administration of assets (ii)
Bogner GCA IP Management GmbH ("Bogner IPCo GP")	Limited liability company	Germany	Registered capital EUR25,000	45%	–	45%	Management of Bogner IPCo (iii)
Lang Giang Textile Joint Stock Company ("Lang Giang")	Limited liability company	Vietnam	Registered capital Vietnam Dong ("VND") 105,000,000,000	60%	–	60%	Garment manufacturing (iv)
Tan Duong Export Garment Co., Ltd. ("Tan Duong")	Limited liability company	Vietnam	Registered capital VND 60,575,291,615	60%	–	60%	Garment manufacturing (v)

- (i) Bogner GCA Holding was established by the Group together with WILLY BOGNER GMBH & CO. KGAA ("WILLY BOGNER"). On February 24, 2022, the Group had made cash contribution of USD16,940,000 (equivalent to RMB107,196,000) for 55% ownership interest in Bogner GCA Holding. Bogner GCA Holding is mainly engaged in the sourcing and distribution of high-end outdoor sport fashion apparels of Bogner brand.
- (ii) Bogner IPCo was established by the Group together with WILLY BOGNER. On June 29, 2022, the Group had made cash contribution of USD13,860,000 (equivalent to RMB92,911,000) for 45% ownership interest in Bogner IPCo. Bogner IPCo is a German limited partnership, which is mainly engaged in holding and administration of assets, in particular, trademarks and licensing of trademarks of Bogner brand.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19 INTEREST IN JOINT VENTURES (CONTINUED)

- (iii) Bogner IPCo GP was established by the Group together with WILLY BOGNER. On June 29, 2022, the Group had made cash contribution of EUR11,000 (equivalent to RMB78,000) for 45% ownership interest in Bogner IPCo GP. Bogner IPCo GP participates as a general partner and assumes the management of Bogner IPCo.
- (iv) Lang Giang operates in Vietnam and is principally engaged in garment manufacturing, which was firstly invested by the Group on November 26, 2021 to acquire 25% of its equity shares by making cash consideration of USD1,148,000 (equivalent to RMB7,432,000). The Group entered into a shares transfer agreement (“STA1”) with the other shareholder of Lang Giang to acquire an additional 35% of the shares of Lang Giang on July 13, 2023 by making cash consideration of USD1,545,000 (equivalent to RMB10,959,000). Pursuant to STA1, the Group granted a call option to the other shareholder of Lang Giang, giving it the right to purchase back its 35% of equity shares in Lang Giang with the original cash consideration paid by the Group if certain conditions are met.
- (v) Tan Duong operates in Vietnam and is principally engaged in garment manufacturing, which was firstly invested by the Group on January 13, 2023 to acquire 49% of its equity shares by making a cash consideration of USD2,800,000 (equivalent to RMB18,931,000). The Group entered into a shares transfer agreement (“STA2”) with the other shareholder of Tan Duong to acquire an additional 11% of its equity shares of Tan Duong on August 4, 2023 by making a cash consideration of USD629,000 (equivalent to RMB4,512,000). Pursuant to STA2, the Group granted a call option to the other shareholder of Tan Duong, giving it the right to purchase back its 11% equity shares in Tan Duong with the original cash consideration paid by the Group if certain conditions are met.

Bogner GCA Holding, Bogner IPC, Bogner IPCo GP, Lang Giang, and Tan Duong are unlisted corporate entities whose quoted market price are not available.

- (a) Summarized financial information of Bogner GCA Holding and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Gross amounts of Bogner GCA Holding's</b>		
Current assets	<b>105,439</b>	141,061
Non-current assets	<b>18,092</b>	23,361
Current liabilities	<b>(8,909)</b>	(29,629)
Equity	<b>114,622</b>	134,793

## 19 INTEREST IN JOINT VENTURES (CONTINUED)

- (a) Summarized financial information of Bogner GCA Holding and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below (continued):

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Revenue	52,318	36,621
Loss for the year	(20,315)	(48,499)
Other comprehensive income	–	–
Total comprehensive income	(20,315)	(48,499)
Reconciled to the Group's interest in Bogner GCA Holding		
Gross amounts of Bogner GCA Holding's net assets	114,622	134,793
Group's effective interest	55%	55%
Group's share of Bogner GCA Holding's net assets	63,042	74,136
Carrying amount of the Group's interest	63,042	74,136

- (b) Summarized financial information of Bogner IPCo and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Gross amounts of Bogner IPCo's</b>		
Current assets	1,186	1,236
Non-current assets	207,337	211,448
Current liabilities	(1,314)	(1,019)
Equity	207,209	211,665

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19 INTEREST IN JOINT VENTURES (CONTINUED)

- (b) Summarized financial information of Bogner IPCo and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below (continued):

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Revenue	728	1,172
(Loss)/profit for the year	(9,907)	16
Other comprehensive income	–	–
Total comprehensive income	(9,907)	16
Reconciled to the Group's interest in Bogner IPCo		
Gross amounts of Bogner IPCo's net assets	207,209	211,665
Group's effective interest	45%	45%
Group's share of Bogner IPCo's net assets	93,244	95,249
Carrying amount of the Group's interest	93,244	95,249

- (c) Aggregate information of joint ventures which are not individually material, are disclosed below:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Gross amounts of individually immaterial joint ventures in the consolidated financial statements</b>		
Aggregate amounts of the Group's share of those joint ventures		
Loss for the year	(2,264)	–
Total comprehensive income	(2,264)	–

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	44,503	85

## 20 INVESTMENT PROPERTIES

	At March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Cost:</b>		
At the beginning of the year	370,801	365,615
Addition	–	763
Effect of movement in exchange rates	12,377	4,423
At March 31	383,178	370,801
<b>Accumulated depreciation:</b>		
At the beginning of the year	(108,287)	(99,335)
Charge for the year	(9,276)	(8,663)
Effect of movement in exchange rates	(913)	(289)
At March 31	(118,476)	(108,287)
<b>Net book value:</b>		
At March 31	264,702	262,514

Investment properties comprise land and buildings that are leased to third parties. As at March 31, 2024, freehold investment properties of RMB210,414,000 (March 31, 2023: RMB201,186,000) represented land and buildings located in the United Kingdom and leasehold investment properties of RMB54,288,000 (March 31, 2023: RMB61,328,000) represented buildings located in mainland China. The Group leases out investment properties under operating leases. The leases carry rentals which were determined based on the lease contract with third parties for a period of typically three to ten years.

As at March 31, 2024, the aggregate fair value of the investment properties located in the United Kingdom was approximately GBP26,280,000 (equivalent to approximately RMB236,526,000) (March 31, 2023: GBP26,190,000 (equivalent to approximately RMB222,945,000)), which was based on the valuation performed by an independent professionally qualified valuer, on an open market, existing use basis. The aggregate fair value of the investment properties located in mainland China was approximately RMB176,405,000 (2023: RMB183,970,000), which was based on the valuation performed by an independent professionally qualified valuer, on an open market, existing use basis.

During the year ended March 31, 2024, rental income of RMB4,366,000 (March 31, 2023: RMB3,541,000) was recognized in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 20 INVESTMENT PROPERTIES (CONTINUED)

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Within 1 year	3,294	6,565
After 1 year but within 5 years	9,041	20,042
After 5 years	4,124	5,538
	16,459	32,145

### 21 DERIVATIVE FINANCIAL INSTRUMENTS

	At March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Derivative financial asset</b>		
Non-current		
Put option to sell equity interests to other shareholders of an associate (note 18(ii))	3,726	–
<b>Derivative financial liabilities</b>		
Non-current		
Call options granted to other shareholders a right to repurchase equity interests in joint ventures (notes 19(iv) and (v))	(3,655)	–

Derivative financial assets and liabilities were initially recognized at fair value of RMB3,558,000 and RMB4,208,000, respectively. During the year, the net unrealized gain in these derivative financial instruments of RMB721,000 was recognized as a gain in finance income (for the year ended March 31, 2023: Nil). The derivative financial asset has been classified as a non-current asset as the corresponding put option is expected not to be exercised within one year. The derivative financial liabilities have been classified as non-current liabilities as the exercise dates of the call options were beyond one year.



## 22 DEFERRED TAX ASSETS AND LIABILITIES

- (a) The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements during the years are as follows:

	Write down of inventory RMB'000	Provision for impairment loss for bad and doubtful debts RMB'000	Customer relationships and Trademark RMB'000	Property, plant and equipment RMB'000	Withholding tax on dividends RMB'000	Unrealized profits arising from intra-group transactions RMB'000	Unused tax losses RMB'000	Depreciation charge of right-of-use assets RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
At March 31, 2022	91,902	31,080	(107,183)	(4,277)	(24,000)	10,346	420,855	10,509	-	-	16,060	445,292
(Charged)/credited to profit or loss	(13,324)	(10,774)	8,971	841	111,210	133,947	(79,143)	1,608	-	-	13,792	167,128
Released upon distribution of dividends	-	-	-	-	(111,210)	-	-	-	-	-	-	(111,210)
Credited to OCI	-	-	-	-	-	-	-	-	-	-	5,494	5,494
At March 31, 2023	78,578	20,306	(98,212)	(3,436)	(24,000)	144,293	341,712	12,117	-	-	35,346	506,704
Effect of the initial application of Amendments to IAS 12, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (note 3)	-	-	-	-	-	-	-	(12,117)	(181,430)	193,547	-	-
At April 1, 2023 (as restated)	78,578	20,306	(98,212)	(3,436)	(24,000)	144,293	341,712	-	(181,430)	193,547	35,346	506,704
Credited/(charged) to profit or loss	13,907	(201)	8,971	841	(244,939)	(90,100)	(106,344)	-	9,836	(8,549)	30,007	(386,571)
Released upon distribution of dividends	-	-	-	-	71,439	-	-	-	-	-	-	71,439
Credited to OCI	-	-	-	-	-	-	-	-	-	-	(2,890)	(2,890)
At March 31, 2024	92,485	20,105	(89,241)	(2,595)	(197,500)	54,193	235,368	-	(171,594)	184,998	62,463	188,682

Deferred tax assets in respect of unused tax losses, which will expire within five years under current tax legislation, are related to certain subsidiaries of the Group in mainland China, which are expected to derive profits in the foreseeable future. Accordingly, it is considered probable that sufficient taxable profits will be available to utilize their unused tax losses before they expire.

- (b) Reconciliation to the consolidated statement of financial position:

	At March 31, 2024 RMB'000	2023 RMB'000
Net deferred tax assets	497,703	649,092
Net deferred tax liabilities	(309,021)	(142,388)
	188,682	506,704

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 22 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

#### (c) Deferred tax assets and liabilities not recognized

Deferred tax assets/(liabilities) have not been recognized in respect of the following items:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Accumulated tax losses of subsidiaries	202,614	180,032
Retained earnings from PRC subsidiaries not expected to be distributed outside of the PRC in the foreseeable future	(8,278,645)	(7,281,156)

No deferred tax assets have been recognized in respect of the cumulative tax losses of certain overseas subsidiaries of the Group as at March 31, 2024, as management considered that it is not probable that future taxable profit against which the losses can be utilized will be available in the relevant tax jurisdictions and entities. The tax losses of overseas entities do not expire under current tax legislation.

Except for the dividend to be distributed out of earnings of PRC subsidiaries (note 11(a)(iv)), deferred tax liabilities in relation to withholding tax have not been recognized in respect of the above retained earnings from PRC subsidiaries as the Company controls the timing and amounts of distribution and does not expect to incur such liabilities in the foreseeable future.

### 23 INVENTORIES

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Raw materials	921,703	878,207
Work in progress	13,718	11,930
Finished goods	2,262,076	1,799,146
	3,197,497	2,689,283

The analysis of the amount of inventories recognized in cost of sales and included in profit or loss is as follows:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Carrying amount of inventories sold	9,308,423	6,705,518
Write-down of inventories	72,070	92,826
	9,380,493	6,798,344

## 24 TRADE AND BILLS RECEIVABLES

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Trade receivables	<b>1,191,438</b>	746,835
Bills receivable	<b>393,657</b>	263,818
Less: loss allowance for doubtful debts	<b>(87,195)</b>	(87,668)
	<b>1,497,900</b>	922,985

The gross carrying amount of trade and bills receivables from contract with customers amounted to RMB1,585,095,000 as at March 31, 2024 (2023: RMB1,010,653,000).

All of the trade and bills receivables are expected to be recovered within one year.

As at March 31, 2024, the Group endorsed certain bank acceptance bills totaling RMB142,641,000 (March 31, 2023: RMB82,791,000) to suppliers for settling trade payables of the same amount on a full recourse basis. Among these, the Group has derecognized RMB20,492,000 (March 31, 2023: RMB22,512,000) bills receivable and the payables to suppliers in their entirety. These derecognized bank acceptance bills had a maturity date of less than twelve months from the end of the reporting period. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The maximum exposure arising from the Group's continuing involvement in the endorsed bills and the undiscounted cash flows to repurchase these endorsed bills equal to their carrying amounts. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 24 TRADE AND BILLS RECEIVABLES (CONTINUED)

#### Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables and bills receivable, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance on bad and doubtful debts, is as follows:

	At March 31, 2024 RMB'000	2023 RMB'000
Within credit terms	1,398,890	809,689
1 to 3 months past due	84,853	99,744
Over 3 months but less than 6 months past due	10,842	8,423
Over 6 months but less than 12 months past due	2,052	3,790
Over 1 year past due	1,263	1,339
	<b>1,497,900</b>	922,985

Trade receivables and bills receivable are generally due within 30 to 90 days from the date of billing. Further details on the Group's credit policy and exposure to credit and currency risk related to trade and bills receivables are disclosed in notes 38(a) and 38(d).

### 25 LONG-TERM RECEIVABLES/DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At March 31, 2024 RMB'000	2023 RMB'000
<b>Non-current</b>		
Long-term receivables (i)	47,374	–
<b>Current</b>		
Deposits	482,235	598,997
Prepayments for materials and processing fee	360,404	393,716
Prepayments for other services	150,499	117,480
Third party other receivables:		
– Value-added tax (“VAT”) recoverable	187,626	169,801
– Advances to employees	28,410	43,053
– Others	78,502	32,387
	<b>1,287,676</b>	1,355,434
	<b>1,335,050</b>	1,355,434

## 25 LONG-TERM RECEIVABLES/DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

- (i) Changshu Bosideng Import and Export Co., Ltd. (“Bosideng Import and Export”), a PRC subsidiary of the Group, entered into loan agreements with two PRC entities, Suzhou Rabboni Garment Co., Ltd. (“Rabboni Garment”) and Chongqing Shi Shang Gong Yuan Shi Ye Co., Ltd. (“Chongqing Shi Shang”), respectively, pursuant to which Bosideng Import and Export agreed to provide Rabboni Garment and Chongqing Shi Shang guaranteed interest-free loan in the nominal amount of RMB30,000,000 and RMB27,000,000, respectively with 7 years of maturity (the “Loans”) for the purpose of facilitating the construction and development of the factories in Indonesia and Chongqing which will serve the Group’s key customers of the OEM business. Bosideng Import and Export initially measured the Loans at its fair value of RMB46,879,000, being the present value of expected future cash inflows, discounted at a market-related interest rate of 5%. The difference between the fair value at initial recognition and the nominal amount paid of the Loans amounting to RMB10,121,000 is recognized in the consolidated statement of profit or loss. The Loans were subsequently measured at amortized cost using the effective interest method. As at March 31, 2024, the amortized cost of the Loans were RMB47,374,000. The imputed interest income of the Loans of RMB495,000 for the year ended March 31, 2024 was recognized as interest income in the consolidated statement of profit or loss.

## 26 OTHER FINANCIAL ASSETS

	Note	At March 31,	
		2024	2023
		RMB'000	RMB'000
<b>Non-current</b>			
Financial assets measured at amortized cost	(a)	–	51,006
Equity securities designated at FVOCI (non-recycling)	(b)	130,291	118,732
Financial assets classified as FVPL	(c)	228,611	–
		<b>358,902</b>	169,738
<b>Current</b>			
Financial assets measured at amortized cost	(a)	–	100,382
Financial assets classified as FVPL	(c)	3,963,011	3,968,637
		<b>3,963,011</b>	4,069,019
Total		<b>4,321,913</b>	4,238,757

- (a) Financial assets measured at amortized cost are principal guaranteed short-term or long-term investments with banks in the PRC. These investments have expected non-guaranteed or guaranteed returns ranging from 2.29% to 3.03% per annum as at March 31, 2023.

During the year, the interest income derived from investments with banks of RMB2,566,000 (for the year ended March 31, 2023: RMB13,676,000) was recognized as finance income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 26 OTHER FINANCIAL ASSETS (CONTINUED)

- (b) On February 9, 2018, Shuo Ming De Investment Co., Ltd. (“Shuo Ming De”), a subsidiary of the Group, subscribed for 12,184,230 non-public issued shares of Jinhong Fashion Group Co., Ltd. (formerly known as V-GRASS Fashion Co., Ltd.) (Shanghai Stock Exchange stock code: 603518) (“Jinhong Group”) for RMB224,921,000. On May 31, 2019, the shares held by Shuo Ming De increased to 17,057,922 due to the bonus issue of shares made by Jinhong Group. After the disposal of 2,787,223 shares in July 2021, the number of shares held by Shuo Ming De decreased to 14,270,699. As at March 31, 2024, the number of shares held by Shuo Ming De remained at 14,270,699. The Group designated its investment in Jinhong Group as FVOCI (non-recycling), as it is held as a long-term investment instead of being traded for short-term gains.

During the year, the changes in fair value of this investment, after tax effect, of RMB8,669,000 was recognized as a gain in other comprehensive income (for the year ended March 31, 2023: loss of RMB16,483,000).

Dividend income of RMB1,427,000 was received on this investment during the year ended March 31, 2024 (for the year ended March 31, 2023: Nil) and recognized as finance income (note 10) in the consolidated statement of profit or loss and other comprehensive income.

- (c) As at March 31, 2024, financial assets classified as FVPL represent listed equity investments of RMB1,480,000 (March 31, 2023: RMB1,193,000) and investments with banks and other financial institutions of RMB4,190,142,000 (March 31, 2023: RMB3,967,444,000).

#### (i) *Listed equity investments*

The listed equity investments held by the Group, other than the investments in Jinhong Group, were classified as FVPL, as the Group plans not to elect option to irrevocably designate as FVOCI (non-recycling) under IFRS 9 and these investments have been classified as FVPL.

During the year, the net unrealized/realized gain of listed equity investments held by the Group of RMB287,000 were recognized as a gain in finance income (for the year ended March 31, 2023: gain of RMB297,000).

No dividend income received for the year ended March 31, 2024 (for the year ended March 31, 2023: Nil).

#### (ii) *Investments with banks and other financial institutions*

Investments with banks and other financial institutions represented wealth management products offered by banks and other financial institutions. These investments with no guarantee of principal and interest were classified as FVPL. The underlying assets of these wealth management products are a wide range of government and corporate bonds, bank deposits, asset-backed securities, money market funds as well as other listed equity securities, etc.

During the year, the net unrealized/realized gain in these investments of RMB140,231,000 was recognized as a gain in finance income (for the year ended March 31, 2023: RMB140,154,000). Neither the single investment nor investment made with the same bank or other financial institution on an aggregate basis accounted for over 5% of the Group’s total assets.

## 27 PLEDGED BANK DEPOSITS

Bank deposits are pledged to banks as security for the issuance of bills payables:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Non-current	18,336	500,117
Current	653,095	528,115
	<b>671,431</b>	1,028,232

The pledged bank deposits as at March 31, 2024 will be released upon the settlement of the relevant bills payable.

## 28 TIME DEPOSITS

	At March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Non-current</b>		
Time deposits with initial terms over 3 months	1,570,000	350,000
<b>Current</b>		
Time deposits with initial terms over 3 months	2,098,666	1,296,184
	<b>3,668,666</b>	1,646,184

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Cash at bank and on hand	8,978,776	5,542,510
Less: Pledged bank deposits	(653,095)	(528,115)
Time deposits with initial terms over three months and maturity less than one year	(2,098,666)	(1,296,184)
Cash and cash equivalents	6,227,015	3,718,211

(i) Cash at bank and on hand are denominated in:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
– RMB	8,415,266	4,392,552
– USD	457,603	1,026,967
– HKD	101,341	115,566
– GBP	2,580	3,812
– EUR	108	1,666
– JPY	1,878	1,947
	8,978,776	5,542,510

Among the Group's cash at bank balances that are denominated in Renminbi, RMB7,946,687,000 (March 31, 2023: RMB4,391,896,000) of which are deposited with banks in mainland China. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

(ii) Cash and cash equivalents include bank balance of RMB34,936,000 (March 31, 2023: RMB17,574,000) with restriction on use which represented cash collection on behalf of employees in relation to shares disposed of by employees under share-based payment schemes.



## 29 CASH AND CASH EQUIVALENTS (CONTINUED)

### (b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans and other borrowings RMB'000 (note 30)	Convertible Bonds RMB'000 (note 33)	Lease liabilities RMB'000 (note 31)	Total RMB'000
<b>At April 1, 2022</b>	933,950	1,604,606	897,116	3,435,672
<b>Changes from financing cash flows:</b>				
Proceeds from new bank loans	1,165,032	–	–	1,165,032
Repayment of bank loans	(1,374,974)	–	–	(1,374,974)
Payments for redemption of convertible bonds	–	(198,203)	–	(198,203)
Capital element of lease rentals paid	–	–	(400,389)	(400,389)
Total changes from financing cash flows	(209,942)	(198,203)	(400,389)	(808,534)
<b>Exchange adjustments</b>	46,398	137,683	–	184,081
<b>Other changes:</b>				
Increase in lease liabilities from entering into new leases during the year	–	–	344,944	344,944
Effect of early termination of lease contracts	–	–	(51,867)	(51,867)
Equity component of convertible bonds	–	15,797	–	15,797
Interest expenses (note 10)	–	66,886	47,514	114,400
Interest paid/interest element of lease rentals paid	–	(18,798)	(47,514)	(66,312)
Total other changes	–	63,885	293,077	356,962
<b>At March 31 and April 1, 2023</b>	770,406	1,607,971	789,804	3,168,181
<b>Changes from financing cash flows:</b>				
Proceeds from new bank loans	838,611	–	–	838,611
Repayment of bank loans	(838,611)	–	–	(838,611)
Capital element of lease rentals paid	–	–	(516,267)	(516,267)
Total changes from financing cash flows	–	–	(516,267)	(516,267)
<b>Exchange adjustments</b>	(1,970)	53,424	–	51,454
<b>Other changes:</b>				
Increase in lease liabilities from entering into new leases during the year	–	–	474,614	474,614
Effect of early termination of lease contracts	–	–	(7,657)	(7,657)
Interest expenses (note 10)	–	70,685	49,462	120,147
Interest paid/interest element of lease rentals paid	–	(17,538)	(49,462)	(67,000)
Total other changes	–	53,147	466,957	520,104
<b>At March 31, 2024</b>	<b>768,436</b>	<b>1,714,542</b>	<b>740,494</b>	<b>3,223,472</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 CASH AND CASH EQUIVALENTS (CONTINUED)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Within operating cash flows	2,083,986	1,837,879
Within financing cash flows	516,267	400,389
	<b>2,600,253</b>	2,238,268

### 30 INTEREST-BEARING BORROWINGS

At March 31, 2024, the interest-bearing borrowings were repayable as follows:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Within 1 year or on demand	768,436	770,406

At March 31, 2024, the interest-bearing borrowings were secured as follows:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Bank loans		
– Secured (i)	135,982	262,620
– Unsecured (ii)	632,454	507,786
	<b>768,436</b>	770,406

- (i) Bank borrowings of RMB135,982,000 as at March 31, 2024 was secured by letter of guarantee arrangement (March 31, 2023: RMB262,620,000).
- (ii) Unsecured bank borrowings of RMB417,948,000 as at March 31, 2024 was intra-group guarantee (March 31, 2023: RMB272,623,000).

Further details of the Group's management of liquidity risk are set out in note 38(b).

### 31 LEASE LIABILITIES

At March 31, 2024, the lease liabilities were repayable as follows:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Within 1 year	356,071	263,945
After 1 year but within 2 years	241,192	273,118
After 2 years but within 5 years	88,633	153,122
After 5 years	54,598	99,619
	384,423	525,859
	740,494	789,804

### 32 TRADE AND OTHER PAYABLES

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Trade payables	1,308,359	667,461
Bills payables	3,868,527	2,429,863
	5,176,886	3,097,324
Other payables and accrued expenses		
– Deposits from customers	205,461	165,919
– Contract liabilities (i)	1,150,784	337,427
– Construction payables	212,937	176,376
– Accrued advertising expenses	90,673	65,323
– Accrued payroll, welfare and bonus	737,165	286,475
– VAT and other tax payable	13,703	23,145
– Payables in relation to shares disposed of by employees under share-based payment schemes (note 29(a))	34,936	17,574
– Receipts in advance in relation to unvested restricted shares (note 37(a))	43,722	40,764
– Interest payable in relation to convertible bonds (note 33)	5,019	4,861
– Others	93,866	131,284
	7,765,152	4,346,472

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 32 TRADE AND OTHER PAYABLES (CONTINUED)

All of the trade, bills and other payables are expected to be settled within one year.

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Within 1 month	<b>4,900,978</b>	2,891,259
1 to 3 months	<b>275,908</b>	206,065
	<b>5,176,886</b>	3,097,324

- (i) The amount of revenue recognized for the year ended March 31, 2024 that was included in the contract liabilities balance at the beginning of the year was RMB337,427,000.

### 33 CONVERTIBLE BONDS

	Liability component	Equity component	Total
	RMB'000	RMB'000	RMB'000
At March 31, 2023	1,607,971	244,779	1,852,750
Effective interest expenses for the year	70,685	–	70,685
Interest paid	(17,538)	–	(17,538)
Exchange adjustment	53,424	–	53,424
At March 31, 2024	<b>1,714,542</b>	<b>244,779</b>	<b>1,959,321</b>

#### Liability component

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Carrying amount of liability component	<b>1,714,542</b>	1,607,971
Less: interest payable due within 1 year (note 32)	<b>(5,019)</b>	(4,861)
Convertible bonds	<b>1,709,523</b>	1,603,110

### 33 CONVERTIBLE BONDS (CONTINUED)

#### Liability component (continued)

On December 17, 2019, pursuant to a subscription agreement dated December 4, 2019 (the "Subscription Agreement"), the Company issued convertible bonds with a principal amount of USD275 million due on December 17, 2024 (the "Convertible Bonds"). The Convertible Bonds bear simple coupon interest at 1% per annum, and the interest shall be payable semi-annually.

The Convertible Bonds may be converted into shares of the Company pursuant to the terms and conditions of the Subscription Agreement. The rights of the bondholders to convert the Convertible Bonds into ordinary shares are as follows:

- subject to redemption options pursuant to the terms and conditions of the Subscription Agreement, conversion rights are exercisable at any time from January 27, 2020 to December 7, 2024 (both days inclusive) at the bondholders' option;
- at the initial conversion price being HKD4.91 per share (subject to adjustments in the manner provided in the terms and conditions of the Subscription Agreement), with a fixed exchange rate of HKD7.8287 to USD1;
- since the issue of the Convertible Bonds on December 17, 2019, the conversion price has been adjusted eight times, according to the announcements issued by the Company dated August 21, 2020, December 3, 2020, August 20, 2021, December 1, 2021, August 22, 2022, November 24, 2022, August 22, 2023 and December 18, 2023, respectively. Details of the adjustment to conversion price and relevant effective date are as follows:

Effective date	Adjustment to conversion price
August 27, 2020	HKD4.91 per share adjusted to HKD4.73 per share
December 19, 2020	HKD4.73 per share adjusted to HKD4.67 per share
August 26, 2021	HKD4.67 per share adjusted to HKD4.56 per share
December 23, 2021	HKD4.56 per share adjusted to HKD4.52 per share
August 26, 2022	HKD4.52 per share adjusted to HKD4.37 per share
December 16, 2022	HKD4.37 per share adjusted to HKD4.28 per share
August 31, 2023	HKD4.28 per share adjusted to HKD4.08 per share
December 20, 2023	HKD4.08 per share adjusted to HKD4.01 per share

- the number of ordinary shares to be issued on exercise of a conversion right shall be determined by dividing the principal amount of the Convertible Bonds to be converted by the conversion price in effect on the relevant conversion date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 33 CONVERTIBLE BONDS (CONTINUED)

#### Liability component (Continued)

Pursuant to the terms and conditions of the Convertible Bonds, each holder of the Convertible Bonds has the right to require the Company to redeem all or only some of the Convertible Bonds of such holder on December 17, 2022 (the "Optional Put Date") at their principal amount, together with any interest accrued but unpaid up to but excluding such Optional Put Date (if any) by depositing a duly completed and signed notice of redemption (the "Optional Put Exercise Notice(s)") not earlier than October 18, 2022 and not later than November 17, 2022. As of November 17, 2022, the Company had received Optional Put Exercise Notices in respect of USD28,400,000 (equivalent to RMB198,203,000) in aggregate principal amount of the Convertible Bonds (the "Put Bonds"). Accordingly, the Company redeemed such Put Bonds on December 17, 2022.

The unredeemed Convertible Bonds, in respect of which conversion rights have not been exercised, will be redeemed at the outstanding principal amount together with accrued and unpaid interest on December 17, 2024. As at March 31, 2024, the Convertible Bonds were reclassified to current liabilities accordingly.

### 34 OTHER NON-CURRENT LIABILITIES

	At March 31,	
	2024	2023
	RMB'000	RMB'000
Payables in relation to equity-settled share-based transactions (note 37(a))	71,553	13,056

## 35 INVESTMENT IN SUBSIDIARIES

### (a) Subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
<b>1. Enterprises established outside the PRC</b>						
<b>1) Down segment and OEM management</b>						
Bosideng International Fashion Limited 波司登國際服飾有限公司	BVI, July 11, 2006 Limited company	USD1	100%	100%	–	Retail sales of apparels and investment holding
Golden Progress Limited 金浩進有限公司	Hong Kong, October 12, 2015 Limited company	HKD1	100%	–	100%	Investment holding
Delight Kingdom Group Limited 景勵集團有限公司	BVI, January 3, 2017 Limited company	USD100	100%	–	100%	Investment holding
Bosideng UK Limited 波司登(英國)有限公司	United Kingdom, March 23, 2012 Limited company	GBP1	100%	–	100%	Sourcing and distribution of down apparels
Bosideng Retail Limited 波司登零售有限公司	United Kingdom, March 23, 2012 Limited company	GBP8,000,000	100%	–	100%	Sourcing and distribution of down apparels
Rocawear (China) Limited 洛卡(中國)有限公司	Hong Kong, July 2, 2009 Limited company	USD100	100%	–	100%	Investment holding

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
<b>2) Ladieswear apparels</b>						
Jessie International Holdings Limited 杰西國際控股有限公司	BVI, September 20, 2011 Limited company	USD1	100%	–	100%	Investment holding
Joy Smile Development Limited 欣悅發展有限公司	BVI, June 15, 2015 Limited company	USD2	100%	–	100%	Investment holding
Kandy E-Incorporation Limited 康德藝有限公司	Hong Kong, September 11, 2014 Limited company	HKD1	100%	–	100%	Investment holding
Talent Shine Limited 迪暉有限公司	Hong Kong, April 10, 2007 Limited company	HKD10,000	100%	–	100%	Investment holding
Union Techwell Development Limited 聯得發展有限公司	BVI, February 8, 2012 Limited company	USD50,000	100%	–	100%	Investment holding
HeYuan (Hong Kong) Industrial Limited 和元(香港)實業有限公司	Hong Kong, January 18, 2013 Limited company	HKD10,000	100%	–	100%	Investment holding
HeYuan (Hong Kong) Fashion Design Limited 和元(香港)時裝設計有限公司	Hong Kong, January 18, 2013 Limited company	RMB39,500,000	100%	–	100%	Provision of service for brand design and development
BuouBuou International Holdings Limited 邦寶國際控股有限公司	BVI, March 13, 2014 Limited company	USD60,000	100%	–	100%	Investment holding



## 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
<b>3) Diversified apparels</b>						
Ying Fai Int'l Investment Limited 盈輝國際投資有限公司	BVI, June 2, 2008 Limited company	USD10,000	100%	–	100%	Investment holding
Long Pacific (H.K.) Ltd. 長隆(香港)有限公司	Hong Kong, May 22, 2008 Limited company	HKD1	100%	–	100%	Investment holding
<b>2. Enterprises established in the PRC</b>						
<b>1) Down segment and OEM management</b>						
Bosideng International Fashion (China) Limited 波司登國際服飾(中國)有限公司	PRC, June 23, 2005 Limited liability company	USD138,000,000	100%	–	100%	Sourcing and distribution of down apparels
Bosideng Down Wear Limited 波司登羽絨服裝有限公司	PRC, March 30, 2006 Limited liability company	USD80,000,000	100%	–	100%	Sourcing and distribution of down apparels
Gaoyou Bosideng Fashion Co., Ltd. 高郵波司登服飾有限公司	PRC, September 13, 2013 Limited liability company	RMB10,000,000	100%	–	100%	Sourcing and distribution of down apparels
Jiangsu Bosideng Supply Chain Co. Ltd. 江蘇波司登供應鏈管理有限公司	PRC, June 16, 2014 Limited liability company	RMB50,000,000	100%	–	100%	Providing of logistic and storage service

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Suzhou Bosideng Logistics Co., Ltd. 蘇州波司登物流有限公司	PRC, April 01, 2019 Limited liability company	RMB560,000,000	100%	–	100%	Providing of logistic and storage service
Shanghai Bosideng Information Technology Co., Ltd. 上海波司登信息科技有限公司	PRC, December 20, 2011 Limited liability Company	RMB50,000,000	100%	–	100%	Network consulting and e-business of down and non-down apparels
Shanghai Bosideng Clothing Design and Development Centre Co., Ltd. 上海波司登服裝設計開發中心有限公司	PRC, March 23, 2001 Limited liability Company	RMB2,000,000	100%	–	100%	Designing and distribution of down and non-down apparels
Xuezhongfei Enterprise Co., Ltd. 雪中飛實業有限公司	PRC, February 8, 2012 Limited liability Company	RMB500,000,000	70%	–	100%	Sourcing and distribution of down apparels
Bosideng Fashion (Shanghai) Limited 波司登服飾(上海)有限公司	PRC, April 21, 1999 Limited liability company	RMB497,208,633	100%	–	100%	Sourcing and distribution of down apparels
Jiangsu Bingjie Fashion Limited 江蘇冰潔時尚服飾有限公司	PRC, February 24, 2016 Limited liability company	RMB9,000,000	70%	–	100%	Sourcing and distribution of down apparels

## 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
Kangbo Fashion Limited 康博服飾有限公司	PRC, September 18, 2006 Limited liability company	USD85,000,000	100%	–	100%	Sourcing and distribution of down apparels
Shanghai Shuangyu Fashion Limited 上海雙羽服飾有限公司	PRC, June 28, 2006 Limited liability company	USD68,000,000	100%	–	100%	Sourcing and distribution of down apparels
Rocawear (Shanghai) Fashion Co., Ltd. 洛卡薇爾(上海)服飾有限公司	PRC, August 28, 2008 Limited liability company	USD10,000,000	100%	–	100%	Sourcing and distribution of down apparels
Shuomingde Investment Co., Ltd. 朔明德投資有限公司	PRC, January 17, 2017 Limited liability company	RMB500,000,000	100%	–	100%	Investment holding
Changshu Bosideng Import and Export Co., Ltd. 常熟市波司登進出口有限公司	PRC, April 11, 2002 Limited liability company	RMB5,000,000	100%	–	100%	Sourcing and distribution of OEM products
Jiangsu Bosideng Marketing Co., Ltd. 江蘇波司登營銷有限公司	PRC, April 13, 2009 Limited liability company	RMB200,000,000	100%	–	100%	Distribution of down apparels

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Shanghai Bosideng Trade Development Co., Ltd. 上海波司登商貿發展有限公司	PRC, November 10, 2011 Limited liability company	RMB200,000,000	100%	–	100%	Distribution of down apparels
Shanghai Bosideng Electronic Commerce Co., Ltd. 上海波司登電子商務有限公司	PRC, July 31, 2012 Limited liability company	RMB28,000,000	100%	–	100%	E-commerce of down and non-down apparels
Shanghai Bosideng Clothing Co., Ltd. 上海波司登服裝有限公司	PRC, March 22, 2021 Limited liability company	RMB50,000,000	100%	–	100%	Distribution of down apparels
Jiangsu Bosideng Technology Co., Ltd. 江蘇波司登科技有限公司	PRC, April 13, 2009 Limited liability company	RMB100,000,000	100%	–	100%	Distribution of down apparels
Suzhou Bosideng E-commerce Technology Co., Ltd. 蘇州波司登電子商務科技有限公司	PRC, March 27, 2023 Limited liability company	RMB5,000,000	100%	–	100%	Distribution of down apparels
Shanghai Bosideng Marketing management Co., Ltd. 上海波司登市場營銷管理有限公司	PRC, July 12, 2022 Limited liability company	RMB50,000,000	100%	–	100%	Distribution of down apparels

## 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
Liaoning Bosideng Trading Co., Ltd. 遼寧波司登貿易有限公司	PRC, September 3, 2002 Limited liability company	RMB20,000,000	100%	–	100%	Distribution of down apparels
Beijing Bosideng Trading Co., Ltd. 北京市波司登貿易有限公司	PRC, October 26, 1998 Limited liability company	RMB30,000,000	100%	–	100%	Distribution of down apparels
Dalian Bosideng Trading Co., Ltd. 大連波司登貿易有限公司	PRC, April 30, 2006 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Chongqing Bosideng Trading Co., Ltd. 重慶波司登貿易有限公司	PRC, May 16, 2006 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Xizang Bosideng Fashion Co., Ltd. 西藏波司登服飾有限公司	PRC, Nov 16, 2023 Limited liability company	RMB10,000,000	100%	–	100%	Distribution of down apparels
Jiangsu Snow-Flying Outdoor Co., Ltd. 江蘇雪中飛戶外用品有限公司	PRC, May 20, 2016 Limited liability company	RMB16,900,000	70%	–	100%	E-commerce of down and non-down apparels

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
Jiangsu Snow-Flying Electronic Commerce Co., Ltd. 江蘇雪中飛電子商務有限公司	PRC, May 18, 2021 Limited liability company	RMB10,000,000	70%	–	100%	E-commerce of down and non-down apparels
Suqian Bosideng Marketing Co., Ltd. 宿遷波司登營銷有限公司	PRC, August 25, 2021 Limited liability company	RMB10,000,000	100%	–	100%	Distribution of down apparels
Jiangsu Bingjie Electronic Commerce Technology Co. Ltd. 江蘇冰潔電子商務科技有限公司	PRC, Dec 6, 2021 Limited liability company	RMB10,000,000	70%	–	100%	E-commerce of down and non-down apparels
Bosideng New Era Business Development Co., Ltd. 波司登新時代商業發展有限公司	PRC, September 7, 2023 Limited liability company	RMB300,000,000	100%	–	100%	E-commerce of down and non-down apparels
Jiangsu Bosideng Advertising Media Co. Ltd. 江蘇波司登廣告傳媒有限公司	PRC, August 9, 2021 Limited liability company	RMB10,000,000	100%	–	100%	Advertisement agency
Jiangsu Kangying Fashion Co., Ltd. 江蘇康盈時裝有限公司	PRC, May 24, 2021 Limited liability company	RMB10,000,000	100%	–	100%	Sourcing and distribution of non-down apparels

## 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
<b>2) Ladieswear apparels</b>						
Shenzhen Jessie Fashion Co., Ltd. 深圳市杰西服装有限责任公司	PRC, March 26, 2001 Limited liability company	RMB76,500,000	100%	–	100%	Sourcing and distribution of non-down apparels
Talent Shine Import & Export (Shenzhen) Co., Ltd. 迪輝達進出口(深圳)有限公司	PRC, July 16, 2007 Limited liability company	HKD8,300,000	100%	–	100%	Sourcing and distribution of non-down apparels
Shenzhen Buoubuou Fashion Co., Ltd. 深圳邦寶時尚服飾有限公司	PRC, July 5, 2013 Limited liability company	HKD26,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Shenzhen Weiyi Garment Processing Co., Ltd. 深圳市唯伊服裝加工有限公司	PRC, May 8, 2015 Limited liability company	RMB3,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Shanghai Buoubuou Electronic Commerce Co., Ltd. 上海邦寶電子商務有限公司	PRC, November 3, 2014 Limited liability company	RMB10,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Chongqing Buoubuou Garment Sales Co., Ltd. 重慶邦寶服裝銷售有限公司	PRC, June 25, 2015 Limited liability company	RMB1,000,000	100%	–	100%	Sourcing and distribution of non-down apparels

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
You Nuo (Tianjin) Clothing Limited 優諾(天津)服裝有限公司	PRC, August 4, 2014 Limited liability company	RMB30,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Klova (Tianjin) Clothing Limited 柯蘿芭(天津)服裝有限公司	PRC, November 24, 2015 Limited liability company	RMB1,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Koreano (Tianjin) Clothing Limited 天津柯利亞諾時裝有限公司	PRC, April 20, 1992 Limited liability company	RMB1,650,000	100%	–	100%	Sourcing and distribution of non-down apparels
Luhua (Tianjin) Clothing Limited 盧華(天津)服裝有限公司	PRC, July 1, 2003 Limited liability company	USD4,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Kandy E-Incorporation (China) Clothing Limited 康德藝(中國)時裝有限公司	PRC, November 30, 2018 Limited liability company	USD10,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
<b>3) Diversified apparels</b>						
Jiangsu Vetallo Garment Co., Ltd. 江蘇威德羅服飾有限公司	PRC, October 13, 2006 Limited liability company	USD35,000,000	100%	–	100%	Sourcing and distribution of non-down apparels



## 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest		Principal activity
				Held by the Company	Held by a subsidiary	
Jiangsu Sameite Education Technology Development Co., Ltd. 江蘇楓美特教育科技發展有限公司	PRC, April 18, 2016 Limited liability company	RMB20,000,000	70%	–	100%	Sourcing and distribution of non-down apparels
Shanghai Bingjie Fashion Co., Ltd. 上海冰潔時裝服飾有限公司	PRC, July 6, 2016 Limited liability company	RMB10,000,000	70%	–	100%	Sourcing and distribution of non-down apparels
Shanghai Bosideng Kidswear Co., Ltd. 上海波司登兒童服飾有限公司	PRC, April 28, 2017 Limited liability company	RMB14,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Fanchun Shanghai Network Technology Co., Ltd. 梵椿(上海)網絡科技有限公司	PRC, May 4, 2018 Limited liability company	RMB30,500,000	51%	–	51%	Sourcing and distribution of non-down apparels
Shanghai Pinmeng Kidswear Co., Ltd. 上海品萌兒童服飾有限公司	PRC, May 17, 2018 Limited liability company	RMB30,000,000	41%	–	100%	Sourcing and distribution of non-down apparels
Ningbo Hameng Network Technology Co., Ltd. 寧波哈萌網絡科技有限公司	PRC, October 24, 2018 Limited liability company	RMB4,750,000	51%	–	100%	Sourcing and distribution of non-down apparels

- i) The English translation of the names of the companies registered in the PRC above is for reference only. The official names of these companies are in Chinese.

As at March 31, 2024 and 2023, none of the Group's subsidiaries have non-controlling interests which are material to the Group's consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### (b) A trust for the share award scheme (the “Trust”)

On September 23, 2011, the Company adopted a share award scheme (the “2011 Share Award Scheme”), which is not subject to the provisions of Chapter 17 of the Listing Rules, to recognize and reward the contribution of certain eligible employees to the growth and development of the Group through an award of the Company’s shares.

On August 5, 2016, the Company amended the 2011 Share Award Scheme so that (i) directors of the Company shall also be eligible to participate in the 2011 Share Award Scheme, subject to the terms of their service agreements or other agreements with the Company or any member of the Company; and (ii) the relevant scheme limits under the 2011 Share Award Scheme can be increased, with effect from that date.

On April 23, 2020, as the 2011 Share Award Scheme expired in March 31, 2018, the Company adopted a new share award scheme (the “Share Award Scheme”), which is not subject to the provisions of Chapter 17 of the Listing Rules, to recognize and reward the contribution of certain eligible employees (including the directors and core management team of the Group) and to incentivize them for the growth and development of the Group through an award of the Company’s shares.

The Company has appointed a trustee for administration of the Share Award Scheme (the “Trustee”). The principal activity of the Trustee is administrating and holding the Company’s shares for the Share Award Scheme for the benefit of the Company’s eligible employees. Pursuant to the Share Award Scheme, the Company’s shares will be purchased by the Trustee in the market out of cash contributed by the Company and held in the Trust for relevant employees until such shares are vested in the relevant beneficiary in accordance with the provisions of the Share Award Scheme at no cost. The total number of the Company’s shares held by the Trustee under the Share Award Scheme will not exceed 10% of the total issued shares of the Company at any time.

As the Company has the power to govern the financial and operating policies of the Trust and can derive benefits from the contributions of the employees who have been awarded the shares of the Company (the “Awarded Shares”) through their continued employment with the Group, the Group is required to consolidate the Trust.

As of March 31, 2024, the Company had contributed RMB415,730,000 (March 31, 2023: RMB274,459,000) to the Trust and the amount was recorded as “Investment in subsidiaries” in the Company’s statement of financial position.

During the year ended March 31, 2024, 17,400,000 and 3,600,000 shares were vested to employees on August 25, 2023 and December 20, 2023, respectively (note 37(a)). As at March 31, 2024, total number of shares held by the Trustee was 83,200,000 (March 31, 2023: 55,850,000) at a total cost (including related transaction costs) of RMB207,370,000 (March 31, 2023: RMB109,924,000).

## 36 CAPITAL, RESERVES AND DIVIDENDS

### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital RMB'000 (note 36(c))	Share premium RMB'000 (note 36(e))	Capital reserves RMB'000 (note 36(d))	Other reserves RMB'000 (note 33)	Translation reserves RMB'000 (note 36(d))	Retained earnings RMB'000	Total RMB'000
<b>Balance at March 31, 2022</b>	817	1,894,121	272,101	260,576	(872,983)	587,105	2,141,737
<b>Changes in equity for the year:</b>							
Profit for the year	–	–	–	–	–	2,665,662	2,665,662
Other comprehensive income:							
– Exchange realignment	–	–	–	–	147,133	–	147,133
Equity-settled share-based transactions	1	34,643	(1,449)	–	–	–	33,195
Redemption of convertible bonds (note 33)	–	–	–	(15,797)	–	–	(15,797)
Dividends	–	–	–	–	–	(1,707,117)	(1,707,117)
<b>Balance at March 31, 2023</b>	818	1,928,764	270,652	244,779	(725,850)	1,545,650	3,264,813
<b>Changes in equity for the year:</b>							
Profit for the year	–	–	–	–	–	1,282,048	1,282,048
Other comprehensive income:							
– Exchange realignment	–	–	–	–	76,419	–	76,419
Equity-settled share-based transactions	1	37,280	91,653	–	–	–	128,934
Dividends	–	–	–	–	–	(1,852,391)	(1,852,391)
<b>Balance at March 31, 2024</b>	<b>819</b>	<b>1,966,044</b>	<b>362,305</b>	<b>244,779</b>	<b>(649,431)</b>	<b>975,307</b>	<b>2,899,823</b>

### (b) Dividends

#### (i) Dividends payable to equity shareholders of the Company attributable to the year:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Interim dividend declared and paid of HKD5.0 cents per ordinary share (2023: interim dividend declared and paid of HKD4.5 cents per ordinary share)	<b>492,640</b>	430,033
Final dividend proposed after the end of the reporting period of HKD20.0 cents per ordinary share (2023: HKD13.5 cents per ordinary share)	<b>2,001,530</b>	1,354,379
	<b>2,494,170</b>	1,784,412

The final dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (b) Dividends (continued)

(ii) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:*

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HKD13.5 cents per ordinary share (2023: final dividend of HKD13.5 cents per ordinary share)	1,345,200	1,285,646

#### (c) Share capital

Movements in the authorized and issued and fully paid share capital of the Company during the years are as follows:

	2024		2023	
	No. of shares ('000)	USD'000	No. of shares ('000)	USD'000
<b>Authorized:</b>				
Ordinary shares	20,000,000	200	20,000,000	200
RMB equivalent ('000)		1,556		1,556
<b>Ordinary shares, issued and fully paid:</b>				
At April 1	10,903,285	109	10,885,801	109
Issue of ordinary shares for equity-settled share-based transactions (note 37 (b))	17,756	–	17,484	–
At March 31	10,921,041	109	10,903,285	109
RMB equivalent ('000)		819		818

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The Company issued a total number of 17,756,000 new ordinary shares for the exercised share options during the year ended March 31, 2024 (March 31, 2023: 17,484,000) (see note 37(b)).

## 36 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

### (c) Share capital (continued)

#### *Authorized share capital*

The Company was incorporated on July 10, 2006 with an authorized share capital of USD100, divided into 100 shares of par value of USD1.00 each. Through a series of changes in share capital, the authorized share capital is USD200,000 divided into 20,000,000,000 ordinary shares of USD0.00001 each after the completion of the Hong Kong Public Offering and the International Placing.

### (d) Nature and purpose of reserves

#### (i) *Capital reserves*

The capital reserves at March 31, 2024 and 2023 represent the value of employee services in respect of shares granted to employees.

#### (ii) *Statutory reserves*

Statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the entities now comprising the Group which are incorporated in the PRC. Transfers to the reserves were approved by the respective boards of directors.

#### (iii) *Translation reserves*

The translation reserves comprise all foreign exchange differences arising from the translation of the financial statements of the operations outside the PRC which are dealt with in accordance with the accounting policies as set out in note 4(w).

#### (iv) *Other reserves*

The other reserves comprise the cumulative net change in the fair value of financial assets classified as FVOCI until the investments are derecognized or impaired and the amount allocated to the unexercised equity component of convertible bonds issued by the Company recognized in accordance with the accounting policy adopted for convertible bonds in note 4(q).

### (e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (e) Capital management (continued)

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings, lease liabilities and convertible bonds) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity, less unaccrued proposed dividends.

The Group's adjusted net debt-to-capital ratio at the end of the current and previous reporting periods was as follows:

	Note	At March 31	
		2024 RMB'000	2023 RMB'000
Liabilities:			
Interest-bearing borrowings	30	768,436	770,406
Lease liabilities	31	740,494	789,804
Convertible bonds	33	1,714,542	1,607,971
<b>Total debts</b>		<b>3,223,472</b>	3,168,181
Add: Proposed dividends	36(b)	2,001,530	1,354,379
Less: Cash and cash equivalents	29	(6,227,015)	(3,718,211)
<b>Adjusted net debts</b>		<b>(1,002,013)</b>	804,349
Total equity		13,819,485	12,604,369
Less: Proposed dividends	36(b)	(2,001,530)	(1,354,379)
<b>Adjusted capital</b>		<b>11,817,955</b>	11,249,990
<b>Adjusted net debt to-capital ratio</b>		<b>-8%</b>	7%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

A share option scheme (the “2007 Share Option Scheme”) was conditionally approved by a resolution of the shareholders of the Company passed on September 10, 2007 and adopted by a resolution of the board of directors of the Company on September 15, 2007. As the 2007 Share Option Scheme expired in October 2017, the adoption of a new share option scheme (the “Share Option Scheme”) was proposed by the board of directors of the Company on July 26, 2017 and approved by the shareholders of the Company on August 25, 2017. The terms of each of the 2007 Share Option Scheme and the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

On September 23, 2011, the Company adopted a share award scheme (the “2011 Share Award Scheme”), which is funded solely by existing shares of the Company, to recognize and reward the contribution of certain eligible employees to the growth and development of the Group through an award of the Company’s shares.

On August 5, 2016, the Company amended the 2011 Share Award Scheme so that (i) directors of the Company shall also be eligible to participate in the 2011 Share Award Scheme, subject to the terms of their service agreements or other agreements with the Company or any member of the Company; and (ii) the relevant scheme limits under the 2011 Share Award Scheme can be increased, with effect from that date.

On April 23, 2020, as the 2011 Share Award Scheme expired in March 31, 2018, the Company adopted a new share award scheme (the “Share Award Scheme”), which is funded solely by existing shares of the Company, to recognize and reward the contribution of certain eligible employees (including the directors and core management team of the Group) and to incentivize them for the growth and development of the Group through an award of the Company’s shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

At March 31, 2024, the Company had the following share-based payment arrangements:

#### (a) Restricted shares

- (i) On April 23, 2020, the Company granted an aggregate of 87,000,000 restricted shares to eligible persons who were directors, senior management or core employees of the Group.

The terms and conditions of the grants are as follows:

	Number of restricted shares	Vesting period
Restricted shares granted to directors, senior management or core employees		
– on April 23, 2020	26,100,000	3 years commencing from 15 months after the date of grant
– on April 23, 2020	26,100,000	2 years commencing from 27 months after the date of grant
– on April 23, 2020	34,800,000	1 year commencing from 39 months after the date of grant
Total restricted shares granted	87,000,000	

In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2021, 2022, and 2023 as well as the cumulative performance for the two years and three years ended March 31, 2022 and 2023, respectively. These restricted shares also have a lock-up period of 12 months from the dates of vesting. Employees are required to make the upfront payment of HKD0.97 per share, which shall be refunded if the restricted shares are not vested.

Details of the number and purchase price of restricted shares during the year were as follows:

	Purchase price	Number of restricted shares
Outstanding at March 31, 2023	HKD0.97	47,850,000
Vested during the year	HKD0.97	(17,400,000)
Forfeited during the year	HKD0.97	(30,450,000)
Outstanding at March 31, 2024	HKD0.97	–



## 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

### (a) Restricted shares (continued)

- (ii) On December 20, 2021, the Company granted an aggregate of 16,000,000 restricted shares to eligible persons who were senior management or core employees of the Group.

The terms and conditions of the grants are as follows:

	Number of restricted shares	Vesting period
Restricted shares granted to senior management or core employees		
– on December 20, 2021	4,800,000	3 years commencing from 12 months after the date of grant
– on December 20, 2021	4,800,000	2 years commencing from 24 months after the date of grant
– on December 20, 2021	6,400,000	1 year commencing from 36 months after the date of grant
Total restricted shares granted	16,000,000	

In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2022, 2023 and 2024 as well as the cumulative performance for the two years ended March 31, 2023 and three years ended March 31, 2024, respectively. These restricted shares also have a lock-up period of 12 months from the dates of vesting. Employees are required to make the upfront payment of HKD2.49 per share, which shall be refunded if the restricted shares are not vested. As of March 31, 2024, upfront payment for all restricted shares were received by the Group and such payments were recorded as other current payable of RMB13,056,000.

Details of the number and purchase price of restricted shares during the year were as follows:

	Purchase price	Number of restricted shares
Outstanding at March 31, 2023	HKD2.49	11,200,000
Vested during the year	HKD2.49	(3,600,000)
Forfeited during the year	HKD2.49	(1,200,000)
Outstanding at March 31, 2024	HKD2.49	6,400,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

#### (a) Restricted shares (continued)

- (iii) On November 28, 2023, the Company granted an aggregate of 78,400,000 restricted shares to eligible persons who were director, senior management or core employees of the Group.

The terms and conditions of the grants are as follows:

	Number of restricted shares	Vesting period
Restricted shares granted to director, senior management or core employees		
– on November 28, 2023	23,520,000	3 years commencing from 8 months after the date of grant
– on November 28, 2023	23,520,000	2 years commencing from 20 months after the date of grant
– on November 28, 2023	31,360,000	1 year commencing from 32 months after the date of grant
<b>Total restricted shares granted</b>	<b>78,400,000</b>	

In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2024 and ending March 31, 2025 and 2026 as well as the cumulative performance for the two years ending March 31, 2025 and three years ending March 31, 2026, respectively. These restricted shares also have a lock-up period of 12 months from the dates of vesting. Employees are required to make the upfront payment of HKD1.62 per share, which shall be refunded if the restricted shares are not vested. As of March 31, 2024, upfront payments for all restricted shares were received by the Group and such payments were recorded as current other payable of RMB30,666,000 and non-current other payables of RMB71,553,000, respectively.

Details of the number and purchase price of restricted shares during the year were as follows:

	Purchase price	Number of restricted shares
Outstanding at March 31, 2023	HKD1.62	–
Granted during the year	HKD1.62	78,400,000
Vested during the year	HKD1.62	–
Forfeited during the year	HKD1.62	–
<b>Outstanding at March 31, 2024</b>	<b>HKD1.62</b>	<b>78,400,000</b>

## 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

### (b) Share Options

- (i) On October 26, 2018, the Company granted 260,000,000 share options to eligible persons who were directors, senior management or core employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

The terms and conditions of the grants are as follows:

	Number of share options	Vesting period
Options granted to directors, senior management or core employees – on October 26, 2018	78,000,000	Evenly in 9 years commencing from 12 months after the date of grant
– on October 26, 2018	78,000,000	Evenly in 8 years commencing from 24 months after the date of grant
– on October 26, 2018	104,000,000	Evenly in 7 years commencing from 36 months after the date of grant
<b>Total share options granted</b>	<b>260,000,000</b>	

In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2019, 2020 and 2021.

Details of the number and exercise price of share options during the year were as follows:

	Exercise price	Number of share options
Outstanding at March 31, 2023	HKD1.07	43,051,999
Exercised during the year	HKD1.07	(2,340,000)
Forfeited during the year	HKD1.07	–
<b>Outstanding at March 31, 2024</b>	<b>HKD1.07</b>	<b>40,711,999</b>
<b>Exercisable at March 31, 2024</b>	<b>HKD1.07</b>	<b>11,961,999</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

#### (b) Share Options (continued)

- (ii) On April 23, 2020, the Company granted 330,000,000 share options to eligible persons who were directors, senior management or employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

The terms and conditions of the grants are as follows:

	Number of share options	Vesting period
Options granted to directors, senior management or core employees		
– on April 23, 2020	99,000,000	3 years commencing from 15 months after the date of grant
– on April 23, 2020	99,000,000	2 years commencing from 27 months after the date of grant
– on April 23, 2020	132,000,000	1 year commencing from 39 months after the date of grant
Total share options granted	330,000,000	

In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2021, 2022 and 2023 as well as the cumulative performance for the two years and three years ended March 31, 2022 and 2023, respectively.

Details of the number and exercise price of share options during the year were as follows:

	Exercise price	Number of share options
Outstanding at March 31, 2023	HKD1.94	227,602,000
Exercised during the year	HKD1.94	(15,416,000)
Forfeited during the year	HKD1.94	(99,740,000)
Outstanding and exercisable at March 31, 2024	HKD1.94	112,446,000

## 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

### (b) Share Options (continued)

- (iii) On December 20, 2021, the Company granted 103,200,000 share options to eligible persons who were senior management or core employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

The terms and conditions of the grants are as follows:

	Number of share options	Vesting period
Options granted to senior management or core employees		
– on December 20, 2021	30,960,000	3 years commencing from 12 months after the date of grant
– on December 20, 2021	30,960,000	2 years commencing from 24 months after the date of grant
– on December 20, 2021	41,280,000	1 year commencing from 36 months after the date of grant
Total share options granted	103,200,000	

In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2022, 2023 and 2024 as well as the cumulative performance for the two years ended March 31, 2023 and three years ended March 31, 2024, respectively.

Details of the number and exercise price of share options during the year were as follows:

	Exercise price	Number of share options
Outstanding at March 31, 2023	HKD4.98	101,400,000
Exercised during the year	HKD4.98	–
Forfeited during the year	HKD4.98	(43,692,000)
Outstanding at March 31, 2024	HKD4.98	57,708,000
Exercisable at March 31, 2024	HKD4.98	18,588,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

#### (b) Share Options (continued)

- (iv) On November 28, 2023, the Company granted 511,480,000 share options to eligible persons who were directors, senior management or core employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

The terms and conditions of the grants are as follows:

	Number of share options	Vesting period
Options granted to directors, senior management or core employees		
– on November 28, 2023	153,444,000	3 years commencing from 8 months after the date of grant
– on November 28, 2023	153,444,000	2 years commencing from 20 months after the date of grant
– on November 28, 2023	204,592,000	1 year commencing from 32 months after the date of grant
<b>Total share options granted</b>	<b>511,480,000</b>	

In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2024 and ending March 31, 2025 and 2026 as well as the cumulative performance for the two years ending March 31, 2025 and three years ending March 31, 2026, respectively.

Details of the number and exercise price of share options during the year were as follows:

	Exercise price	Number of share options
Outstanding at March 31, 2023	HKD3.24	–
Granted during the year	HKD3.24	511,480,000
Exercised during the year	HKD3.24	–
Forfeited during the year	HKD3.24	–
<b>Outstanding at March 31, 2024</b>	<b>HKD3.24</b>	<b>511,480,000</b>
<b>Exercisable at March 31, 2024</b>	<b>HKD3.24</b>	<b>–</b>

## 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

### (b) Share Options (continued)

- (v) On October 23, 2020, the Company granted 100,000,000 share options to Wise Triumph Group Limited, an eligible independent consultant of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

The terms and conditions of the grants are as follows:

	Number of share options	Vesting period
Options granted to non-employees		
– on October 23, 2020	30,000,000	3 years commencing from 12 months after the date of grant
– on October 23, 2020	30,000,000	2 years commencing from 24 months after the date of grant
– on October 23, 2020	40,000,000	1 years commencing from 36 months after the date of grant
Total share options granted	100,000,000	

In addition to the service condition, there are other vesting conditions related to:

- i) the Group's performance for each of the three years ended March 31, 2021, 2022 and 2023 as well as the cumulative performance for the two years and three years ended March 31, 2023 and 2024, respectively; and
- ii) the Bosideng brand's performance for each of the three years ended March 31, 2022 and 2023 and 2024 as well as the cumulative performance for the two years ended March 31, 2023 and three years ended March 31, 2024, respectively.

Details of the number and exercise price of share options during the year were as follows:

	Exercise price	Number of share options
Outstanding at March 31, 2023	HKD3.41	100,000,000
Exercised during the year	HKD3.41	–
Forfeited during the year	HKD3.41	–
Outstanding at March 31, 2024	HKD3.41	100,000,000
Exercisable at March 31, 2024	HKD3.41	–

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

#### (c) Fair value of restricted shares and share options and assumptions

The fair value of services received in return for restricted shares granted is measured by reference to the fair value of restricted shares granted. The estimate of the fair value of the restricted shares granted is measured based on an Asian option model. The discount of lack of marketability (“DLOM”) during the lock-up period of the restricted shares is used as one of the key inputs into this model. The key inputs and assumptions used in the model are as follows:

#### Fair value of restricted shares granted on April 23, 2020 and assumptions

Fair value at grant date	HKD0.6748 ~ 0.70000
Share price at grant date	HKD1.90
Purchase price	HKD0.97
Expected DLOM (weighted average)	12.11% ~13.43%
Lock-up period	12 months
Expected dividend	4.04%
Risk-free interest rate (based on government bonds)	0.872% ~ 0.914%

#### Fair value of restricted shares granted on December 20, 2021 and assumptions

Fair value at grant date	HKD1.70755
Share price at grant date	HKD4.69
Purchase price	HKD2.49
Expected DLOM (weighted average)	10.50%
Lock-up period	12 months
Expected dividend	3.05%
Risk-free interest rate (based on government bonds)	0.26%

#### Fair value of restricted shares granted on November 28, 2023 and assumptions

Fair value at grant date	HKD1.46249
Share price at grant date	HKD3.24
Purchase price	HKD1.62
Expected DLOM (weighted average)	4.86%
Lock-up period	12 months
Expected dividend	5.56%
Risk-free interest rate (based on government bonds)	3.83%



## 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

### (c) Fair value of restricted shares and share options and assumptions (continued)

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as one of the key inputs into this model. Expectations of early exercise and demission rate are incorporated into the binomial lattice model. The key inputs and assumptions used in the model are as follows:

#### Fair value of share options granted on October 26, 2018 and assumptions

Fair value at grant date	HKD0.300 ~ 0.365
Share price at grant date	HKD1.07
Exercise price	HKD1.07
Expected volatility (weighted average)	45.31%
Expected life (weighted average)	10 years
Expected dividend	5.012%
Risk-free interest rate (based on government bonds)	2.395%

#### Fair value of share options granted on April 23, 2020 and assumptions

Fair value at grant date	HKD0.153 ~ 0.202
Share price at grant date	HKD1.90
Exercise price	HKD1.94
Expected volatility (weighted average)	44.52%
Expected life (weighted average)	51 months
Expected dividend	4.04%
Risk-free interest rate (based on government bonds)	0.81%

#### Fair value of share options granted on October 23, 2020 and assumptions

Fair value of share options at measurement date	HKD1.081 ~ 1.130
Share price at measurement date	HKD3.41 ~ 3.50
Exercise price	HKD3.41
Expected volatility (weighted average)	48.43% ~ 52.80%
Expected life (weighted average)	48 months
Expected dividend	2.49% ~ 3.10%
Risk-free interest rate (based on government bonds)	0.31% ~ 0.74%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

#### (c) Fair value of restricted shares and share options and assumptions (continued)

Fair value of share options granted on December 20, 2021 and assumptions	
Fair value at grant date	HKD1.453 ~ 1.535
Share price at grant date	HKD4.69
Exercise price	HKD4.98
Expected volatility (weighted average)	53.10%
Expected life (weighted average)	48 months
Expected dividend	3.05%
Risk-free interest rate (based on government bonds)	0.86%

Fair value of share options granted on November 28, 2023 and assumptions	
Fair value at grant date	HKD0.5576~ 0.5766
Share price at grant date	HKD3.24
Exercise price	HKD3.24
Expected volatility (weighted average)	31.19%
Expected life (weighted average)	44 months
Expected dividend	5.56%
Risk-free interest rate (based on government bonds)	3.83%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Both restricted shares and share options were granted under a service condition and certain non-market performance conditions. These conditions have not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the restricted shares and share option grants.

#### (d) Expense recognized in profit or loss

For details of the related employee benefit expenses, see note 8.

## 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to business risks primarily arising from the weather conditions and competition.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and bills receivables, deposits, other receivables, long-term receivables and amounts due from related parties. The Group's exposure to credit risk arising from cash and cash equivalents, pledged bank deposits, and time deposits is limited because the counterparties are banks, for which the Group considers to have low credit risk.

#### (i) Trade and bills receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 2.22% (2023: 0.37%) and 4.48% (2023: 1.38%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days to 90 days from the date of billing. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade and bills receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) Credit risk (continued)

##### (i) Trade and bills receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade and bills receivables as at March 31, 2024:

	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Within credit term	0.59%	1,407,140	8,250
1 to 3 months past due	3.27%	87,721	2,868
Over 3 months but less than 6 months past due	16.89%	13,046	2,204
Over 6 months but less than 12 months past due	63.00%	5,546	3,494
Over 1 year past due	98.24%	71,642	70,379
		<b>1,585,095</b>	<b>87,195</b>

The following table provides information about the Group's exposure to credit risk and ECLs for trade and bills receivables as at March 31, 2023:

	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Within credit term	1.36%	820,849	11,160
1 to 3 months past due	6.17%	106,302	6,558
Over 3 months but less than 6 months past due	19.36%	10,445	2,022
Over 6 months but less than 12 months past due	65.57%	11,009	7,219
Over 1 year past due	97.84%	62,048	60,709
		<b>1,010,653</b>	<b>87,668</b>

The credit risk exposure of the Group as at March 31, 2024 was mainly arising from the receivables from department stores and distributors.

Expected loss rates are based on historical actual loss experience. These rates are adjusted for factors that are specific to the debtors, and to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

## 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Credit risk (continued)

#### (i) Trade and bills receivables (continued)

There is no significant concentration of credit risk with respect to customers receivables, as the Group has a large number of customers.

Movement in the loss allowance account in respect of trade and bills receivables during the year were as follows:

	For the year ended March 31	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	87,668	130,702
Reversal for impairment losses	(473)	(16,008)
Uncollectible amounts written off	–	(27,026)
At March 31	87,195	87,668

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. The Group has no significant concentration of credit risk.

#### (ii) Deposits, other receivables, long-term receivables and amounts due from related parties

Credit risk in respect of deposits, other receivables, long-term receivables and amounts due from related parties are limited since the counterparties are of good reputation and their receivables are settled on a regular basis.

The Group measures loss allowances for deposits, other receivables, long-term receivables and amounts due from related parties at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Group assessed there is no significant loss allowance recognized in accordance with IFRS 9 for deposits, other receivables, long-term receivables and amounts due from related parties as at March 31, 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	At March 31, 2024						At March 31, 2023					
	Contractual undiscounted cash flow						Contractual undiscounted cash flow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
<b>The Group</b>												
Interest-bearing borrowings	773,451	-	-	-	773,451	768,436	776,947	-	-	-	776,947	770,406
Lease liabilities	395,427	267,200	102,569	74,628	839,824	740,494	271,224	294,818	177,161	148,509	891,712	789,804
Trade and other payables	6,609,349	-	-	-	6,609,349	6,609,349	4,004,184	-	-	-	4,004,184	4,004,184
Payables due to related parties	86,815	-	-	-	86,815	86,815	4,074	-	-	-	4,074	4,074
Convertible bonds	1,767,123	-	-	-	1,767,123	1,714,542	16,946	1,711,507	-	-	1,728,453	1,607,971
Non-current other payables	-	30,666	40,887	-	71,553	71,553	-	13,056	-	-	13,056	13,056
	9,632,165	297,866	143,456	74,628	10,148,115	9,991,189	5,073,375	2,019,381	177,161	148,509	7,418,426	7,189,495

As shown in the above analysis, bank loans of the Group amounting to RMB768,436,000 were due to be repaid during the year ending March 31, 2024. The short-term liquidity risk inherent in this contractual maturity date is expected to be addressed after the end of the reporting period by obtaining new loan financing from new and existing lenders.

## 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's interest rate profile as monitored by management is set out in (i) below:

#### (i) Interest rate profile

The following table details the interest rate profile of the Group's interest-bearing borrowings at the end of the reporting period:

	At March 31, 2024		At March 31, 2023	
	Effective Interest rate	RMB'000	Effective Interest rate	RMB'000
<b>Fixed rate borrowings</b>				
Lease liabilities (note 31)	4.75 ~ 4.90%	(740,494)	4.75 ~ 4.90%	(789,804)
Convertible bonds (note 33)	4.30%	(1,714,542)	4.30%	(1,607,971)
Interest-bearing borrowings	3.70%	(10,000)	3.80%	(10,000)
		<b>(2,465,036)</b>		<b>(2,407,775)</b>
<b>Variable rate borrowings</b>				
Interest-bearing borrowings	1.71%-6.20%	(758,436)	1.55 – 3.93%	(760,406)

#### (ii) Sensitivity analysis

At March 31, 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained earnings by approximately RMB7,659,000 (for the year ended March 31, 2023: decreased/increased by approximately RMB7,679,000). Other components of equity would not have been affected by the changes in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise assuming that the change in interest rates had occurred at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained earnings) is estimated as an annualized impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis as at March 31, 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (d) Currency risk

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB have to take place through the People's Bank of China or other institutions authorized to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand. The Group is exposed to currency risk primarily through bank deposits, trade receivables, prepayments for material and service and interest-bearing borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars, Hong Kong Dollars and Japanese Yen.

#### (i) Exposure to currency risk

The following table details the Group's major exposures at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in Renminbi)							
	At March 31, 2024				At March 31, 2023			
	United States Dollars RMB'000	Hong Kong Dollars RMB'000	Japanese Yen RMB'000	Renminbi RMB'000	United States Dollars RMB'000	Hong Kong Dollars RMB'000	Japanese Yen RMB'000	Renminbi RMB'000
Bank deposits	29,215	101,452	1,878	318,512	57,813	115,566	1,947	25,664
Trade receivables	17,183	-	-	-	4,076	-	-	-
Intercompany receivables	194,321	-	-	-	146,443	-	-	-
Prepayments for materials and service	68,848	-	-	-	47,956	-	-	-
Trade payables	(925)	-	-	-	(121)	-	-	-
Interest-bearing borrowings	-	(543,930)	(214,506)	-	-	(525,243)	(235,163)	-
	308,642	(442,478)	(212,628)	318,512	256,167	(409,677)	(233,216)	25,664



## 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (d) Currency risk (continued)

#### (ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	For the year ended March 31, 2024			For the year ended March 31, 2023		
	(Decrease)/ increase in foreign exchange rate %	Effect on profit after tax and retained earnings RMB'000	Effect on other components of equity RMB'000	(Decrease)/ increase in foreign exchange rate %	Effect on profit after tax and retained earnings RMB'000	Effect on other components of equity RMB'000
United States Dollars	10%	± 23,385	–	10%	± 19,168	–
Hong Kong Dollars	10%	¥ 44,251	–	10%	¥ 40,968	–
Japanese Yen	10%	¥ 21,281	–	10%	¥ 23,322	–
Renminbi	10%	±4,489	–	10%	±373	–

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the year ended March 31, 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (e) Business risk

The Group's primary business is research, design and development, raw materials procurement, outsourced manufacturing, marketing and distribution of branded down apparel products, which experiences seasonal fluctuations. As such, the sales volumes and revenue in the second half of the financial year are normally substantially higher than those during the first half of the financial year. The Group's financial results are influenced by the weather conditions during the year and the rapidity with which designs are copied by competitors and reproduced at lower prices, as well as by the Group's ability to develop new designs that capture market demand, maintain an effective distribution network, manufacture sufficient quantities to meet cyclical sales, and manage an optimal level of inventories. Based on these factors, the Group may experience significant fluctuations in its future financial results.

#### (f) Fair value measurement

##### (i) *Financial assets and liabilities measured at fair value*

###### *Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3 valuations: Fair value measured using significant unobservable inputs.

### 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (f) Fair value measurement (continued)

##### (i) *Financial assets and liabilities measured at fair value (continued)*

*Fair value hierarchy (continued)*

The Group	Fair value at 31 March 2024 RMB'000	Fair value measurements as at 31 March 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurements</b>				
Financial assets:				
Equity securities designated at FVOCI	130,291	130,291	–	–
Financial assets classified as FVPL	4,191,622	1,480	4,190,142	–
Derivative financial assets	3,726	–	–	3,726
Financial liabilities:				
Derivative financial liabilities	(3,655)	–	–	(3,655)

The Group	Fair value at 31 March 2023 RMB'000	Fair value measurements as at 31 March 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurements</b>				
Financial assets:				
Equity securities designated at FVOCI	118,732	118,732	–	–
Financial assets classified as FVPL	3,968,637	1,193	3,967,444	–

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (f) Fair value measurement (continued)

##### (i) *Financial assets and liabilities measured at fair value (continued)*

###### *Valuation techniques and inputs used in level 2 fair value measurements*

The fair value of other financial assets in Level 2 is determined by reference to quoted prices of instruments similar to the assets being valued, adjusted for factors unique to the assets being valued.

###### *Information about level 3 fair value measurement*

The fair value of derivative financial instruments, the put option and call options, are determined by Black-Scholes model. The key parameters used include spot share price, share price volatility, dividend yield, risk-free rate and repurchase probability.

Below is a summary of significant unobservable inputs to the valuation of the options together with an analysis for the relationship of unobservable inputs to the fair value measurements at the end of reporting period:

	<b>Valuation techniques</b>	<b>Significant unobservable inputs</b>	<b>Relationship of unobservable inputs to the input</b>
Put option	Black-Scholes model	Share price volatility, dividend yield and repurchase probability	The fair value increase/decrease as the volatility increase/decrease, dividend yield increase/decrease and repurchase probability increase/decrease
Call options	Black-Scholes model	Share price volatility, dividend yield and repurchase probability	The fair value increase/decrease as the volatility increase/decrease, dividend yield decrease/increase and repurchase probability increase/decrease

## 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (f) Fair value measurement (continued)

#### (i) *Financial assets and liabilities measured at fair value (continued)*

*Information about level 3 fair value measurement (continued)*

The movements during the year in the balance of these Level 3 fair value measurements were as follows:

	At March 31, 2024 RMB'000	2023 RMB'000
Put option		
At 1 April	–	–
Addition due to investment in an associate	3,558	–
Fair value change	168	–
At 31 March	3,726	–
Call options		
At 1 April	–	–
Addition due to investment in joint ventures	(4,208)	–
Fair value change	553	–
At 31 March	(3,655)	–

Any gain or loss arising from the remeasurement of the put option and call options are presented in the “Net finance income” line item in the consolidated statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (f) Fair value measurement (continued)

##### (ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as at March 31, 2024 and 2023.

### 39 COMMITMENTS AND CONTINGENT LIABILITIES

#### (a) Commitments

Commitments of the Group in respect of plant, property and equipment, equity investment and advertising and promotional expenses outstanding at March 31, 2024 not provided for in the consolidated financial statements were as follows:

	At March 31, 2024 RMB'000	2023 RMB'000
Contracted for	156,011	167,639

#### (b) Contingent liabilities

As at March 31, 2024, the Group did not have any significant contingent liabilities.

## 40 MATERIAL RELATED PARTY TRANSACTIONS

During the year, transactions with the following parties are considered as related party transactions.

Name of parties	Relationship
Bosideng Corporation Limited (“Bosideng Corporation”) 波司登股份有限公司(「波司登股份」)	Solely ultimately beneficially owned by Mr. Gao Dekang, the controlling equity shareholders of the Group
Shandong Kangbo Property Co., Ltd. (“Shandong Kangbo Property”) 山東康博置業有限公司(「山東康博置業」)	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group
Shandong Kangbo Industrial Co., Ltd. (“Shandong Kangbo Industrial”) 山東康博實業有限公司(「山東康博實業」)	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group
Jiangsu Suyong International Trade Co., Ltd. (“Jiangsu Suyong”) 江蘇蘇甬國際貿易有限公司(「江蘇蘇甬」)	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group
Changshu Kangbo Landscaping Co., Ltd. (“Changshu Kangbo”) 常熟市康博園林綠化有限公司(「常熟康博」)	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group and one of the shareholders since April 1, 2014
Kangbo Gaoyou Enterprise development Co., Ltd. (“Kangbo Gaoyou”) 康博(高郵)企業發展有限公司(「康博高郵」)	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group and one of the shareholders since November 29, 2018 and ceased to be a related party since June 28, 2023
Jiangsu Kangxin Garment Co., Ltd. (“Jiangsu Kangxin”) 江蘇康欣製衣有限公司(「江蘇康欣」)	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group
Anhui Liujiao 安徽柳橋國際供應鏈有限公司(「安徽柳橋」)	Associate
Bogner GCA Holding 博格納大中華控股有限公司(「博格納大中華控股」)	Joint venture
Tan Duong Export Garment Co., Ltd. (“Tan Duong”) 新洋服裝出口有限責任公司(「新洋服裝」)	Joint venture

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 40 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with related parties

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
<b>Purchase of raw materials:</b>		
Bosideng Corporation	565	45
<b>Lease and service charges under lease agreements:</b>		
Bosideng Corporation	9,371	11,895
<b>Processing service fees:</b>		
Bosideng Corporation	1,524,111	1,388,992
Shandong Kangbo Industrial	–	3,490
Kangbo Gaoyou (ceased to be a related party since June 28, 2023)	–	37,476
Jiangsu Kangxin	124,373	89,361
Tan Duong	5,712	–
	<b>1,654,196</b>	<b>1,519,319</b>
<b>Integrated service fees:</b>		
Bosideng Corporation	14,899	13,962
Jiangsu Suyong	–	284
Changshu Kangbo	2,280	1,667
Jiangsu Kangxin	23	–
	<b>17,202</b>	<b>15,913</b>
<b>Integrated service income:</b>		
Bogner GCA Holding	493	129
<b>Loans or advances provided to, netting off the repayment:</b>		
Anhui Liuqiao	21,500	21,000
<b>Interest income charged to an associate:</b>		
Anhui Liuqiao	2,077	788

#### *Rental expenses for lease of properties*

Based on IFRS 16, for the lease of properties from Bosideng Corporation, the Group had recognized a lease liability with the balance of RMB24,574,000 (March 31, 2023: RMB20,442,000), and a right-of-use asset with the balance of RMB23,225,000 as at March 31, 2024 (March 31, 2023: RMB18,874,000). In addition, the Group recorded depreciation of right-of-use asset of RMB11,580,000 (2023: RMB8,880,000) and an interest expense of the respective leases of RMB1,070,000 (2023: RMB1,160,000) for the year ended March 31, 2024.



## 40 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Transactions with related parties (Continued)

#### *Applicability of the Listing Rules relating to connected transactions*

The related party transactions in respect of purchasing of raw materials, processing fee costs, lease and service charges under lease agreements and integrated service fees above constituted non-exempt continuing connected transactions as defined in Chapter 14A of the Listing Rules.

### (b) Balances with related parties

	At March 31, 2024 RMB'000	2023 RMB'000
<b>Amounts due from:</b>		
<b>Prepayments to related parties (i):</b>		
Bosideng Corporation	19,567	86,265
Kangbo Gaoyou (ceased to be a related party since June 28, 2023)	–	3,880
Jiangsu Kangxin	2,927	1,186
	<b>22,494</b>	91,331
<b>Other receivables due from related parties (iii):</b>		
Bosideng Corporation	27,016	29,553
Anhui Liuqiao (ii)	43,746	21,788
Bogner GCA Holding	496	136
	<b>71,258</b>	51,477
	<b>93,752</b>	142,808
<b>Amounts due to:</b>		
<b>Trade and other payables due to related parties (iv):</b>		
Bosideng Corporation	86,589	3,979
Changshu Kangbo	226	95
	<b>86,815</b>	4,074

- (i) The prepayments to related parties mainly arose from the transaction of raw material and processing service procurement from related parties which are expected to be settled within one year.
- (ii) The other receivables due from Anhui Liuqiao represented a loan provided with the maturity date on August 31, 2024. The loan is secured and bears 5% interest rate per annum. During the year ended March 31, 2024, total interest income generating from the loan was RMB2,077,000 (2023: RMB788,000).
- (iii) Except for the other receivables due from Anhui Liuqiao, the remaining receivables due from related parties are unsecured, interest-free and expected to be recovered within one year or on demand.
- (iv) The trade and other payables due to related parties are unsecured, interest-free and are expected to be paid within one year or on demand.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 40 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 12 and certain of the highest paid employees as disclosed in note 13, is as follows:

	For the year ended March 31,	
	2024	2023
	RMB'000	RMB'000
Short-term employee benefits	40,947	28,769
Equity compensation benefits	51,967	67,684
<b>Total</b>	<b>92,914</b>	<b>96,453</b>

### 41 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	At March 31,	
		2024	2023
		RMB'000	RMB'000
<b>Non-current asset</b>			
Investment in and amounts due from subsidiaries		1,694,070	2,008,049
		<b>1,694,070</b>	<b>2,008,049</b>
<b>Current assets</b>			
Trade and other receivables		47,478	48,459
Dividends receivables due from a subsidiary		3,175,275	2,870,510
Other financial assets		150,336	–
Cash and cash equivalents		695,554	735,759
		<b>4,068,643</b>	<b>3,654,728</b>
<b>Current liabilities</b>			
Interest-bearing borrowings		758,436	497,783
Trade and other payables		55,543	41,813
Amounts due to subsidiaries		339,388	255,258
Convertible bonds		1,709,523	–
		<b>2,862,890</b>	<b>794,854</b>
<b>Net current assets</b>		<b>1,205,753</b>	<b>2,859,874</b>
<b>Total assets less current liabilities</b>		<b>2,899,823</b>	<b>4,867,923</b>
<b>Non-current liability</b>			
Convertible bonds		–	1,603,110
<b>Net assets</b>		<b>2,899,823</b>	<b>3,264,813</b>
<b>Capital and reserves</b>			
Share capital	36(c)	819	818
Reserves	36(d)	2,899,004	3,263,995
<b>Total equity</b>		<b>2,899,823</b>	<b>3,264,813</b>

## 42 ULTIMATE HOLDING COMPANY

The directors consider the ultimate holding company of the Company as at March 31, 2024 to be Kangbo Holdings Group Co., Ltd. (previously known as Bosideng Holdings Group Co., Ltd.), which is incorporated in the PRC.

## 43 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to March 31, 2024, the board of directors of the Company proposed a final dividend of HKD2,193,721,000 (approximately RMB2,001,530,000), representing HKD20.0 cents per ordinary share to the equity shareholders of the Company.

## 44 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED MARCH 31, 2024

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended March 31, 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after (unless specified)
Amendments to IAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i> ("2020 amendments")	January 1, 2024
Amendments to IAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants</i> ("2022 amendments")	January 1, 2024
Amendments to IFRS 16, <i>Leases: Lease liability in a sale and leaseback</i>	January 1, 2024
Amendments to IAS 7, <i>Statement of cash flows</i> and IFRS 7, <i>Financial Instruments: Disclosures: Supplier finance arrangements</i>	January 1, 2024
Amendments to IAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	January 1, 2025

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Gao Dekang (*Chairman of the Board and CEO*) (Notes 1 & 2)

Ms. Mei Dong

Ms. Huang Qiaolian

Mr. Rui Jinsong

Mr. Gao Xiaodong

#### Independent Non-executive Directors

Mr. Dong Binggen (Notes 1, 2 & 3)

Mr. Wang Yao (Notes 1, 2 & 3)

Dr. Ngai Wai Fung (Note 3)

### COMPANY SECRETARY

Ms. Liang Shuang

### AUTHORIZED REPRESENTATIVES

Mr. Gao Dekang

Ms. Liang Shuang

### SHARE LISTING

Place of Listing

The Stock Exchange of Hong Kong Limited

### STOCK CODE

3998

### INVESTOR RELATIONS

Email: [bosideng\\_ir@bosideng.com](mailto:bosideng_ir@bosideng.com)

Tel: (852) 2866 6918

Fax: (852) 2866 6930

### WEBSITES

<http://company.bosideng.com>

<http://www.bosideng.com>

### INVESTOR RELATIONS CONSULTANT

iPR Ogilvy Ltd.

### REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5709, 57/F., The Center

99 Queen's Road Central

Central, Hong Kong

### 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

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17 Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

### PRINCIPAL LEGAL ADVISORS AS TO HONG KONG LAW

CFN Lawyers

## AUDITOR

KPMG

Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance

## PRINCIPAL BANKERS

Agricultural Bank of China Limited

China Construction Bank Corporation

Bank of China Limited

China CITIC Bank Corporation Limited

DBS Bank Ltd., Hong Kong Branch

Standard Chartered Bank (Hong Kong) Limited

Sumitomo Mitsui Banking Corporation Hong Kong Branch

The Hongkong and Shanghai Banking Corporation Limited

*Notes:*

(1) *Members of the Remuneration Committee, Mr. Wang Yao is the Chairman of the Remuneration Committee*

(2) *Members of the Nomination Committee, Mr. Gao Dekang is the Chairman of the Nomination Committee*

(3) *Members of the Audit Committee, Dr. Ngai Wai Fung is the Chairman of the Audit Committee*

# SHAREHOLDER INFORMATION

## IMPORTANT DATES

### Closure of Register of Members

August 15, 2024 to August 20, 2024  
(for attending the AGM) (both days inclusive)

August 26, 2024 to August 28, 2024  
(for entitlement to the final dividend) (both days inclusive)

## ANNUAL GENERAL MEETING

On or around August 20, 2024

## DIVIDEND

Final dividend : HKD20.0 cents per Share  
Payable : On or around September 13, 2024

## FINANCIAL YEAR END

March 31

## BOARD LOT

2,000 Shares

# DEFINITIONS

<b>Terms</b>	<b>Definitions</b>
"AGM"	the forthcoming annual general meeting of the Company
"Articles"	the existing amended and restated articles of association of the Company
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Board Diversity Policy"	the board diversity policy of the Company adopted by the Board
"CEO"	the chief executive officer of the Company
"Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company"	Bosideng International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on July 10, 2006
"Company Secretary"	the company secretary of the Company
"Conversion Share(s)"	the Share(s) to be issued by the Company upon conversion of the Convertible Bonds
"Convertible Bond(s)"	the convertible bonds with an initial aggregate principal amount of USD275,000,000 with a coupon of 1.00 per cent. due 2024 issued by the Company on December 17, 2019
"Directors"	director(s) of the Company
"Dividend Policy"	the dividend policy of the Company adopted by the Board
"Euro"	the lawful currency of the European Union

## DEFINITIONS

<b>Terms</b>	<b>Definitions</b>
“Financial Statements”	the audited consolidated financial statements of the Group for the Year
“Framework Integrated Service Agreement”	the framework integrated service agreement entered into between the Company and Mr. Gao Dekang dated September 15, 2007, pursuant to which the Parent Group agreed to provide various ancillary services to the Group
“Group”	the Company and its subsidiaries
“HKD” or “HK dollars” and “HK cents”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Japanese yen”	the lawful currency of Japan
“Latest Practicable Date”	the latest practicable date prior to the printing of this annual report (being July 18, 2024)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Moody’s”	Moody’s Investors Service, Inc.
“MPF Scheme”	the Mandatory Provident Fund Scheme, a defined contribution scheme managed by an independent trustee
“New Surplus”	New Surplus International Investment Limited, a shareholder of the Company
“Nomination Committee”	the nomination committee of the Company
“OEM”	original equipment manufacturing
“Options”	the share options granted under the Share Option Scheme



**Terms****Definitions**

“Parent Group”	Mr. Gao Dekang and his associates (other than the members of the Group)
“Pound sterling”	the lawful currency of the United Kingdom
“PRC” or “China”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated September 27, 2007
“Remuneration Committee”	the remuneration committee of the Company
“Renewed Framework Manufacturing Outsourcing and Agency Agreement”	the renewed framework manufacturing outsourcing and agency agreement entered into between the Company and Mr. Gao Dekang dated March 3, 2022, pursuant to which the Group agreed to outsource its manufacturing process of down apparel, OEM products and/or its down related materials to the Parent Group on a non-exclusive basis
“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of USD0.00001 each
“Share Award Scheme”	the share award scheme adopted by the Company on April 23, 2020
“Share Option Scheme”	the share option scheme adopted by the Company on August 25, 2017
“Stock Exchange” or “SEHK”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription and issue of the Convertible Bonds pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated December 4, 2019 entered into between the Company and Citigroup Global Markets Limited and China International Capital Corporation Hong Kong Securities Limited, as managers, in relation to, among other things, the Subscription

## DEFINITIONS

### Terms

“SZSE”

“S&P”

“USD” or “US dollars”

“Year” or “FY2023/24”

“%”

### Definitions

the Shenzhen Stock Exchange

S&P Global Ratings

the lawful currency of the United States of America

the year ended March 31, 2024

per cent.

company.bosideng.com  
www.bosideng.com



**波司登**  
**BOSIDENG**

**Bosideng International Holdings Limited**  
Incorporated in the Cayman Islands with limited liability  
Stock Code: 3998

壹界羽絨服 中國波司登 引領新潮流

高德康