波司登國際控股有限公司

Bosideng International Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3998)

ANNUAL RESULTS FOR THE YEAR ENDED MARCH 31, 2024

HIGHLIGHTS

- Revenue increased by 38.4% to approximately RMB23,214.0 million as compared to that of last year
- Gross profit margin slightly increased by 0.1 percentage point to approximately 59.6% as compared to that of last year
- Profit from operations increased by 55.6% to approximately RMB4,397.6 million as compared to that of last year
- Profit attributable to equity shareholders of the Company increased by 43.7% to approximately RMB3,074.1 million as compared to that of last year
- The Board proposed a final dividend of HKD20.0 cents per ordinary share

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Bosideng International Holdings Limited (the "**Company**") announces the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended March 31, 2024 (the "**Year**" or "**FY2023/24**"), together with the comparative figures for the year ended March 31, 2023, as follows:

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	3	**23,214,033**	16,774,220
Cost of sales		**(9,380,493)**	(6,798,344)
Gross profit		**13,833,540**	9,975,876
Other income	4	**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	10	**(70,000)**	(118,000)
Other expenses		**(19,111)**	(12,373)
Profit from operations		**4,397,556**	2,826,372
Finance income		**374,212**	293,214
Finance costs		**(216,363)**	(209,977)
Net finance income	6	**157,849**	83,237
Share of losses of associates and joint ventures		**(14,195)**	(22,296)
Profit before taxation		**4,541,210**	2,887,313
Income tax	7	**(1,421,074)**	(730,930)
Profit for the year		**3,120,136**	2,156,383

	For the year ended March 31,	
	2024	2023
	RMB'000	*RMB'000*
Other comprehensive income for the year:		
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)
Other comprehensive income for the year	**(41,163)**	(123,566)
Total comprehensive income for the year	**3,078,973**	2,032,817

	Note	For the year ended March 31, 2024 RMB'000	2023 RMB'000
Profit attributable to:			
Equity shareholders of the Company		**3,074,072**	2,138,574
Non-controlling interests		**46,064**	17,809
Profit for the year		**3,120,136**	2,156,383
Total comprehensive income attributable to:			
Equity shareholders of the Company		**3,032,909**	2,015,008
Non-controlling interests		**46,064**	17,809
Total comprehensive income for the year		**3,078,973**	2,032,817
Earnings per share	*8*		
– basic (RMB cents)		**28.34**	19.75
– diluted (RMB cents)		**27.52**	19.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at March 31, 2024

(Expressed in Renminbi)

	Note	At March 31, 2024 RMB'000	At March 31, 2023 RMB'000
Non-current assets			
Property, plant and equipment		**1,543,951**	1,727,741
Right-of-use assets	*9*	**958,155**	978,126
Intangible assets and goodwill	*10*	**1,236,397**	1,342,278
Interest in associates		**52,558**	66,071
Interest in joint ventures		**200,789**	169,470
Investment properties		**264,702**	262,514
Prepayments		**–**	5,498
Other financial assets	*14*	**358,902**	169,738
Derivative financial instruments		**3,726**	–
Deferred tax assets		**497,703**	649,092
Pledged bank deposits		**18,336**	500,117
Time deposits		**1,570,000**	350,000
Long-term receivables	*13*	**47,374**	–
		6,752,593	6,220,645
Current assets			
Inventories	*11*	**3,197,497**	2,689,283
Trade and bills receivables	*12*	**1,497,900**	922,985
Deposits, prepayments and other receivables	*13*	**1,287,676**	1,355,434
Amounts due from related parties		**93,752**	142,808
Other financial assets	*14*	**3,963,011**	4,069,019
Pledged bank deposits		**653,095**	528,115
Time deposits		**2,098,666**	1,296,184
Cash and cash equivalents		**6,227,015**	3,718,211
		19,018,612	14,722,039

	Note	At March 31, 2024 RMB'000	2023 RMB'000
Current liabilities			
Current income tax liabilities		**497,071**	669,005
Interest-bearing borrowings		**768,436**	770,406
Lease liabilities		**356,071**	263,945
Trade and other payables	*15*	**7,765,152**	4,346,472
Amounts due to related parties		**86,815**	4,074
Convertible bonds	*16*	**1,709,523**	–
		11,183,068	6,053,902
Net current assets		**7,835,544**	8,668,137
Total assets less current liabilities		**14,588,137**	14,888,782
Non-current liabilities			
Deferred tax liabilities		**309,021**	142,388
Lease liabilities		**384,423**	525,859
Derivative financial instruments		**3,655**	–
Convertible bonds	*16*	**–**	1,603,110
Other non-current liabilities		**71,553**	13,056
		768,652	2,284,413
Net assets		**13,819,485**	12,604,369
Capital and reserves			
Share capital		**819**	818
Reserves		**13,734,617**	12,546,293
Equity attributable to equity shareholders of the Company		**13,735,436**	12,547,111
Non-controlling interests		**84,049**	57,258
Total equity		**13,819,485**	12,604,369

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.

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 2(c) 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; and

– derivative financial instruments.

(c) 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*

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, 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.

3 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.

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

All revenue was recognized at point in time.

(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.

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	**OEM management**	**Ladieswear apparels**	**Diversified apparels**	**Group**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***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**
Reportable segment revenue	**19,543,026**	**2,695,307**	**819,800**	**235,330**	**23,293,463**
Reportable segment profit/(losses)	**4,350,179**	**260,871**	**(20,805)**	**(1,617)**	**4,588,628**
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	OEM management	Ladieswear apparels	Diversified apparels	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*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
Reportable segment revenue	13,590,109	2,341,120	702,953	227,141	16,861,323
Reportable segment profit/(losses)	2,688,571	306,054	(50,681)	5,269	2,949,213
Amortization of intangible assets	–	–	(35,881)	–	(35,881)
Impairment losses on goodwill	–	–	(118,000)	–	(118,000)

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

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

4 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.

5 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	**9,380,493**	6,798,344
Depreciation		
– assets leased out	**9,276**	8,663
– owned property, plant and equipment	**687,061**	473,879
– right-of-use assets	**484,861**	431,006
Amortization charge		
– intangible assets	**35,881**	35,881
Impairment losses on goodwill	**70,000**	118,000
Lease charge of short-term leases exempt from capitalization under IFRS16	**117,765**	98,912
Variable lease payments	**1,916,759**	1,686,852
Auditors' remuneration of audit service	**5,600**	5,600

6 NET FINANCE INCOME

	For the year ended March 31,	
	2024	2023
	RMB'000	*RMB'000*
Recognized in profit or loss:		
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	**2,566**	13,676
Total interest income on financial assets	**203,075**	145,689
Unrealized/realized net gain in financial assets classified as FVPL	**140,518**	140,451
Dividend income	**1,427**	–
Changes in fair value of derivative financial instruments	**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 costs	**(73,256)**	(71,661)
Interest on convertible bonds *(note 16)*	**(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

7 INCOME TAX

(a) Income tax in profit or loss represents:

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

(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 Profit 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.

(b) Reconciliation between income tax and accounting profit at applicable tax rates:

	For the year ended March 31,	
	2024	2023
	RMB'000	*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 7 (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 7(a)(iv))*	**244,939**	111,210
Others	**(8,271)**	(15,916)
Income tax	**1,421,074**	730,930

8 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	2023
	'000	*'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 and the effect of conversion of convertible bonds, as follows:

Weighted average number of ordinary shares (diluted):

	For the year ended March 31,	
	2024	2023
	'000	*'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

9 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*
Cost:			
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	2,538,429	182,505	2,720,934
Accumulated depreciation:			
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	(1,731,049)	(31,730)	(1,762,779)
Net book Value			
At March 31, 2024	807,380	150,775	958,155
At March 31, 2023	821,770	156,356	978,126

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	For the year ended March 31, 2024 *RMB'000*	2023 *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
	484,861	431,006
Interest on lease liabilities *(note 6)*	**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.

(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.

10 INTANGIBLE ASSETS AND GOODWILL

	Goodwill *RMB'000*	Customer relationships *RMB'000*	Trademarks *RMB'000*	Total *RMB'000*
Cost:				
At March 31, 2022, 2023 and 2024	1,708,151	648,822	633,795	2,990,768
Amortization and impairment losses:				
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	(828,741)	(643,234)	(282,396)	(1,754,371)
Net book value:				
At March 31, 2024	879,410	5,588	351,399	1,236,397
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 cash-generating units ("**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%).

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 losses were 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*
Gross value		
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
	1,708,151	1,708,151
Accumulated impairment losses		
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)
	(828,741)	(758,741)
Net value		
Menswear	**–**	–
Ladieswear – JESSIE brand	**323,512**	323,512
Ladieswear – BUOU BUOU brand	**204,537**	274,537
Ladieswear – Tianjin Ladieswear	**351,361**	351,361
	879,410	949,410

11 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

12 TRADE AND BILLS RECEIVABLES

	At March 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**1,191,438**	746,835
Bills receivable	**393,657**	263,818
Less: loss allowance for doubtful debts	**(87,195)**	(87,668)
	1,497,900	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.

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	2023
	RMB'000	*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
	1,497,900	922,985

Trade receivables and bills receivable are generally due within 30 to 90 days from the date of billing.

13 LONG-TERM RECEIVABLES/DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At March 31,	
	2024	2023
	RMB'000	*RMB'000*
Non-current		
Long-term receivables (i)	**47,374**	–
Current		
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
	1,287,676	1,355,434
	1,335,050	1,355,434

(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.

14 OTHER FINANCIAL ASSETS

	Note	At March 31, 2024 *RMB'000*	2023 *RMB'000*
Non-current			
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**	–
		358,902	169,738
Current			
Financial assets measured at amortized cost	*(a)*	**–**	100,382
Financial assets classified as FVPL	*(c)*	**3,963,011**	3,968,637
		3,963,011	4,069,019
Total		**4,321,913**	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.

(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 14,270,669. As at March 31, 2024, the number of shares held by Shuo Ming De remained at 14,270,669. 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 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.

15 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	**34,936**	17,574
– Receipts in advance in relation to unvested restricted shares	**43,722**	40,764
– Interest payable in relation to convertible bonds *(note 16)*	**5,019**	4,861
– Others	**93,866**	131,284
	7,765,152	4,346,472

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	**4,900,978**	2,891,259
1 to 3 months	**275,908**	206,065
	5,176,886	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.

16 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	1,714,542	244,779	1,959,321

Liability component

	At March 31,	
	2024	2023
	RMB'000	*RMB'000*
Carrying amount of liability component	**1,714,542**	1,607,971
Less: interest payable due within 1 year *(note 15)*	**(5,019)**	(4,861)
Convertible bonds	**1,709,523**	1,603,110

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.

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.

17 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)	**492,640**	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)	**2,001,530**	1,354,379
	2,494,170	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.

(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

18 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.

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.

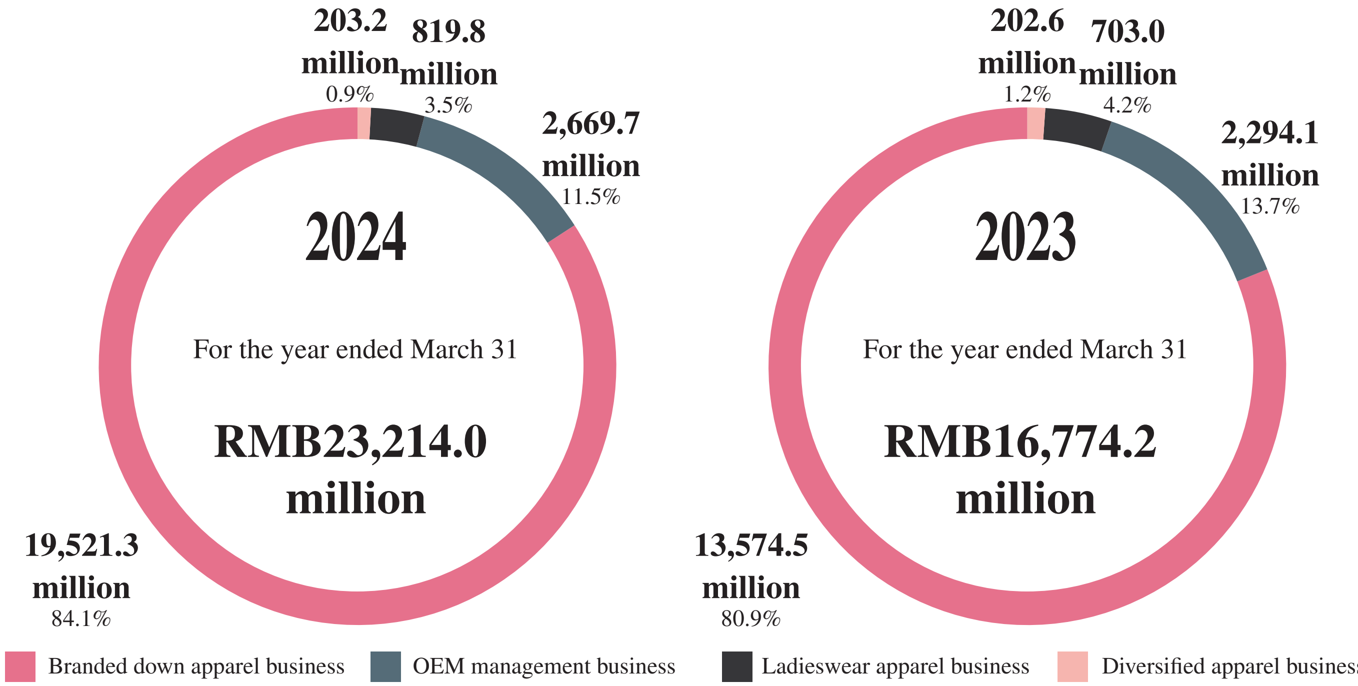
REVENUE ANALYSIS

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 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



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 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.

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.

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 favorite 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 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.

Classic brand rebuilding campaign – creating a hotspot to "light up the world's most beautiful snow scenery (點亮全球至美雪景)"

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.

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.

Merchandise Management

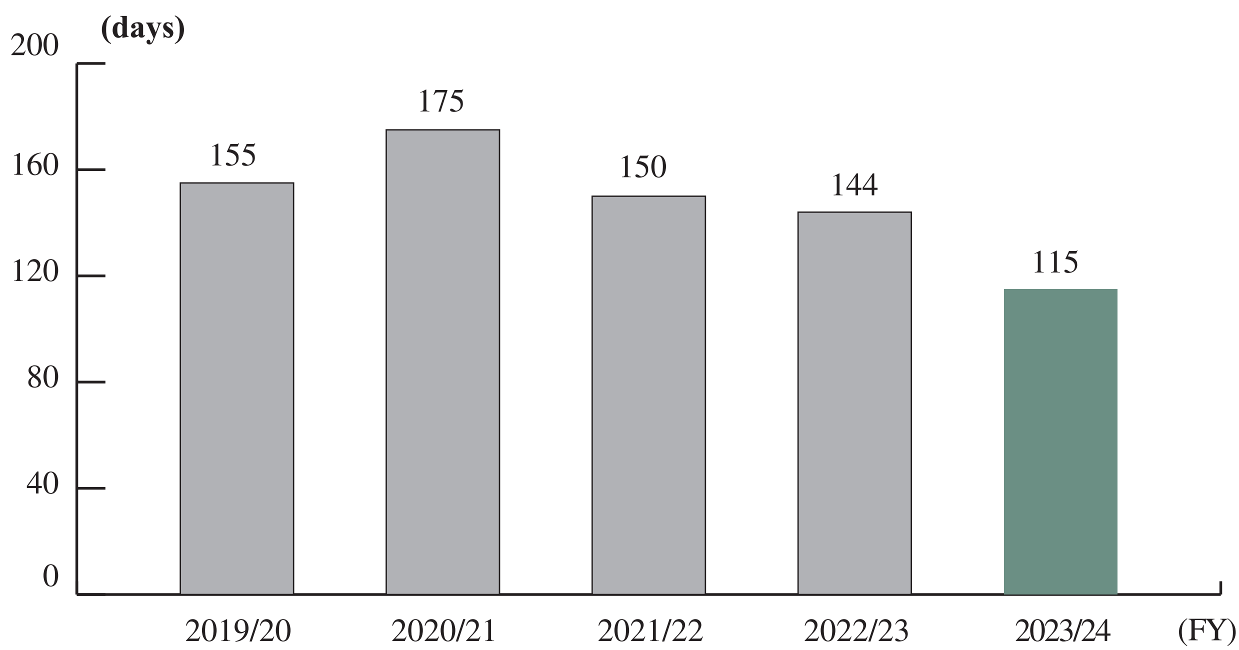
The Group believes that logistics is an essential element in conducting merchandise management and a prerequisite of efficient merchandise operation. Digitalization and intelligentization of logistics are the key to the effective digitalization and intelligentization of merchandise operations.

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 a 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 centre, 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 supplier 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



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 rapid increase in orders as favoured by the consumer market. To cope with the 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 outdoors 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 made that one of the Group's core competitive strengths.

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 centre and order processing centre 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 digital 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.

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 technology 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 Sub-committee Secretariat (SAC/TC 219/SC1), 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 Centre was established and awarded a plaque authorizing it to provide the Suzhou Quality and Innovation Consortium of Texile 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 2023/24 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.

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 with "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 cold thoroughly and maintain warmth that meets the need to withstand 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.

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 over-turned 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 colors of the hat and collars and the overall mellow color tone, thereby expressing the vitality of youth and sweetness.

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.

Revenue from down apparels business by brand

	For the year ended March 31,				
	2024		2023		
Brands	***RMB million***	***% of branded down apparel revenue***	*RMB million*	*% of branded down apparel revenue*	*Change*
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 apparels business	**19,521.3**	**100.0%**	13,574.5	100.0%	43.8%

Revenue from branded down apparels business by sales category

	For the year ended March 31,				
	2024		2023		
Sales categories	***RMB million***	***% of branded down apparel revenue***	*RMB million*	*% of branded down apparel revenue*	*Change*
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 apparels 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*

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* Number of stores	*Bosideng* Change	*Snow Flying* Number of stores	*Snow Flying* Change	*Bengen* Number of stores	*Bengen* Change	*Total* Number of stores	*Total* Change
Specialty stores								
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
Concessionary retail outlets								
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
Total	**2,997**	**-186**	**220**	**-18**	**–**	**-2**	**3,217**	**-206**

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
Total	**3,217**	3,423	-206

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

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 apparels business contributed to 3.5% of the Group's total revenue. The revenues from the ladieswear brands were as follows:

Revenue from ladieswear apparels business by brand

	For the year ended March 31,				
	2024		2023		
Brands	***RMB million***	***% of ladieswear apparels business revenue***	*RMB million*	*% of ladieswear apparels business revenue*	*Change*
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 apparels business	**819.8**	**100.0%**	703.0	100.0%	16.6%

Revenue from ladieswear apparels business by sales category

Sales categories	For the year ended March 31, 2024 RMB million	2024 % of ladieswear apparels business revenue	2023 RMB million	2023 % of ladieswear apparels business revenue	Change
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 apparels 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 them 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.

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.

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.

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 capitals in China) and approximately 36.0% are located in third-tier cities or lower-tiered ones.

Retail network breakdown by ladieswear brand

As at March 31, 2024	*JESSIE* Number of stores	*JESSIE* Change	*BUOU BUOU* Number of stores	*BUOU BUOU* Change	*KOREANO* Number of stores	*KOREANO* Change	*KLOVA* Number of stores	*KLOVA* Change	*Total* Number of stores	*Total* Change
Specialty stores										
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
Concessionary retail outlets										
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
Total	184	-7	123	-3	64	-18	54	-4	425	-32

Change: Compared with those as at March 31, 2023

Retail network of ladieswear apparels 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
Total	**425**	457	-32

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

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 apparels business by brand

	For the year ended March 31,				
	2024		2023		
Brands	***RMB million***	***% of diversified apparels business revenue***	*RMB million*	*% of diversified apparels business revenue*	*Change*
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 apparels business	**203.2**	**100.0%**	202.6	100.0%	0.3%

Revenue from diversified apparels business by sales category

	For the year ended March 31,				
	2024		2023		
Sales categories	***RMB million***	***% of diversified apparel business revenue***	*RMB million*	*% of diversified apparel business revenue*	*Change*
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 apparels 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.

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 apparels 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 on 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 apparels 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 business and ladieswear apparels 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 the 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 centres 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.

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, the overall gross profit margin of the Group decreased 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:

	For the year ended March 31,		
Brands	**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
Branded down apparels business	**65.0%**	66.2%	-1.2
OEM Management Business	**20.6%**	19.9%	+0.7
JESSIE	**64.8%**	66.6%	-1.8
BUOU BUOU	**59.9%**	64.0%	-4.1
KOREANO and KLOVA	**74.9%**	73.0%	+1.9
Ladieswear Business	**67.5%**	68.6%	-1.1
Diversified apparel business	**20.2%**	25.7%	-5.5
The Group	**59.6%**	59.5%	+0.1

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 were mainly comprised of 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

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 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
Total	6,227,015

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%.

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%).

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 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 centre 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.

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 cumulation 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".

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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from (i) August 15, 2024 to August 20, 2024 and (ii) August 26, 2024 to August 28, 2024, both days inclusive, during which periods no transfer of shares will be effected. In order to (i) determine the eligibility of the members who are entitled to attend and vote at the AGM and (ii) qualify for the proposed dividend payable on or around September 13, 2024, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on (i) August 14, 2024 and (ii) August 23, 2024, 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 of the Company adopted on April 23, 2020 (the "**Share Award Scheme**"), the trustee of the Share Award Scheme purchased on The Stock Exchange of Hong Kong Limited (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 during the Year.

CORPORATE GOVERNANCE CODE

The Directors are of the opinion that the Company had complied with the Corporate Governance Code (the "**Code**"), as set out in Appendix C1 to the Listing Rules for the Year, except for Code provisions C.2.1 and C.5.1, which provide that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, and that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

Mr. Gao Dekang is the founder of the Group, the Chairman and CEO. The Board believes that it is necessary to vest the roles of the Chairman and CEO in the same person due to Mr. Gao Dekang's unique role, his experience and well-established market 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 decisions of the Company. As all major decisions are made in consultation with members of the Board and the relevant committees, and there are independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

During the Year, the Board convened a total of three Board meetings based on the needs of the operation and business development of the Group, and each Board meeting has 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 progress and to make swift decisions as required. The Company will consider holding more regular Board meetings in the coming year if the situation allows it to meet the requirements under the said Code provision.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group, and has discussed with our Group's auditors, KPMG, regarding the auditing, internal control and financial report matters including the review of the Group's consolidated annual results for the Year.

AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the Year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

A resolution for the re-appointment of KPMG as auditors of the Group is to be proposed at the AGM.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://company.bosideng.com). The annual report for the Year containing all the information required by Appendix D2 to the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Bosideng International Holdings Limited
Gao Dekang
Chairman

Hong Kong, June 26, 2024

As at the date of this announcement, the executive Directors are Mr. Gao Dekang, Ms. Mei Dong, Ms. Huang Qiaolian, Mr. Rui Jinsong and Mr. Gao Xiaodong, and the independent non-executive Directors are Mr. Dong Binggen, Mr. Wang Yao and Dr. Ngai Wai Fung.