波司登
BOSIDENG

Bosideng International Holdings Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 3998

INTERIM REPORT 2024/25

Bosideng
Brand Ambassador
Eileen Gu

COMPANY PROFILE

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

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

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

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

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FINANCIAL HIGHLIGHTS

Revenue increased by
17.8%
to approximately
RMB8,804.1 million

Operating profit margin increased by
0.2 percentage point
to
16.7%

Profit attributable to equity shareholders of the Company increased by
23.0%
to approximately
RMB1,129.7 million

The Board declared payment of an interim dividend of
HKD6.0 cents
per Share

Interim Results Highlights

(RMB'000)	2024 Unaudited	2023 Unaudited	Changes
Revenue	**8,804,128**	7,471,665	17.8%
Gross profit	**4,391,320**	3,733,477	17.6%
Gross profit margin	**49.9%**	50.0%	-0.1ppt
Profit from operation	**1,471,805**	1,230,967	19.6%
Operating profit margin	**16.7%**	16.5%	0.2ppt
Profit attributable to equity shareholders of the Company	**1,129,698**	918,637	23.0%
Profit margin	**12.8%**	12.3%	0.5ppt
Earnings per share (RMB cents)			
– Basic	**10.35**	8.47	22.2%
– Diluted	**10.13**	8.35	21.3%


BOSIDENG EXTREME

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of FY2024/25, the Chinese economy demonstrated resilient growth momentum and a continued upward trend, injecting strong vitality into the consumer market. As the effects of various policies gradually materialize and market demand has further unleashed, China's textile and apparel industry is embracing new development opportunities. The Group, closely following these trends, has focused on its core business, adhered to brand leadership, strengthened innovation-driven development and practiced its corporate culture to achieve stable and high-quality growth.

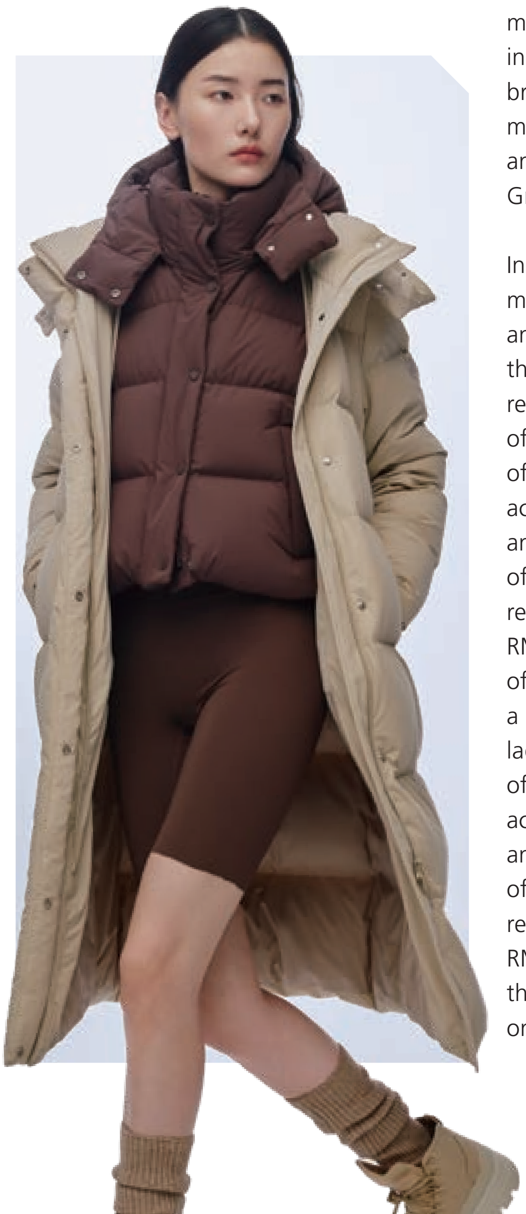
Against the backdrop of rising resident income and strengthening consumer confidence, the rise of domestic brands is leading a new trend of consumption upgrades, with consumers placing increasingly high demands on the quality, design, and functionality of branded products. The Group has continuously strengthened its efforts in brand building and marketing, achieving a remarkable improvement in brand influence and market competitiveness. Meanwhile, the Group can better satisfy the diversified needs of consumers by enhancing product quality, optimizing product category management, strengthening omni-channel retail and supply chain management, and promoting digital and intelligent transformation and upgrading.

Despite the complexity and numerous uncertainties in both the international and domestic economic and trade environments, the fundamental trend of China's economic recovery and long-term growth remains unchanged. New high-quality productive forces are activating new drivers of development. Empowered by growing cultural confidence and self-reliance, domestic brands are rising to the occasion, as consumers' identification with and pride in these brands continue to grow. Moreover, the steady growth in demand within the textile and apparel market, coupled with an increasing number of positive factors, is gradually reshaping the ecosystem of China's textile and apparel industry, driving it towards higher quality, higher efficiency, and greater sustainability.

Upholding its mission of "China Bosideng, Warming the World", and guided by the strategic vision of "becoming the world-leading fashionable, functional and technological apparel group", the Group is firmly focused on the mainstay business of down jackets and the main track of fashionable and functional apparel enhanced with technology. Adhering to the brand-led development mode, the Group continues to create value for people's better lives and contribute to the modernization of the textile industry system and the advancement of Chinese modernization.

REVENUE ANALYSIS

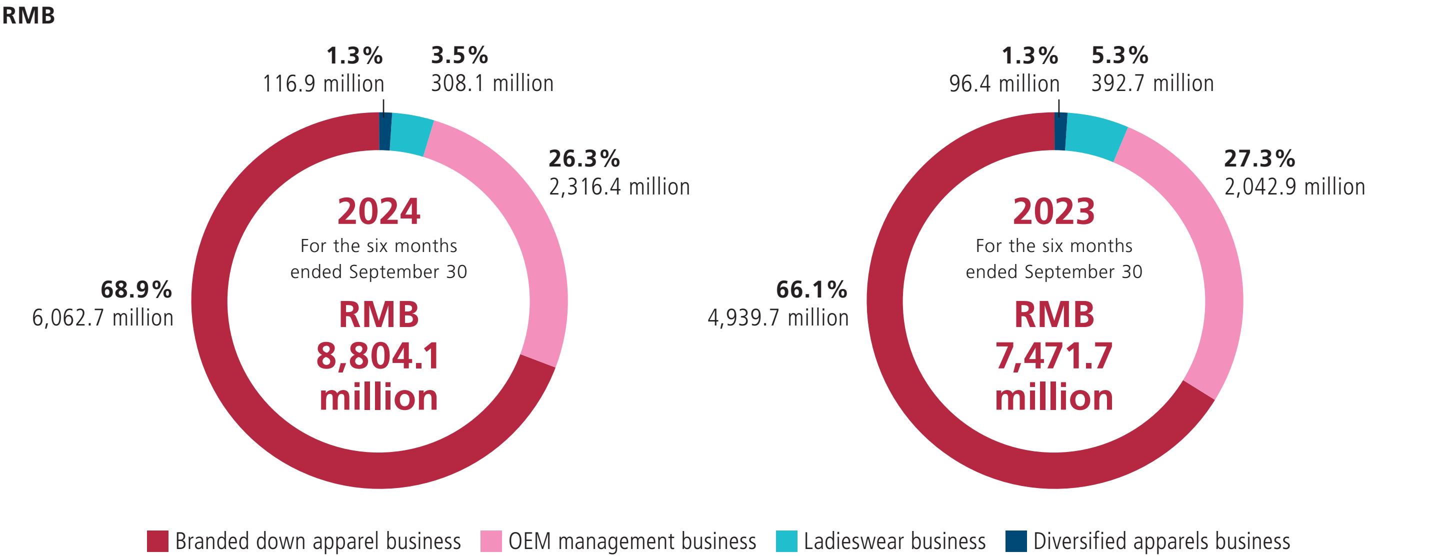
Since 2018, the Group has raised new strategic goals and embarked on a new journey of transformation and upgrading. Over the past six years, the Group has returned to its original aspiration that it had when it started its business. By focusing on its core business of down jackets and led by brand building, the Group strived to innovate products, upgrade its retail business and maintain high product quality in quick responses as well as the digital transformation of its operation, and achieved sound and high-quality growth.



In the first half of FY2024/25, the Group's revenue amounted to RMB8,804.1 million, representing a year-on-year increase of approximately 17.8%. The branded down apparel business, OEM management business, ladieswear business and diversified apparels business are the Group's main business segments.

In the first half of FY2024/25, the Group's main business segments achieved stable and high-quality growth. Among which, the branded down apparel business remained the biggest revenue contributor of the Group, and recorded revenue of approximately RMB6,062.7 million, accounting for 68.9% of the total revenue and representing a year-on-year increase of 22.7%. The OEM management business recorded revenue of approximately RMB2,316.4 million, accounting for 26.3% of the total revenue and representing a year-on-year increase of 13.4%. The ladieswear business recorded revenue of approximately RMB308.1 million, accounting for 3.5% of the total revenue and representing a year-on-year decrease of 21.5%. The diversified apparels business recorded revenue of approximately RMB116.9 million, accounting for 1.3% of the total revenue and representing a year-on-year increase of 21.3%.

Revenue by Business



Branded Down Apparel Business:

The Group focused on its core business, concentrated on its advantageous resources, and built the core competencies within its main business, striving to become a leader in the global down apparel industry. In terms of branded down apparel business segment, the Group introduced the "four reinforcements" initiative to "enhance brand leadership, product category management, channel operation, and customer experience" to comprehensively build up its operational capability and profitability in FY2024/25.

In terms of branding, the Group continued to solidify its brand image of being "the world's leading expert in down apparel", adhering to a brand-led development model and elevating its brand perception from a global leader in down apparel in terms of sales volume to a truly global leader in all respects in the down apparel industry. In terms of products, the Group adopted a category efficiency enhancement approach, further developing functional outerwear for spring and summer, such as sun-protective clothing and monocoque windbreaker jackets. Meanwhile, the Group actively expanded the category of light down jackets as windbreaker jackets and was able to earn the recognition and preference of mainstream consumers continuously. In terms of channels, the Group continued to build its TOP store ("Top Store(s)") system to boost brand momentum and unleash the headline effects on one hand, and on the other hand, it solidified its refined operation capabilities by iterating its channel hierarchical operation system, which significantly improved the operational efficiency of its branch stores.

In the first half of FY2024/25, the Bosideng brand under the Group's branded down apparel business recorded a year-on-year increase of 19.4% in revenue, reaching RMB5,279.9 million. The revenue of the overall branded down apparel business segment increased by 22.7% on a year-on-year basis to RMB6,062.7 million.

Brand Building

In the first half of FY2024/25, 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 into a truly global leader in all respects in the down apparel industry.

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

According to the "Brand Finance Apparel 50 2024" 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 and, rising one spot to the 46th place, demonstrating the Group's strength and influence amongst the world's leading brands.

In the 19th "Asia Brand Summit & Asia's 500 Most Influential Brands of 2024" organized by the World Brand Lab, the Bosideng brand steadily climbed to the 268th place in the Asia's 500 Most Influential Brands Ranking of 2024, and rose one position from 2023. Furthermore, Bosideng was selected as one of the top ten most favored brands by consumers in China. With its outstanding brand strategy and market competitiveness, the Bosideng brand sets a strong example for Chinese brands going global.

In the "2024 Brand Strength Evaluation Result of World Apparel Brands" released by the International Academy of Brand Science, the Bosideng brand ranked 8th in the list of the world's Top 100 Apparel Brand Strength, achieving the highest ranking Chinese brands on the list.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of FY2024/25, Bosideng conducted a series of brand-building events:

In the first half of FY2024/25, Bosideng put the sun-protective clothing as the focus of category breakthrough and launched a new line of sun-protective clothing products. The trendy designs and excellent sun protection performance have garnered widespread attention and positive consumer feedback upon release. Through continuous efforts, the Bosideng brand has gradually increased the influence of its sun-protective clothing line, resulting in rapid revenue growth and strengthening the brand's category extension.

In April 2024, Bosideng and the Polar Research Institute of China held a signing and awarding ceremony to formalize their cooperation on China's Antarctic and Arctic expeditions. The two parties will jointly promote innovation and implementation of polar scientific research and technology by deepening their strategic partnership. This strategic cooperation will deeply involve joint research and development of co-branded products, promoting the "Antarctic spirit", and raising consumer awareness of the "importance of understanding, protecting and utilizing the polar regions".

In June 2024, the Group signed separate cooperation agreements with the Harbin Municipal People's Government and other related parties to jointly develop a series of "Erbin" brand IP and launch the "Bosideng & Erbin" co-branded fashion show. By integrating its brand DNA with Harbin's iconic ice and snow culture and tourism, Bosideng created the "Erbin" products series, embodying the essence of Harbin as the "City of Ice and Snow". This collaboration aims to drive high-quality performance growth and enhance the brand's image.

In July 2024, on the occasion of the 60th anniversary of the establishment of diplomatic relations between China and France, the China-France Year of Culture and Tourism and the eve of the Paris Olympic Games, Bosideng participated in the "REVIVING CRAFT: Métiers d'Art et Design Contemporain de la Chine" exhibition series, and held "Rong", a Chinese-inspired concept show, at the General Hall of the Musée des Arts Décoratifs. Bosideng presented a 30-piece collection that drew inspiration from traditional Chinese culture and incorporated intangible cultural heritage techniques, such as weaving and embroidery, in the show. Ancient totems, auspicious knotted buttons, and Suzhou embroidery were integrated into the down jacket designs, preserving the unique charm of Eastern culture while meeting modern aesthetic preferences, seamlessly blending ancient craftsmanship with contemporary fashion.

In September 2024, capitalizing on the growing consumer interest in outdoor activities, Bosideng launched the "Metamorphosis" series of windbreaker down jackets in the autumn of 2024, successfully entering the outdoor warming market. The "Metamorphosis" three-in-one (layered) windbreaker down jackets quickly gained consumer recognition.

Merchandise Management

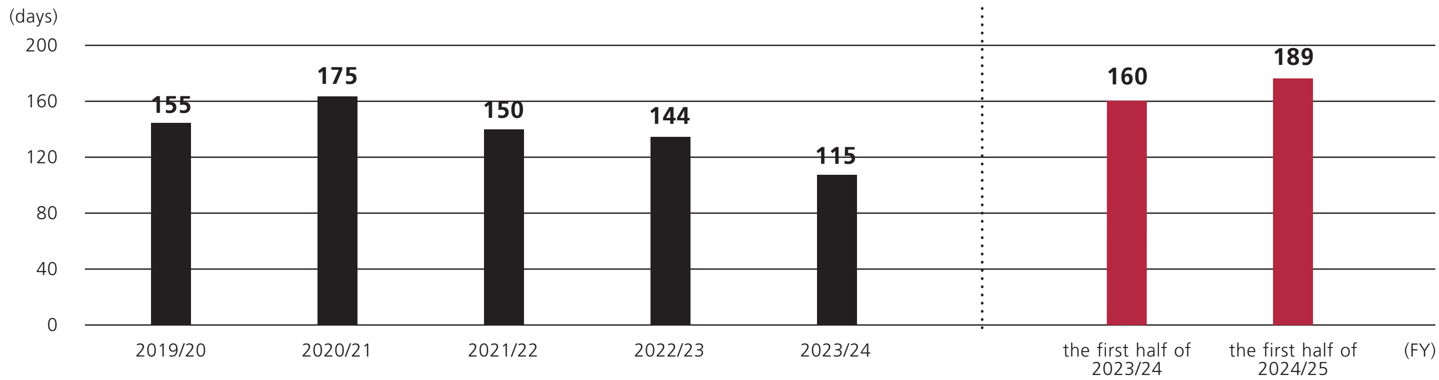
The Group believes that logistics is an essential element in conducting merchandise management and a prerequisite of efficient merchandise operation. Digitalization and intelligentization of logistics are the keys to effective digitalization and intelligentization of merchandise operations.

In the first half of FY2024/25, 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 the first half of FY2024/25, 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 would be produced according to actual demand" during the sales process in peak seasons based on sales performance and under the premise of ensuring that the proportion of first orders remained at a low level. Such demand-pull replenishment has also played a very important role in the Group's centralized management of channel inventory and merchandise mix during the sales in peak seasons.

In the first half of FY2024/25, the Group continued to stick to the concept of merchandise operation management of the last financial year. With its smart delivery centre serving all offline direct stores, franchised stores and online traditional e-commerce platforms, the online Douyin platform, WeChat Mall/Channels, O2O and other businesses throughout the country, the Group unified the inventory management of 9 directly-operated large warehouses and 12 small warehouses of distributors across China through an integrated inventory management platform. The services included taking deliveries from suppliers or returned goods from the market to the warehouse for storage, sorting and shelving arrangements, 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 September 30, 2024, the inventory turnover days of the Group were 189 days, representing an increase of 29 days as compared to the same period up until September 30, 2023. This increase was mainly due to the Group further optimizing and improving its channel merchandise management capabilities, aiming to implement a responsive supply chain management capable of "small orders in quick response" to better meet consumer demand in the uncertain market environment in the second half of the year. Therefore, the Group deliberately slowed down its delivery pace and frequency to distributors during the first half of the financial year. First, the Chinese retail market has been volatile and filled with many uncertainties since the beginning of 2024. In order to find the certainty for enterprises to quickly adjust and adapt to consumer needs amid the uncertainty, the Group hopes to realize the supply chain management mode of "production by sales" driven by the market through the rapid response supply chain system of "small orders in quick responses" as far as possible, with the idea of "integrated operation of all-channel commodities". Second, the initial distributor's first order ratio achieved the target of at least 40% at the distributor's first order meeting in June 2024, and the product structure and quality of the first order were satisfactory and consistent with the Group's expectations. However, in order to further respond to the uncertain changes in the consumer market in the second half of the financial year and match the marketable products of the season as much as possible, the Group slowed down the delivery pace and frequency to distributors in the first half of the financial year, aiming to cope with the uncertain consumer environmental changes through continuous adjustment of order structure and merchandise management in the second half of the financial year.

Inventory Turnover Analysis



Supply Chain Management

The ability of the Group's supply chain to enable "delivery of high-quality products in quick 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 the down apparel, industry-leading model of futures/goods-in-stock operation. The first batch of orders would be controlled at less than 40%, while 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 efficient turnover cycle and operation efficiency, thereby allowing the Group to solidify its ability for high-quality products in quick responses and ensure that "hot-moving merchandise is less or not out of stock".

In FY2024/25, the supply chain of the Group continuously underwent systematic planning and upgrading in terms of flexible and quick responses, excellent quality, scientific research and technology, resources integration and cost leadership.

In terms of flexible and quick responses, the Group has transformed from a collaborative supply chain model to a more proactive and digitally driven approach, further refining its closed-loop, high-value commodity chain and strengthening its digital intelligence infrastructure. Having achieved a 99% replenishment rate for the Top Sellers, the Group took the availability rate of replenishment of unexpectedly popular "dark horse" items as a new high-challenge target for the first time, and maximized the elasticity of the supply chain to make up for the deviation of the sales forecast and meet the dynamic market demand. It empowered the single stores' operation strategy so that hot-moving merchandise remains consistently in stock, thereby maximizing sales growth. Meanwhile, the Group improved the collaborative response speed and capabilities of both internal teams and external suppliers to create core competitiveness of the Group that is difficult to replicate.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of quality excellence, the Group prioritizes quality excellence and users' perceptions. Connecting users' needs across various scenarios, the Group enhances the overall user experience by focusing on both practical usability and emotional value. To support product innovation, the Group has established an integrated full-lifecycle quality management system encompassing all stages from commercial businesses, design companies, research and development, verification, small-batch trial production and environmental simulation testing in response to product innovation. The Group also allocated quality resources strategically based on product category and intended use, ensuring high standards across materials, processes, production lines and finished product appearances. By implementing a digitalized operation system for quality control, it also linked all the sections within a closed loop of quality management and made the whole process controllable and traceable, so as to ensure real-time transparency, and reinforce quality as one of the key factors for users in brand selection.

In terms of science and technology, the Group continued to increase its long-term investment in science and technology and focus on building an integrated innovation capability in the four new areas. For new product categories, the Group developed an innovation platform to cooperate with/co-brand with master-level designers domestically and internationally. Leveraging AIGC and 3D technologies, the Group empowered product innovation and maintained a competitive edge. Regarding new materials, the Group concentrated on a thermal insulation strategy by integrating global top-tier resources to establish a high-performance three-layer material research system and material pool. In new technologies, the Group recruited leading industry and interdisciplinary talents to develop an advanced scientific and technological system as well as a polar environment simulation laboratory. This comprehensive framework strengthens the Group's capabilities in materials, craftsmanship, garment production, and temperature validation, transforming validation methods into industry standards and leading achievements. These advancements will empower the Group's high-performance products, such as those designed for Antarctic scientific research, and Mount Everest expeditions, positioning technological and product innovation as the new engine for continuous growth and a core competitive advantage supporting the Group's expert-driven strategy and future development.

In terms of resources integration, the Group, based on its overarching strategy, brand strategy and product category innovation planning, and in close alignment with national policies and industry trends, has strategically proposed and positioned itself for a long-term "Five Leading Resources" development strategy. To support the high-quality development of the Group's brand matrix, it is proactively designing a multi-tiered and structured panoramic framework for resources deployment, moving from structural upgrades to capability and leadership upgrades, meeting the demands for a multi-brand, multi-category, centralized, and digitally intelligent commodity supply chain platform. The Group has gradually built a sustainable resources ecosystem encompassing a strategic resources business community, a community of shared interests and a community of shared destiny by stepping up the long-term win-win cooperation policy for resources ecosystem. This will establish a "worldwide leading" resources system, making resources a solid and reliable guarantee for the implementation of the Group's strategy.

In terms of comprehensive cost leadership, the Group has always viewed cost strategy as a reflection of its overall system and organizational capabilities, evolving from system-wide cost reduction leadership to comprehensive cost leadership and ultimately to brand and customer value leadership. The Group has developed a robust and mature operational closed-loop system for cost leadership. By enhancing organizational capabilities through planning costs, resource costs, design costs, quality costs and standard costs, the Group has fully integrated cost management throughout the entire value chain of cost. Leveraging its deep understanding of the down industry, the Group anticipates trends through proactive analysis to conduct upfront planning and positioning for bulk materials and major projects, and reaches team consensus to identify the best combination of strategies, methods and paths, making comprehensive cost leadership as one of the core drivers for the Group's stable profit and growth.

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 the 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 into a more advanced stage of digital transformation and gradually established a direction in which it would focus on users, retail and commodities as the entry points for digital transformation in the future.

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

In 2024, with the full implementation of the SAP system as a business-finance integrated platform across the Group and through digital transformation, the Group further laid a solid foundation for its operation and management, provided accurate financial data to support decision-making and established a cornerstone for digital revolution.

Customer Relationship Management

In the first half of FY2024/25, the Group continued the use of various channels to build a more convenient bridge for communication with customers. The Bosideng brand had over 1.3 million new fans and over 1.0 million new members on the Tmall and JD.com platforms. As of September 30, 2024, the Bosideng brand had over 19.0 million members in total on the Tmall and JD.com platforms. In addition, the Bosideng brand had over 0.5 million new fans on the Douyin platform. As of September 30, 2024, the Bosideng brand had over 9.5 million fans in total on the Douyin platform.

In terms of innovation in user management, the Group has been continuously building a consumer-centric, omni-channel user management system in recent years. Through digital empowerment, the Group has created a closed-loop operation model featuring precise multi-touchpoint reach, intelligent user analysis, and differentiated experiential interaction, thereby enhancing the users' shopping experiences and brand loyalty.

The current user management system of the Group has the following four prominent features:

Firstly, the Group employs full life cycle operations of its users, upgrades its membership points system and diversifies its rights system to increase the loyalty and satisfaction of its members, thus providing robust support for sustainable business growth.

Secondly, the Group focuses on enhancing the core user experience through exclusive activities tailored for core users and a dedicated ecosystem that directly engages with core users. By co-creating user-generated content and facilitating the iteration of innovative products, the Group strengthens the emotional connection with its users, effectively attracting and retaining young consumer groups while improving the lifelong value of core users.

Thirdly, the Group extensively applies artificial intelligence (AI) technology by developing an intelligent matching model that connects user behavior with product demand, and utilizing AI tools to enable automated and precise product recommendations. While ensuring the data privacy and data security, the Group integrates data across omni-channel to gain deep insights into consumer preferences, enabling user experience optimization from a user-centric perspective, and driving continuous business innovation.

Lastly, the Group adopts an omni-channel experience strategy to unify the user experience. This includes upgrading the membership system through omni-channel data integration, building a cohesive membership system, developing a refined tagging system, and continuously optimizes the user data analysis. Through precise one-to-one member interactions and the integrated online-to-offline operational approach, the Group has effectively reduced customer acquisition costs, increased member conversion rates, and promoted high-quality results growth.

Technological Innovation

The Group attaches great importance to the technological innovation of products and incorporates scientific research technological innovation into the development of new materials, research and development of new products, supply chain management and other important corporate core strategies. It continues to increase investment in this aspect.

The Group has placed great emphasis on enhancing its capabilities for research, development and innovation of technologies, with a focus on continuous investment in technological research to create a worldwide 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 centre 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 the first half of FY2024/25, the Group applied for an aggregate of 222 patents and 340 authorized patents, which provided patented technology and endorsement support for its expertise in down apparel. As of September 30, 2024, the Group had a cumulative total of 1,193 patents (including invention, utility models and design patents).

The Group plays a significant role of Down Apparel Sub-committee Secretariat under the National Technical Committee on Garment Standardization (SAC/TC 219/SC1), the International Organization for Standardization/Garment Size Series and Coding Technology Committee Secretariat (ISO/TC133), acts as a recognized laboratory and a member of the technology committee of the International Down and Feather Bureau (IDFB), a recognized laboratory of the China Feather and Down Industrial Association, the core drafting unit and the first drafter of the Down Clothing standard GB/T14272-2021, the fourth drafting unit of Professional Sports Apparel – Ski Clothing, the first drafting unit and the drafter of the Standards for Design Assessment on Green Design Products – Down Clothing (《綠色設計

產品評價設計規範－羽絨服裝》), and published Mount Everest Expeditions II Down Apparels, Green Standards, 6A of High Quality Sun Protective Clothing Leading Standard and a number of other leading standards in the industry. In particular, 6A High Quality Sun Protecting Cloth Leading Standard was rated as an advanced standard, and the Group has been awarded with the title of "Corporate Standard Leader" for down apparels by the State Administration for Market Regulation for five consecutive years, won the "2022 Special Contribution Award" of the National Technical Committee on Garment Standardization and passed the "Made in Suzhou" certification and "Jiangsu Premium Brand Certification".

Besides, the Group successfully hosted the Third Inaugural Meeting of Down Apparel Sub-committee under the National Technical Committee on Garment Standardization in August 2024 and the 16th International Annual Meeting of the International Organization for Standardization ISO/TC 133 Sizing systems – Size Designation, Size Measurement Methods and Digital Fittings Technology Committee on 3th September 2024 to 6th September 2024, contributing to the innovation of international standards, fully demonstrating the Group's image in setting industry standards and Bosideng's determination to run its business in accordance with the most advanced international standards and to press on with its innovation efforts.

Research and Development ("R&D") of Products

The Group has always attached great importance to product innovation. Product enhancement and expansion are the cornerstones of 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 endeavored 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 designers, comic IPs, international brands, and IPs such as Kuromi and Ultraman, the Group has launched brand new products which were well received and sought after among young consumers.

In terms of fabric innovation, the Group has been committed to innovating based on market trends, and customers' needs and concerns. In addition, the Group keeps abreast of the cutting-edge innovative technologies in the world, and aims to be a global leader in innovative materials, technologies and products. While engaging in innovation of new fabric, the Group always pays attention to environmental protection and sustainability concept. By actively exploring and promoting the development and research of recyclable and bio-based materials, the Group established the CIRCULAR, a global leading product concept, designing to reduce adverse environmental impact.

In the first half of FY2024/25, two products of the Bosideng brand, i.e., the "Women Tech Shell" and the "Polar Workwear Parka" won the ISPO Award-Global Design Award. Five products of the Bosideng brand, including the "TMP Management Outdoor Down Jacket", the "Detachable 3-in-1 Functional Jacket" and the "Easy Pack, Easy Go 3-in-1 Functional Jacket", won the Red Dot Design Award. Three products of the Bosideng brand, including "Champion Thermostatic Comfortable Ski Down Jacket", won the IDEA Finalist Award and the "Eco-Design Circular Lightweight Functional Down Puffer Jacket" won the IDEA Bronze Award.

The key product collections sold in the first half of FY2024/25 included:

Sun Protection Collection:

In 2024, Bosideng launched the Sun Protection Collection of sun-protective clothing in the spring and summer seasons. Not only does the all-in-one sun-protection jacket fulfill the sun-blocking needs, but it also ensures high breathability and comfort, while its enhanced cool-touch feature provides a cooler sensation against the skin. The Sun Protection Collection developed in this season features upgraded fabrics that are lighter and more comfortable, as well as technological decorative details that enhance all-day outdoor protection. The icy, cool and soft tones and colorful tie-dye patterns are designed to bring a colorful and happy summer without fear of the sun. Meanwhile, this season's collection is expanded with new styles for parents and children, menswear, icy trousers and accessories (icy sleeves/caps/masks).

Urban Light Outdoor Collection:

In 2024, Bosideng introduced an innovative urban light outdoor series to its collection of sun-protective clothing, with fresh bright colors and dual-color patching enhancing its fashionableness. The diverse punching details improve physical breathability while voluminous silhouettes cater to younger consumers. Additionally, for the women's versions, various waist-cinching and slim-fitting cuts, paired with concise designs, create a perfectly proportioned overall look. Not only is this collection suitable for daily outdoor scenes, but it also offers simple dual-tone options, making it a vibrant light sports style that meets consumers' diverse outdoor wearing needs.

Windbreaker Collection:

In 2024, Bosideng has launched a new series of products of windbreakers. These products strike a balance between fashionable and functional protection with "waterproof, windproof and breathable" performance. Catering to diverse styles and fashion needs, they are extended into multiple scenario-based categories such as "wind shell, soft shell and hard shell", providing customers with light protective functional jackets that are suitable for urban and outdoor wear.

Goose Down Windbreaker Collection:

To meet the needs of contemporary consumers, Bosideng has developed down apparel that is suitable for both urban and natural environments. This collection utilizes windproof, waterproof and more breathable technological fabrics for superior protection against wind and chill. It features an upgraded heat and humidity balance system version 2.0, and employs high-quality goose down with a fill power of 700+, ensuring comfort and warmth while incorporating unique fashion elements. With its versatile functionality, this clothing can adapt to temperature change, satisfying consumers' needs for seamless transitions across various scenarios.

Multi-brand Strategies

While emphasizing the development of the Bosideng brand and striving to position Bosideng as a leading expert in down apparel globally, 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 the first half of FY2024/25, the Snow Flying brand recorded revenue of approximately RMB390.4 million, representing a year-on-year increase of 47.1%. Over the past six months, the Snow Flying brand has focused on the cost-effective down apparel market segment, strengthening its brand upgrade by expanding into higher-value categories, deeply tapping into its brand's winter sports heritage, and enhancing its online and offline presence. It has concentrated on three key strategies: innovative category value extension, strategic omni-channel models breakthrough, and rebranding to reshape consumer perception. Prioritizing the rapid launch of profitable and popular product lines, the Snow Flying brand focused on two strategic projects, which are the "high-value line of down apparel" and "the four-season windbreaker line as a second

growth driver". Supported by six core competencies including customer base upgrade, product upgrade, channel upgrade, marketing upgrade, digital and intellectual upgrade, and organizational upgrade, the brand has achieved robust growth.

In terms of business expansion, the Snow Flying brand developed online strategic platforms, focusing on expanding and strengthening its core online sales channels. Leveraging brand resources and platform IP resources for promotion and marketing, the brand utilized livestreaming studio and online mall for product promotion and sales conversion. With Snow Flying experience stores for in-store livestreaming, the brand integrated online and offline merchandise. Meanwhile, collaborations with key influencers in the apparel field, including appointing selected influencers as "brand recommendation officers", increased brand exposure, consumer awareness, and sales conversion through influencer livestreaming.

In terms of customer outreach, the current customer base of the Snow Flying brand primarily consists of women aged 18 to 35, with consumption preference of fashionable, high-quality and popular products. Catering to this mainstream customer group's love for life and sharing, the Snow Flying brand continuously develops and launches cost-effective, multi-style, fashionable and versatile products.

Bengen

In the first half of FY2024/25, the Bengen brand recorded revenue of approximately RMB20.7 million, representing a year-on-year increase of 61.5%. Since FY2020/21, the Bengen brand has greatly reduced its offline agency channels and shifted its focus to online channels.

Revenue from branded down apparel business by brand

	For the six months ended September 30,				
	2024		2023		
Brands	**RMB million**	**% of branded down apparel revenue**	RMB million	% of branded down apparel revenue	Change
Bosideng	**5,279.9**	**87.1%**	4,421.0	89.5%	19.4%
Snow Flying	**390.4**	**6.4%**	265.4	5.4%	47.1%
Bengen	**20.7**	**0.4%**	12.8	0.2%	61.5%
Others*	**371.7**	**6.1%**	240.5	4.9%	54.5%
Total revenue from branded down apparel business	**6,062.7**	**100.0%**	4,939.7	100.0%	22.7%

Revenue from branded down apparel business by sales category

	For the six months ended September 30,				
	2024		2023		
Sales categories	**RMB million**	**% of branded down apparel revenue**	RMB million	% of branded down apparel revenue	Change
Self-operated	**2,262.4**	**37.3%**	1,654.8	33.5%	36.7%
Wholesale	**3,428.6**	**56.6%**	3,044.4	61.6%	12.6%
Others*	**371.7**	**6.1%**	240.5	4.9%	54.5%
Total revenue from branded down apparel business	**6,062.7**	**100.0%**	4,939.7	100.0%	22.7%

* Represents revenue from sales of raw materials, etc., which are related to down apparel products

In the first half of FY2024/25, the Group continued to optimize the quality of sales channels and increase their efficiency. On the one hand, the Group further consolidated and expanded its Top Stores system by customizing strategies for each store based on different customer needs, thereby to effectively communicate the brand story. Meanwhile, the Group engaged in deep collaboration with key Top Stores managers, forming clear implementation plans to steadily improve channel management capabilities and operational efficiency. By developing important leading Top Stores, the Group aims to create replicable and scalable models. On the other hand, the Group iterated its channel stratification management system by reconstructing and refining the standards for channel stratification based on user needs. The Group strengthened the differentiated matching of resources among different store levels to better meet diverse customer needs, significantly improving refined store operations.

In terms of solidifying single-store operations, the Group optimized resources allocation based on customer needs to enhance operational efficiency, focusing on core events, key projects and major holidays. By assigning responsibilities to various individuals at different levels, the Group established a comprehensive and effective high-frequency planning and inspection closed-loop mechanism and constructed a three-tier 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 transformation, thereby achieving an effective implementation of a closed-loop single-store operational strategy.

As of September 30, 2024, the total number of regular retail stores of the Group's down apparel business (excluding peak-season stores) (net) decreased by 29 to 3,188 as compared to that as at March 31, 2024; self-operated retail stores (net) increased by 18 to 1,154; and retail stores operated by third party distributors (net) decreased by 47 to 2,034. The self-operated retail stores and those operated by third-party distributors accounted for 36.2% and 63.8% of the entire retail network, respectively. Among the total retail stores of the Group's branded down apparel business, approximately 26.3% were located in first- and second-tier cities (i.e. Beijing, Shanghai, Guangzhou, Shenzhen and provincial capital cities in China) and approximately 73.7% were located in third-tier cities or below.

Retail network by down apparel brand

As at September 30, 2024	Bosideng		Snow Flying		Bengen		Total	
	Number of stores	Change	Number of stores	Change	Number of stores	Change	Number of stores	Change
Specialty stores								
Operated by the Group	648	-21	17	7	–	–	665	-14
Operated by third party distributors	1,503	-114	103	-5	–	–	1,606	-119
Subtotal	2,151	-135	120	2	–	–	2,271	-133
Concessionary retail outlets								
Operated by the Group	404	11	85	21	–	–	489	32
Operated by third party distributors	318	–	110	72	–	–	428	72
Subtotal	722	11	195	93	–	–	917	104
Total	**2,873**	**-124**	**315**	**95**	**–**	**–**	**3,188**	**-29**

Change: Compared with that as at March 31, 2024

Retail network of down apparel business by region

	As at September 30, 2024	As at March 31, 2024	Change
Eastern China	**1,048**	1,050	-2
Central China	**687**	702	-15
Northern China	**270**	259	11
Northeast China	**371**	336	35
Northwest China	**348**	360	-12
Southwest China	**464**	510	-46
Total	**3,188**	3,217	-29

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 the first half of FY2024/25, 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 also had nearly 700 peak-season stores (peak-season stores mainly refer to stores that are operated during peak seasons for one week to three months, mainly in provincial capital cities, with popular seasonal Top Sellers as the mainstay products for sale, and mainly located in core business districts and sports venues).

MANAGEMENT DISCUSSION AND ANALYSIS

OEM Management Business:

In the first half of FY2024/25, the Group's revenue from OEM management business amounted to approximately RMB2,316.4 million, representing 26.3% of the Group's total revenue and an increase of 13.4% as compared to that of the same period of last year. Revenue for the OEM management business from the top five customers accounted for approximately 90.3% of its total revenue.

In the first half of FY2024/25, despite the impact of multiple challenges such as geopolitical risks and downturn in some regional consumer markets, the OEM management business maintained stable and healthy development. It was mainly attributable to the following: firstly, 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. Secondly, the Group cultivated more new, high-quality customers to continuously supplement the incrementally high-quality orders for the OEM management business. Thirdly, 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' need to satisfy the consumer demand. Fourthly, the Group continued to strengthen its efficient and open management mechanism, expanding production capacity overseas to align with the trend of supply chain globalization and effectively boost customer confidence.

The gross profit margin of the OEM management business reached approximately 20.1%, representing a decrease of 0.3 percentage point as compared to the same period last 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, confidence, 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 have 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. Firstly, the Group focused on creating differentiated brand styles, strengthening brand recognition, upgrading the visual system and iterating the store image. Secondly, through cross-over collaboration and cooperating with celebrities and key opinion leaders, the Group enhanced its brand influence and created a diversified brand culture. Thirdly, 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 Channel, Xiaohongshu, WeChat and other media platforms, enhanced and iterated store image to refresh consumers' perception and accelerate brand building at its physical stores. Fourthly, the Group further integrated brand building into 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. Firstly, by upholding the market and customer-oriented concept, the Group improved the design and development process. Secondly, the reserve and utilization of key fabric resources were upgraded. Thirdly, the Group integrated external resources and carried out joint cooperation, thus further diversifying and enriching product offering. Fourthly, the Group focused on the core product categories and attached great importance to the development and management of Top Sellers. Fifthly, the Group was committed to aligning its merchandise management with its multi-tiered store operations, satisfied consumers' diverse needs and improved its merchandise management efficiency with methods such as style classification, and price-range stratification.

In terms of sales channel development, the Group redefined existing stores and gradually realized multi-tiered 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 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, with a focus on creating direct-operated model stores and high-performing stores with annual sales exceeding RMB10 million and allocating effective resources to appropriate channels to promote stable and long-term channel construction.

In the first half of FY2024/25, affected by the persistently sluggish market environment, the revenue from the Group's ladieswear business was approximately RMB308.1 million, representing a decrease of 21.5% as compared to that of the same period of last year. The contribution from the ladieswear business to the Group's total revenue was 3.5%, with the proportion continuing to decline along with a sustained drop in profitability. The revenue breakdown for each ladieswear brand was as follows:

Revenue from ladieswear business by brand

	For the six months ended September 30,				
	2024		2023		
Brands	**RMB million**	**% of ladieswear business revenue**	RMB million	% of ladieswear business revenue	Change
JESSIE	**116.3**	**37.7%**	138.7	35.3%	-16.1%
BUOU BUOU	**70.8**	**23.0%**	103.0	26.2%	-31.3%
KOREANO and KLOVA	**121.0**	**39.3%**	151.0	38.5%	-19.9%
Total revenue from ladieswear business	**308.1**	**100.0%**	392.7	100.0%	-21.5%

Revenue from ladieswear business by sales category

	For the six months ended September 30,				
	2024		2023		
Sales categories	**RMB million**	**% of ladieswear business revenue**	RMB million	% of ladieswear business revenue	Change
Self-operated	**284.6**	**92.4%**	364.2	92.8%	-21.9%
Wholesale	**23.5**	**7.6%**	28.5	7.2%	-17.4%
Total revenue from ladieswear business	**308.1**	**100.0%**	392.7	100.0%	-21.5%

Fashion Ladieswear – JESSIE

In the first half of FY2024/25, JESSIE ladieswear launched the "Winning Leader Plan" to start a new phrase of brand transformation and development. In August, the JESSIE brand successfully hosted the "Light Weaving Words (光織覓語)" fashion show, embodying the pursuit of light and communicating the brand's value to external partners and consumers, thereby "weaving" a brighter future. Regarding brand positioning, we adopted a high-level strategic approach to revitalize the brand's core essence and strengthen its core competitiveness through in-depth exploration of its inherent meaning. In terms of brand promotion, we continued to explore the brand's heritage, optimizing promotional content and communication methods to enhance the visual experience and add value. In terms of products, adhering to the design philosophy of "Elegance, Relaxation, and Wit" and with precise positioning, meticulous craftsmanship and comfortable silhouettes, we provided contemporary oriental women with a refined, intellectual, effortlessly elegant, practical, and high-quality apparel experience. In terms of channels, we optimized the channel layout with a focus on core regions by increasing the proportion of high-potential channels such as fashionable shopping centers. Within the distribution segment, we prioritized the development of key customers tiers, implementing strategic policies and fostering win-win collaborations to cultivate a sustainable incremental market. In retail operations, we reinforced standardized terminal services and management through the implementation of differentiated store operation strategies and the establishment of benchmark stores, driving growth in membership and new retail operations. In supply chain, we integrated internal and external resources to strengthen quality management and cost control, thereby enhancing overall supply chain collaboration.

Fashion Ladieswear – BUOU BUOU

In the first half of FY2024/25, with turnaround as its first core priority, BUOU BUOU ladieswear has made systematic adjustments and upgrades across branding, channels, product development and marketing, striving to improve the operation efficiency of the brand's single store and the overall business operation performance. In terms of brand rebranding, BUOU BUOU ladieswear cooperated with Wuhan SKP to host a fashion show for the 20th anniversary, making a strong statement that the BUOU BUOU brand has returned to the mainstream of large-scale ladieswear and resonated strongly with customers. In terms of channel upgrading, BUOU BUOU ladieswear restructured its channel layout by closing underperforming traditional department stores which have gradually stepped out of the public eye, while strengthening collaborations with leading commercial entities. For product innovation, leveraging its 20-year legacy of specializing in exquisite dresses, BUOU BUOU developed four classic collections: Ballet, Hepburn, Magic, Lace, all of which garnered widespread consumers acclaim. Meanwhile, combined with the mainstream elements of ladieswear, we actively explored new categories and introduced "Luxury Two Kilometers (奢華兩公里)" comfortable suit collection to offer customers more wardrobe options and an enhanced wearing experience. To improve operational efficiency, BUOU BUOU focused on marketing activities and upgrading its membership program. We established a dedicated membership system to strengthen the interaction with its members and enhance member adhesion, thereby providing superior service and enhanced consumers outreach.

Fashion ladieswear – KOREANO and KLOVA

In the first half of FY2024/25, through collection expansion, the KOREANO E line and BETWEEN lines were introduced to complement the existing KOREANO and KLOVA brand styles. This strategic expansion facilities a gradual shift of KOREANO and KLOVA brands towards a younger generation, while continuing to cater to the diverse daily wear needs of customers across all age groups.

In terms of business models, both KOREANO and KLOVA have consistently focused on member interaction and member services and planned member activities centering around mall anniversaries, major holidays and customization salons. By building a membership operation system, implementing regular invitations, hosting designer-led "customization salons" activities, and promoting in-store livestreaming, we communicated brand culture, design concepts, new product styling insights, and product recommendations, continuously enhancing the member experience. In brand promotion, we leveraged leading online content platforms to attract new customers, thereby boosting brand visibility and traffic. For sales channel expansion, the brands have concentrated on the strategy of "increasing market penetration in core regions, closing down small stores while opening larger flagship ones". This approach, coupled with renovations of key stores while expanding into new sales channels, enabled us to cultivate key markets. In terms of product upgrades, we implemented innovative R&D processes, introducing a 3-month short-cycle production timeline in addition to the existing 9-month long-cycle process. This diversified product styles, designs, and color palettes. Furthermore, we optimized product lifecycle management and strengthened product R&D reviews and market testing to gradually enhance overall product competitiveness.

As at September 30, 2024, the total number of retail outlets of the Group's ladieswear business decreased by 29 (net) to 396, self-operated retail outlets decreased by 24 (net) to 305 and the number of retail outlets operated by third party distributors decreased by 5 to 91, as compared with the figures as at the end of last year. Self-operated retail outlets and those operated by third party distributors accounted for 77.0% and 23.0% of the entire retail network, respectively. Approximately 63.1% of the total retail outlets of the Group's ladieswear business were located in first- and second-tier cities (i.e. Beijing, Shanghai, Guangzhou, Shenzhen and other provincial capital cities in China) and approximately 36.9% were located in third-tier cities or lower-tiered ones.

Retail network by ladieswear brand

	JESSIE		BUOU BUOU		KOREANO		KLOVA		Total	
As at September 30, 2024	**Number of stores**	**Change**	**Number of stores**	**Change**	**Number of stores**	**Change**	**Number of stores**	**Change**	**Number of stores**	**Change**
Specialty stores										
Operated by the Group	1	–	5	-3	–	–	–	–	6	-3
Operated by third party distributors	9	-1	4	–	–	–	–	–	13	-1
Subtotal	10	-1	9	-3	–	–	–	–	19	-4
Concessionary retail outlets										
Operated by the Group	108	-2	71	-21	66	2	54	–	299	-21
Operated by third party distributors	64	1	14	-5	–	–	–	–	78	-4
Subtotal	172	-1	85	-26	66	2	54	–	377	-25
Total	**182**	**-2**	**94**	**-29**	**66**	**2**	**54**	**–**	**396**	**-29**

Change: Compared with those as at March 31, 2024

Retail network of ladieswear business by region

	As at September 30, 2024	As at March 31, 2024	Change
Eastern China	46	54	-8
Central China	130	139	-9
Northern China	35	38	-3
Northeast China	44	48	-4
Northwest China	81	84	-3
Southwest China	60	62	-2
Total	396	425	-29

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 Apparels Business

In the first half of FY2024/25, revenue from the Group's diversified apparels business segment was approximately RMB116.9 million, representing an increase of 21.3% compared with that of the same period of last year. Notably, the school uniform business developed by the Group in 2016 recorded an increase of 30.4% in revenue in the first half of FY2024/25. Revenue from that business segment in the first half of FY2024/25 was as follows:

Revenue from diversified apparels business by brands

	For the six months ended September 30,				
	2024		2023		
Brands	**RMB million**	**% of diversified apparels business revenue**	RMB million	% of diversified apparels business revenue	Change
Sameite	**111.0**	**94.9%**	85.1	88.3%	30.4%
Other brands and others	**5.9**	**5.1%**	11.3	11.7%	-47.3%
Total revenue from diversified apparels business	**116.9**	**100.0%**	96.4	100.0%	21.3%

Revenue from diversified apparels business by sales category

	For the six months ended September 30,				
	2024		2023		
Sales categories	**RMB million**	**% of diversified apparels business revenue**	RMB million	% of diversified apparels business revenue	Change
Self-operated	**111.0**	**94.9%**	85.1	88.3%	30.4%
Wholesale	**5.5**	**4.7%**	10.3	10.7%	-46.0%
Others*	**0.4**	**0.4%**	1.0	1.0%	-59.7%
Total revenue from diversified apparels business	**116.9**	**100.0%**	96.4	100.0%	21.3%

* Represents rental income

School Uniform Business – Sameite

In the first half of FY2024/25, the school uniform business within the diversified apparels business segment continued to operate under the Sameite brand. Adhering to the design concept of "carrying education with clothes and inheriting culture through apparel", the Sameite brand insists on providing students with safe, comfortable, fashionable and functional school uniforms, and committed to equipping every child for their educational journey. Currently, Sameite serves over 500 schools, with an annual supply of over one million pieces.

In the first half of FY2024/25, the Sameite brand focused on enhancing brand building through a user centric approach. Leveraging visual marketing and brand exhibitions, coupled with the integration of campus culture, Sameite reinforced its position as a high-value industry. In terms of channel upgrades, the Sameite established high-end school uniform business regions in key markets like Beijing and Shanghai to enhance the stability and adhesion of customer partnerships. Additionally, the development of benchmark regional franchise agents expanded brand coverage and drove steady growth in franchise operations. In product development, the Sameite brand continued to solidify its warm brand identity in the winter school uniform category, winning customer loyalty through customized offerings. The winter category experienced consistent growth, becoming a core product benchmark within the industry and leading transformative changes within the sector.

In the first half of FY2024/25, the Sameite brand was honored with several prestigious awards in the Chinese school uniform industry, including the Outstanding Enterprise of the Year in the Annual Brand Selection, the Most Influential Brand of the Year, and the Grand Prize in the High School Sports Series at the Chinese School Uniform Design Competition. The Sameite brand also won the First Prize in the Junior High School Formal Series, the First Prize in the High School Formal Series, the First Prize in the Kindergarten Uniform Series, and the First Prize in the Elementary School Formal Series. Furthermore, the Sameite brand was recognized as a Leading Brand in Quality in the National School Uniform Industry and as a National Product and Service Quality Integrity Model Enterprise.

In the first half of FY2024/25, the revenue of the school uniform business of the Sameite brand was approximately RMB111.0 million, representing an increase of 30.4%, as compared to that of the same period of last year.

MAN, HOME and Children's Wear Business

Since FY2018/19, under the diversified apparels business segment, the Group had started to downsize the MAN and HOME businesses, and the project company of children's wear with the Japanese brand Petit main was significantly downsized.

ONLINE SALES

Online sales channels have been a key focus of the Group for vigorous development. Since the Group's strategic transformation in 2018, online sales have consistently demonstrated strong performance. In the first half of FY2024/25, consumer behavior trended towards increased rationality, with the traditional e-commerce platform market entering into a phase characterized by market share competition. Brand competition dynamics and strategies continued to evolve, with leading brands further solidifying their market dominance. Meanwhile, content-driven e-commerce platforms experienced shifts in traffic patterns, achieving rapid growth through content, e-commerce, and advertising traffic streams. The Group focused on enhancing online platforms capabilities and operational efficiency through strategies including prioritizing core product categories, executing integrated brand campaigns, focusing on content innovation, implementing cross-category marketing initiatives and refining operational processes to achieve high-quality growth.

In terms of brand building, the Group mainly focused on creating functional outerwear categories such as sun-protective clothing in the first half of FY2024/25. Through a series of breakthrough activities, including a limited-time pop-up store in collaboration with the fashion magazine Harper's Bazaar, a sun-protection showcase at Beijing Film Festival, a partnership with the Strawberry Music Festival, integration with the trendy-focus IP of different platforms to promote ultralight down jackets, and the "Metamorphosis" extravaganza in Shanghai, culminating in the illumination of the Shanghai Tower, the Group successfully captured market attention and consumer interest in functional outerwear.

In terms of customer membership operation, the Group continued to expand its customer base in an effective way on the one hand — it attracted high-value users by conducting cross-category marketing and collaborating with brands in various categories, while increasing the number of members and enhancing 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 among members, thus increasing the members' contribution to revenue.

In the process of the expansion of emerging platforms, the Group has always insisted on the development of online platforms to keep pace with the times, mainly including the construction and development of emerging platforms such as Douyin. In the first half of FY2024/25, the Group restructured its online content platform organization, with particular emphasis on its self-operation development and content upgrading. In terms of content innovation and platform marketing, the Group integrated with the trendy-focus IP of Douyin to promote ultralight down jackets, held the "Metamorphosis" extravaganza and the illumination of the Shanghai Tower in Shanghai, driving strong sales of ultralight down jackets in September 2024. Meanwhile, the Group spearheaded industry development through self-operated professional livestream content production. 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, achieving three-dimensional high-quality growth. As of September 30, 2024, approximately 85% of the Bosideng brand’s revenue from Douyin was generated from live-stream sales.

In the first half of FY2024/25, revenue from the total online sales conducted by the Group’s brands was RMB1,395.8 million, representing a period-on-period increase of 23.2%. Revenue from the online sales of the branded down apparel business and ladieswear business were approximately RMB1,350.6 million and RMB45.2 million, respectively, accounting for 22.3% and 14.7% of the revenue of the branded down apparel business and ladieswear business, respectively. By sales category, revenue from the self-operated and wholesale businesses through online sales amounted to approximately RMB1,014.9 million and RMB380.9 million, respectively.

OPERATION OF JOINT VENTURES AND ASSOCIATES

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 "Bogner Joint Venture"). The Bogner Joint Venture is granted the exclusive right to sell and distribute apparel under BOGNER and FIRE+ICE in China, Hong Kong, China, Macau, China and Taiwan, China.

As of September 30, 2024, the Bogner Joint Venture actively expanded its business in the Greater China Region. In terms of brand building, it focused on online content platforms to establish a high-end luxury ski brand image and to penetrate into the professional ski category, winning over luxury and fashionable audiences, thereby effectively enhancing brand visibility and driving the development of popular products. Meanwhile, by exploring opportunities in depth in high-end sports for all seasons, it created urban light outdoor and golf scenes to expand the content of social media among consumers. In terms of product promotion, the Company adjusted the terminal presentation in the Chinese market based on Germany's sports and fashion product lines for the 2024 Spring/Summer collection to suit Chinese consumers' cognition of scenes by distinguishing scenarios of classic skiing, urban outdoor and business sports. The 2024 snow season products primarily feature high-end fashion skiwear, further solidifying the brand position for luxury and professional ski sports. The holiday ski series had been well-received by consumers as soon as it was introduced.

In order to expand its international business, the Group invested in its associate Moose Knuckles in the first half of FY2024/25. For details, please refer to the section headed "Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets Acquisitions".

In addition, to enhance overseas production capacity and strengthen the integration of upstream resources, the Group has also invested in joint ventures and associates, including factories in Vietnam and Indonesia, as well as raw material suppliers in China, which operated smoothly in the first half of FY2024/25.

During the first half of FY2024/25, the Group recorded a loss attributable to its proportionate shareholding in joint ventures and associates of approximately RMB5.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS PROFIT

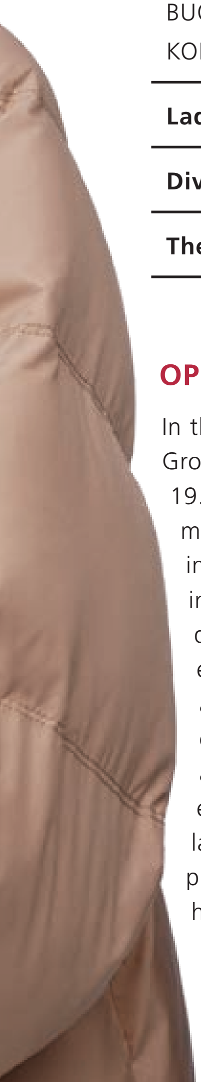
Gross profit of the Group increased by 17.6% to RMB4,391.3 million in the first half of FY2024/25 from approximately RMB3,733.5 million in the same period of last year.

Specifically, gross profit margin at the branded down apparel business decreased by 0.1 percentage point to 61.1%, mainly because of (i) the launch of the sun-protective clothing of the Bosideng brand, which has a lower gross profit margin compared to the down jacket products, (ii) the revenue growth of the Snow Flying brand outpaced that of the Bosideng brand, but the former had slightly lower gross profit margins, and (iii) the cost of core materials such as down has increased since 2024. Accordingly, these changes in product mix, revenue structure of the various brands and the cost of raw materials led to the slight 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 decreased by 0.3 percentage point to 20.1% because of increased freight costs during the first half of the financial year. In the ladieswear business, the fierce market competition and adjustment of product structure led to a decrease in the gross profit margin by 5.9 percentage points to 61.8% as compared to that in the same period of last year.

Given the abovementioned, the overall gross profit margin of the Group decreased slightly by 0.1 percentage point to 49.9% as compared with last year.

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

Brands	For the six months ended September 30, 2024	2023	Change (percentage point)
Bosideng	**66.3%**	65.4%	+0.9
Snow Flying	**50.1%**	44.1%	+6.0
Bengen	**19.1%**	26.7%	-7.6
Branded down apparel business	**61.1%**	61.2%	-0.1
OEM Management Business	**20.1%**	20.4%	-0.3
JESSIE	**59.4%**	66.5%	-7.1
BUOU BUOU	**52.5%**	61.2%	-8.7
KOREANO and KLOVA	**69.6%**	73.3%	-3.7
Ladieswear Business	**61.8%**	67.7%	-5.9
Diversified apparels business	**27.6%**	26.3%	+1.3
The Group	**49.9%**	50.0%	-0.1



OPERATING PROFIT

In the first half of FY2024/25, the Group's operating profit increased by 19.6% to approximately RMB1,471.8 million. The operating profit margin increased to 16.7%. The increase in operating profit was mainly due to the Group's focus on efficiency regarding the selling and distribution expenses in daily operations as well as the steady and fast growth in revenue and excluding the impairment of the ladieswear business, the operating profit increased steadily and with high quality. In summary, the Group's operating profit margin remained at a similar level as that of the same period of last year.

DISTRIBUTION EXPENSES

In the first half of FY2024/25, the Group's distribution expenses, mainly comprising advertising and promotion expenses, depreciation charge of right-of-use assets, contingent rents and sales personnel expenses, amounted to approximately RMB2,274.9 million, representing an increase of 12.1% as compared with that of the same period of last year. The distribution expenses as a percentage of the Group's total revenue decreased by 1.4 percentage points to 25.8% from 27.2% in the first half of FY2023/24. The percentage of distribution expenses in the Group's total revenue decreased mainly due to the improvement of operational efficiency.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses, mainly comprising salary and welfare, amortization of fees for share options, depreciation and consultancy expenses, amounted to approximately RMB768.6 million in the first half of FY2024/25, representing an increase of 32.0% as compared with that of the same period of last year. Administrative expenses as a percentage of the Group's total revenue increased by 0.9 percentage point to 8.7% from 7.8% in the first half of FY2023/24, mainly due to the increase in the amortization of fees for share options granted to employees by the Group in November 2023.

FINANCE INCOME

The Group's finance income increased by 10.8% to approximately RMB197.3 million in the first half of FY2024/25 from approximately RMB178.0 million of the same period of last year, mainly due to the increase in the interest income from wealth management products and deposits during the first half of the financial year.

FINANCE COSTS

In the first half of FY2024/25, the Group's finance costs increased to approximately RMB105.5 million, representing an increase of 9.3% compared with that in the same period of last year. The increase in finance costs was mainly due to the increase in foreign exchange loss and interest on bank borrowings.

TAXATION

In the first half of FY2024/25, the income tax expenses increased from approximately RMB384.3 million to approximately RMB416.4 million, and the effective tax rate was approximately 26.7%. The period-on-period decrease in income tax rate was mainly due to the decrease in PRC dividend withholding tax provided during the first half of FY2024/25 against the dividend to be distributed in the foreseeable future out of earnings of the PRC subsidiaries for offshore subsidiaries as compared with the same period of last year, considering the Group's abundant overseas funds so far.

DIVIDENDS

The Board recommended the payment of an interim dividend of HKD6.0 cents (equivalent to approximately RMB5.5 cents) per ordinary share for the six months ended September 30, 2024. The proposed dividend will be paid on or around January 13, 2025 to shareholders whose names appear on the register of members of the Company on December 17, 2024.

LIQUIDITY AND FINANCIAL RESOURCES

In the first half of FY2024/25, the Group's net cash used in operating activities amounted to approximately RMB3,483.1 million, net cash generated from investing activities amounted to approximately RMB1,084.4 million and net cash used in financing activities amounted to approximately RMB1,877.4 million. Cash and cash equivalents as of September 30, 2024 amounted to approximately RMB1,962.7 million.

As at September 30, 2024, the distribution of cash and cash equivalents by currency was as follows:

	RMB million
RMB	1,471.8
US dollar	221.8
Pound sterling	2.7
Hong Kong dollar	266.1
Japanese yen	0.3
Total	**1,962.7**

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 include a small amount of capital guaranteed short-term investments with banks in China. The vast majority of other financial assets are capital non-guaranteed 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 2.90% to 2.95% 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 on the 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 September 30, 2024, the bank borrowings of the Group amounted to approximately RMB995.5 million (March 31, 2024: RMB768.4 million) and the carrying amount of liability component of the convertible bonds was approximately RMB1,721.1 million (March 31, 2024: approximately RMB1,714.5 million). The gearing ratio (being total borrowings/total equity) of the Group was 20.4% (March 31, 2024: 18.0%).

As at September 30, 2024, the distribution of borrowings by currency unit and types of interest rate adopted were as follows:

Types of interest rate	HK dollars RMB million	Japanese yen RMB million	Renminbi RMB million	Total RMB million
Floating interest rate	162.3	223.2	110.0	**495.5**
Fixed interest rate	–	–	500.0	**500.0**
Total	**162.3**	**223.2**	**610.0**	**995.5**

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 September 30, 2024, two major international authoritative credit 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 the high-quality development of corporates in a sustainable manner.

Selected into the Sustainability Yearbook (China Edition) 2024 published by S&P Global for the first time

On July 16, 2024, the globally renowned credit rating agency S&P Global published the *Sustainability Yearbook (China Edition) 2024*. The Group stood out from 1,735 assessed companies across 60 industries for its excellent performance in the ESG criteria, and was selected into the *Sustainability Yearbook (China Edition) 2024* for the first time, making it one of the two selected companies in the Chinese brand apparel industry and placing it at a leading level in China's textile and apparel sector.

In terms of the establishment and improvement of the ESG system, the board of directors of the Group unanimously approved the "1+3+X" ESG strategy at a board meeting held in June 2024. Guided by the ESG vision of "leading sustainable fashion with a consumer-oriented approach", the strategy clearly defines three objectives for the short, medium and long term, and implements them through X initiatives focused on "Nature positive, Product positive and People positive".

ESG strategic framework of "1+3+X"

1 Vision

Leading sustainable fashion with a consumer-oriented approach

+

3 Goals

Short-term: integrate ESG concepts and core initiatives into the entire business operation process and 80% of core stakeholders

Medium-term: net-zero emissions from operations by 2038

Long-term: lead the development of sustainable fashion along the entire value chain, and facilitate the realization of net-zero emissions in the industry

+

X Initiatives

Through the three key areas of Nature positive, Product positive, and People positive, as well as X Initiatives under several major issues, we provide effective action directions and foundational support for our ESG strategy and goals.

In terms of carbon pathway planning, the Group has proactively carried out carbon emission accounting for the corporate value chain, covering the entire chain of the Group itself, suppliers, distributors, transport and sale of products, and completed independent carbon verification. On the basis of such complete carbon data system, the Group has formulated practical and comprehensive carbon pathway planning in accordance with the its medium-term strategic targets. The carbon pathway planning as above has been approved by the Board of the Group.

2038

Achieving **net-zero** emissions across operations

Green electricity in operation accounting for **100%**

The proportion of low-carbon fabrics reaching **80%**

Continuously exploring methods for product recycling and reuse, reducing product landfilling, and aiming for product recycling rate by 2038 at **30%**

2035

Green electricity in operation accounting for over **60%**

Building energy efficiency improving by over **30%**

Actively supporting over **80%** core suppliers and upstream and downstream partners to improve energy efficiency by **30%**

2030

The proportion of low-carbon fabrics reaching **40%**

Enhancing the efficiency of "integrated operations of merchandise" to further reduce overproduction and increase the utilization of raw materials

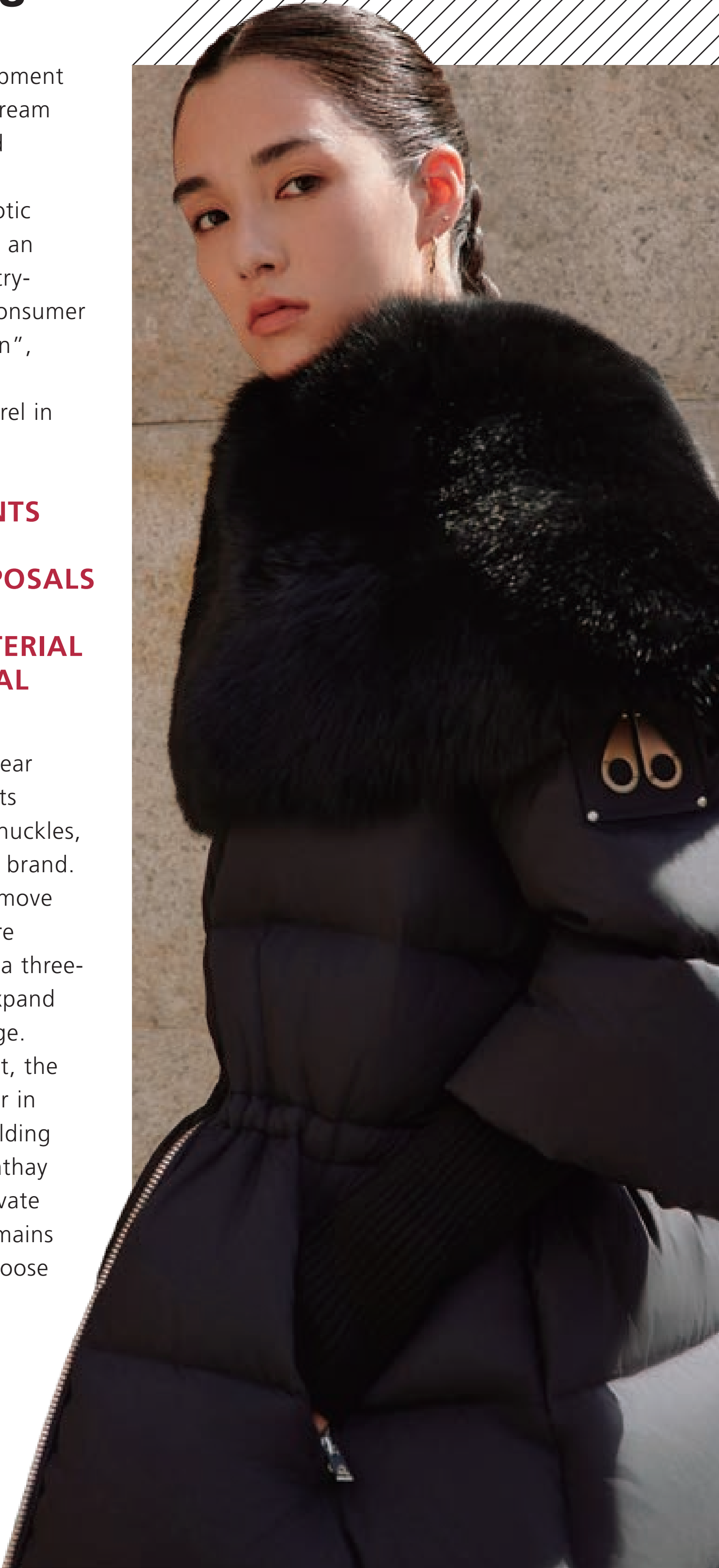
Optimizing transportation routes, improving transportation efficiency, and exploring new transportation methods constantly

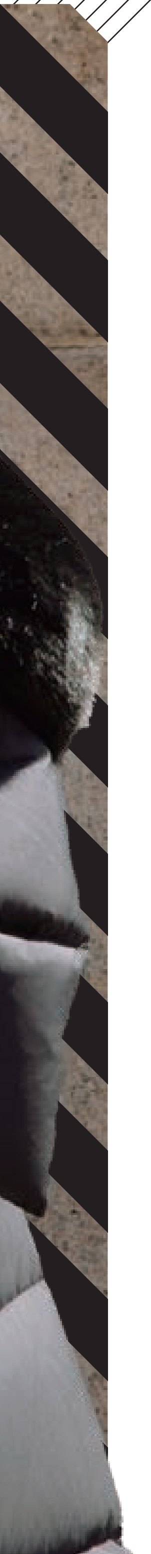
MANAGEMENT DISCUSSION AND ANALYSIS

Under the guidance of the Group's ESG strategies and carbon pathway planning, the Group has implemented a number of initiatives for sustainable supply chain, chemical safety, zero-carbon products and sustainable consumer connection in 2024. For example, the Group has established the "Policy for Responsible Procurement", requiring suppliers to comply with environmental and social responsibility standards to the greatest extent; sorted out relevant standards, provided training and conducted regular audits with suppliers to ensure that leather products and cotton products in the value chain meet environmental and social responsibility requirements; developed the "Supplier Chemicals Control Manual" to enhance the requirements for chemical control by suppliers; conducted supplier trainings to promote the implementation of sustainable development projects of suppliers; formulated and issued the "Chemicals Control Manual", setting the goal of achieving zero discharge of toxic and harmful chemicals throughout the supply chain in 2030; developed the "Restricted Substances List Requirements for Chemicals of Bosideng", expressly setting out restricted substances and limit requirements of chemicals; and joined the Zero Discharge of Hazardous Chemicals (ZDHC) to promote chemicals safety management. At the same time, the Group continues to focus on building up new business formats and new experiences for consumers, while also attaching great importance to promoting sustainable development among its upstream and downstream partners. Through long-term and unremitting efforts, the Group is committed to creating a "symbiotic community of product positive", an "innovative community of industry-academy cooperation" and a "consumer community of sustainable fashion", in order to lead the sustainable development of textile and apparel in China.

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

In the first half of the financial year 2024/25, the Group completed its strategic investment in Moose Knuckles, a Canadian luxury down apparel brand. This investment is an important move for the Group to focus on its core business of down apparel, build a three-dimensional brand matrix and expand its international business coverage. Through this strategic investment, the Group has become a key investor in Moose Knuckles, with a shareholding of approximately 31.6%, and Cathay Capital, the world-renowned private equity investment institution, remains the controlling shareholder of Moose Knuckles.





This strategic investment is of positive significance to the Group's exploration of international market operations and the Group will provide full support to Moose Knuckles. This is a strategic cooperation with complementary advantages, which will inject new momentum into the medium and long-term development of both the Group and Moose Knuckles. Through this investment, the Group will further optimize its brand matrix. The key brands of Bosideng, centering around the brand positioning of becoming the "world's leading expert in down apparel", have made efforts to develop the mid-to-high-end down apparel market. The Snow Flying brand focuses on expanding its market share of the highly cost-effective down jackets for the general public; the BOGNER brand introduced and operated by Bosideng in China, is positioned to become the "world's No.1 high luxury and professional ski suit" in the PRC market, focusing on high-end skiing and fashion sports people; and the Moose Knuckles brand will be positioned in the high-end luxury fashionista. On this basis, the Group has thus established a more comprehensive and complete brand matrix to strengthen its core business of down apparel, thereby becoming a leader in the global down apparel industry.

In the first half of FY2024/25, the Group succeeded in the bid for a land parcel for a lease period of 40 to 50 years located at Panlong Road, Xihongqiao, Qingpu District, Shanghai, with a consideration amounted to approximately RMB413.0 million. The Group proposed to develop new office buildings and commercial buildings in the core areas of Hongqiao Business District and to establish the Group's headquarters in Shanghai.

Saved as disclosed above, the Group did not hold any other significant investments, nor have any material acquisitions or disposals of subsidiaries, associates or joint ventures. There were also no other material investments or capital assets acquisitions authorized by the Board as at September 30, 2024.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at September 30, 2024.

COMMITMENTS

As at September 30, 2024, the Group had outstanding commitments in respect of plant, property and equipment, consultant, advertising and promotional expenses amounting to approximately RMB333.2 million (March 31, 2024: RMB156.0 million).

PLEDGE OF ASSETS

As at September 30, 2024, bank deposits amounting to approximately RMB1,313.6 million had been pledged to banks as security for issuance of bills payable (March 31, 2024: approximately RMB671.4 million).

FINANCIAL MANAGEMENT AND TREASURY POLICY

The financial risk management of the Group is the responsibility of the Group's treasury function 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 source of funding during this year was primarily raised by cash generated from its operating activities, and bank borrowings. The major objective of the Group's treasury policies is to appropriately improve the comprehensive income level of funds on the basis of ensuring liquidity.

FOREIGN CURRENCY EXPOSURE

The business operations of the Group were conducted mainly in 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 and Pound sterling or against each entity's respective functional currency may have a material impact on the Group.

When facing currency market instability, 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 September 30, 2024, the Group had 13,082 full-time employees (March 31, 2024: 11,831 full-time employees), representing a year-on-year increase of 1,251 employees. Staff costs for the six months ended September 30, 2024 (including Directors' remuneration in the form of salaries, other allowances and equity-settled share-based transaction expenses) were approximately RMB952.7 million (for the same period of last financial year: approximately RMB780.3 million).

Based on the strategic deployment of the Group to become the "world's leading expert in down apparel", the Group focuses on the value creation that customers explicitly perceive, linking the requirement for the Group's strategic core capabilities. To perform well now and look ahead to the future, the Group establishes an organizational talent development plan that meets the strategic requirements, steps up its efforts to identify and develop strategically significant employees, and actively reserves and fosters a new generation of young talents. Based on the above, the Group has systematically established Bosideng's "Eagle" talent development system. On the one hand, this system operates professionally to build dual development pathways for core in-service management (M) and professional (P) talent, addressing the current organizational development needs and ensuring the achievement of short/medium-term strategic objectives. At the same time, in parallel with the strategic future development, the Group conducts regular training for "Young Eagle" talents, treating college students as cornerstones of the internal talent generation system of the Group. Maintaining sufficient, high-quality reserve graduates is the 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. Based on this, the Company has built a value creation-oriented remuneration incentive system, determined a remuneration structure combining fixed salaries and floating incentives and a value distribution mechanism linking overall organizational performance with employee performance, and established a fair and equitable employee remuneration incentive distribution standard, which always drives the development of talents within the organization in a positive way.

At the same time, the Company has established a welfare system that meets the needs of talents of the times, and continues to meet the living needs of young talents joining the Company. On the one hand, on the basis of regular medical check-ups, the Company established high-end medical projects for core management talents and created high-quality dining and office conditions. On the other hand, the Group provided a comfortable and harmonious living environment to employees of the Group, and 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 places of residence in Changshu once they were employed by the Group.

Details of the movement in the Options during the Period are included in the table below:

Category of participants	Number of Options As at March 31, 2024	Granted during the Period	Exercised during the Period *(Note 1)*	Cancelled during the Period	Lapsed during the Period	As at September 30, 2024 *(Note 2)*	Date of grant *(Note 3)*	Exercise price per Share *(Note 4)*
Directors								
Rui Jinsong	13,280,000	–	–	–	–	13,280,000	26/10/2018	HKD1.07
	6,000,000	–	6,000,000	–	–	–	23/04/2020	HKD1.94
	30,000,000	–	–	–	–	30,000,000	28/11/2023	HKD3.24
	49,280,000	**–**	**6,000,000**	**–**	**–**	**43,280,000**		
Huang Qiaolian	1,374,000	–	1,374,000	–	–	–	23/04/2020	HKD1.94
	5,000,000	–	–	–	–	5,000,000	28/11/2023	HKD3.24
	6,374,000	**–**	**1,374,000**	**–**	**–**	**5,000,000**		
Others								
Employees (Except Gao Jianting)	27,431,999	–	2,140,000	–	–	25,291,999	26/10/2018	HKD1.07
	105,072,000	–	105,072,000	–	–	–	23/04/2020	HKD1.94
	57,708,000	–	–	–	–	57,708,000	20/12/2021	HKD4.98
	472,580,000	–	9,610,000	–	27,630,000	435,340,000	28/11/2023	HKD3.24
Gao Jianting *(Note 5)*	3,900,000	–	–	–	–	3,900,000	28/11/2023	HKD3.24
Consultant *(Note 6)*	100,000,000	–	–	–	–	100,000,000	23/10/2020	HKD3.41
	766,691,999	**–**	**116,822,000**	**–**	**27,630,000**	**622,239,999**		
Total	**822,345,999**	**–**	**124,196,000**	**–**	**27,630,000**	**670,519,999**		

Notes:

1. The weighted average closing price of the Shares immediately before the dates on which the Options were exercised was approximately HKD4.53 (for Options exercised by Rui Jinsong), approximately HKD4.46 (for Options exercised by Huang Qiaolian) and HKD4.32 (for Options exercised by employees).
2. As at September 30, 2024, the Company had a total of 670,519,999 outstanding Options, of which:
   - 2.1 38,571,999 Options were granted on October 26, 2018 under the 2017 Share Option Scheme, of which:
     - 2.1.1 9,821,999 Options had been vested and are exercisable;
     - 2.1.2 each of 7,180,000 Options shall be vested and are exercisable during each of the periods ending on October 25, 2025, 2026 and 2027, respectively;
     - 2.1.3 7,210,000 Options shall be vested and are exercisable during the period commencing from October 26, 2027 and ending on October 25, 2028; and
   - 2.2 100,000,000 Options were granted on October 23, 2020 under the 2017 Share Option Scheme, of which:
     - 2.2.1 30,000,000 Options shall be vested and are exercisable during the period commencing from October 23, 2021 and ending on October 22, 2024;
     - 2.2.2 30,000,000 Options shall be vested and are exercisable during the period commencing from October 23, 2022 and ending on October 22, 2024;
     - 2.2.3 40,000,000 Options shall be vested and are exercisable during the period commencing from October 23, 2023 and ending on October 22, 2024; and
   - 2.3 57,708,000 Options were granted on December 20, 2021 under the 2017 Share Option Scheme, of which:
     - 2.3.1 18,588,000 Options had been vested and are exercisable;
     - 2.3.2 39,120,000 Options shall be vested and are exercisable during the period commencing from December 20,2024 and ending on December 19, 2025; and
   - 2.4 474,240,000 Options were granted on November 28, 2023 under the 2017 Share Option Scheme, of which:
     - 2.4.1 134,390,000 Options had been vested and are exercisable;
     - 2.4.2 145,650,000 Options shall be vested and are exercisable during the period commencing from July 28, 2025 and ending on July 27, 2027; and
     - 2.4.3 194,200,000 Options shall be vested and are exercisable during the period commencing from July 28, 2026 and ending on July 27, 2027.
3. The validity period for each batch of Options granted on October 26, 2018, October 23, 2020, December 20, 2021 and November 28, 2023 is 10 years, 48 months, 48 months and 44 months from the respective dates of grant.
4. The closing price of the Shares immediately before the respective dates of grant (being October 26, 2018, October 23, 2020, December 20, 2021 and November 28, 2023) was HKD1.08, HKD3.44, HKD4.89 and HKD3.08 per Share, respectively.
5. As disclosed in the announcement of the Company dated November 28, 2023, such 3,900,000 Options were granted to Mr. Gao Jianting, who is a core employee, and also the son of Mr. Gao Dekang and Ms. Mei Dong.
6. As disclosed in the announcement of the Company dated October 23, 2020, such 100,000,000 Options were granted to Wise Triumph Group Limited (the "Consultant"), who is an independent consultant company of the Group which provides multi-latitude strategic consulting services to the Group. The Board believes that the grant of the Options will help motivate the Consultant to continue to contribute to the future multi-latitude development and expansion of the Group, including but not limited to aspects such as brand, strategy and overall business development both in China and overseas. The vesting criteria and conditions include the overall consolidated financial results of the Group and the Consultant's own key performance indicators, including but not limited to the result indicators of the Bosideng brand for the relevant financial years as well as the objectives of the competitive strategies of the Bosideng brand, for the three financial years ended March 31, 2023.
7. Since no Options were granted during the Period, the percentage of the number of Shares that may be issued in respect of the Options granted under the Share Option Schemes of the Company during the Period divided by the weighted average number of Shares of the relevant classes in issue during the Period was 0%.

The Company has adopted the Share Option Scheme in replacement of the 2017 Share Option Scheme with a new scheme mandate limit of 1,103,652,138 Shares, representing 10% of the total number of Shares in issue (excluding treasury Shares) as at August 20, 2024, being the adoption date of the Share Option Scheme. As of September 30, 2024, the Company could grant 1,103,652,138 Options under the Share Option Scheme (as of March 31, 2024: 43,699,039 under the 2017 Share Option Scheme). According to the scheme mandate limit of the Share Option Scheme, the Company may further grant 1,103,652,138 Options, representing approximately 9.52% of the issued share capital of the Company as at December 12, 2024, being the Latest Practicable Date.

Further, details of the movement in the awarded Shares which remained outstanding under the Share Award Scheme during the Period are included in the table below:

	Number of awarded Shares						
Category of participants	Outstanding as at March 31, 2024	Granted during the Period	Vested during the Period *(Note 1)*	Lapsed during the Period	Outstanding as at September 30, 2024	Date of grant *(Note 2)*	Purchase price per awarded Share
Directors							
Rui Jinsong	20,000,000	–	6,000,000	–	14,000,000	November 28, 2023	HKD1.62
	20,000,000	**–**	**6,000,000**	**–**	**14,000,000**		
Others							
Employees	6,400,000	–	–	–	6,400,000	December 20, 2021	HKD2.49
Employees	58,400,000	–	12,720,000	15,020,000	30,660,000	November 28, 2023	HKD1.62
	64,800,000	**–**	**12,720,000**	**15,020,000**	**37,060,000**		
Total	**84,800,000**	**–**	**18,720,000**	**15,020,000**	**51,060,000**		

Notes:
1. The weighted average closing price of the Shares immediately before the vesting date of the awarded Shares held by Mr. Rui Jinsong and employees was approximately HKD3.87.
2. The vesting period for each batch of awarded Shares granted on December 20, 2021 and November 28, 2023 is 48 months and 44 months from the respective dates of grant.
3. During the Period, no awarded Share was cancelled.
4. Since no awarded Share was granted during the Period, the percentage of the number of Shares that may be issued in respect of the awarded Shares granted under the Share Award Schemes during the Period divided by the weighted average number of Shares of the relevant classes in issue during the Period was 0%.

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

CORPORATE CULTURE

The Group attaches great importance to the construction and inheritance 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", and 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 backbones with Bosideng genes have emerged. It is precisely because of the strong cultural traction that the Group has successfully completed the previous strategic transformation and laid the foundation for future strategic implementation.

The Group respects and supports workers' freedom of association. In addition to stating in the *Employee Handbook* that employees' freedom of association and the right to collective bargaining shall be respected, the Group has also made it clear in the "Supplier Management Policy" and "Supplier Handbook" that suppliers are required to uphold these rights in accordance with International Labor Organization (ILO) standards.

The Group advocates the practice of corporate culture, and focuses on the strategic core tasks and organizes a series of activities such as explaining outstanding case studies, fostering model employees, learning from the organizational experience, creating an atmosphere for the promotion and implementation of cultural concepts 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 behavior 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 actions that align with goals, and makes its teams unite their efforts so as to ensure efficient achievement of strategic goals.

TALENT DEVELOPMENT

Guided by the talent philosophy of "Providing Opportunities for Those Who Aspire, a Platform for Those Who Can Deliver, and Rewards for Those Who Achieve", the Group has implemented a comprehensive talent development strategy aligned with its overall corporate strategy, focusing on the "selection, utilization, education and retention" of talents, resulting in a strong talent pipeline that supports the enterprise's growth.

To effectively execute its 1-3 year strategic plan, the Group attaches great importance to talents cultivation, recognizing employees as its most valuable resources. Building upon years of experience, the Group has established a scientific system for talent-training, namely from strategic interpretation, organizational capacity assessment, to talent identification and development, and talent-role alignment. This system undergoes continuous refinement to ensure alignment with strategic objectives and talent cultivation goals. The Group insists on recruiting top-tier talents from outside to match market changes, lead industry development, and establish leading advantages. The Group will also continue to develop an outstanding management cadre of professionals, experts, and medium – to long-term strategic talents reserve with operation abilities internally so as to continuously develop talent echelon, upgrade organizational capabilities, stimulate organizational vitality, and guarantee strategic implementation.

The core operation and management team plays a crucial role in upholding the corporate culture, which is also the key force to lead the team to capture the core of strategic objectives and the results of the overall business value. In 2024, the Group fostered alignment among senior executives to enhance synergy and achieve strategic goals.

Each business unit's core management team engaged in targeted internal and external learning initiatives focused on key operational objectives and potential challenges, driving positive transformation and improving operational and decision-making quality.

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, establishes a retail talent cultivation mechanism and continuously strengthens the store talent development by setting clear leadership profiles and high benchmark standards in order to cultivate a younger, highly adaptable store team capable of delivering exceptional customer experiences. Meanwhile, to better empower the regions and stores to challenge high targets and improve the quality and efficiency of their operations, the Group particularly strengthens the cultivation of retail departments and personnel. Currently, the Group has continued to formulate a plan for fostering the talents' capabilities for retail operations, merchandise management, display operation, marketing, etc., and 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. In addition, the Group also focuses on developing high-potential store managers and staff at its top-performing national stores, instilling a customer-centric culture and emphasizing the core values of "User First, Value Results". As of September 30, 2024, the Top Stores demonstrated significant year-on-year improvements in their store efficiency, employee productivity and Top Sellers sales performance. The full completion of practical training and closed-loop cultivation of competencies before the peak season has laid a strong and solid foundation for achieving annual objectives and enhancing customer experience.

The Group's three-year strategic business plan emphasizes the importance of strategic talent reserves. As of September 30, 2024, the "Eagle" programme has cultivated 892 outstanding university graduates, 183 excellent reserve managers, 50 excellent reserve directors, and 23 high-performing retail company general managers, providing a strong talent pipeline to support the Group's strategic goal of becoming "the world's leading expert in down apparel".

CONVERTIBLE BONDS

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

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

- subject to redemption options pursuant to the terms and conditions of the Convertible Bonds, conversion rights are exercisable at any time from January 27, 2020 to December 7, 2024 (both days inclusive) at the bondholders' option;

- at the initial conversion price being HKD4.91 per Share (subject to adjustments in the manner provided in the terms and conditions of the Subscription Agreement), the Convertible Bonds would be convertible into 438,470,977 Conversion Shares; and

- since the issue of the Convertible Bonds on December 17, 2019 up to December 12, 2024 (being the Latest Practicable Date), the conversion price has been adjusted as follows:

Effective Date	Adjustment to Conversion Price	Maximum number of Conversion Shares	Outstanding amount of Convertible Bonds as at the effective date
August 27, 2020	HKD4.91 per share adjusted to HKD4.73 per share	455,156,976	USD275,000,000
December 19, 2020	HKD4.73 per share adjusted to HKD4.67 per share	461,004,817	USD275,000,000
August 26, 2021	HKD4.67 per share adjusted to HKD4.56 per share	472,125,548	USD275,000,000
December 23, 2021	HKD4.56 per share adjusted to HKD4.52 per share	476,303,650	USD275,000,000
August 26, 2022	HKD4.52 per share adjusted to HKD4.37 per share	492,652,745	USD275,000,000
December 16, 2022	HKD4.37 per share adjusted to HKD4.28 per share	451,064,817	USD246,600,000
August 31, 2023	HKD4.28 per share adjusted to HKD4.08 per share	473,175,838	USD246,600,000
December 20, 2023	HKD4.08 per share adjusted to HKD4.01 per share	481,435,765	USD246,600,000
August 27, 2024	HKD4.01 per share adjusted to HKD3.83 per share	504,061,989	USD246,600,000

As at September 30, 2024, no Convertible Bonds had been converted into new Conversion Shares.

For further details of the Convertible Bonds, please refer to the Company's announcements dated December 5, 2019, December 17, 2019, August 21, 2020, December 3, 2020, August 20, 2021, December 1, 2021, August 22, 2022, November 24, 2022, August 22, 2023, December 18, 2023, and August 20, 2024, respectively.

OUTLOOK

As a leading industry player, the Group is oriented to people's new demands and expectations for a better life, maintaining a long-term vision and prioritizing value creation. "Focusing on the mainstay business of down jackets as well as fashionable 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 a commitment to innovation, we are embarking on a new journey of 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 "fashionable and functional apparel enhanced with technology", and steadily strengthens its core business through organic and healthy growth of existing brands, categories expansion and strategic brand matrix, etc.

In terms of branding, the Group will enhance brand-led development by clarifying its brand strategic positioning and strategy to convey the Bosideng brand's core belief in warming the world and its expertise, creating consistency in brand building. Meanwhile, the Group will comprehensively build a brand matrix and strengthen its capabilities for operating its various brands to unlock the brand value in fashionable 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 "fashionable 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 leveraging insights on consumers, the Group will develop strategic incremental markets while strengthening its operation modes specific to different types of stores, and enhancing 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 a 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 drive continued growth. Firstly, it will deepen existing good and stable partnerships with key clients, cultivate new customers relationships, and continuously improve operational quality and profitability. Secondly, the Group will further enhance its ODM design and technological innovation capabilities to develop its differentiated core competencies. Lastly, the Group will increase production resources investments in Southeast Asia (e.g., Vietnam and Indonesia) and domestic markets to establish a foundation for sustainable and high-quality growth.

Ladieswear business:
The high-end ladieswear market has faced headwinds and increased competition since 2024. In response to the challenging market conditions, the Group will prioritize operational improvements and sustainable growth within the ladieswear business by defining clear target demographics for each ladieswear brand and developing differentiated development models, operational capabilities and management systems. In addition, the Group will also re-evaluate the strategic positioning of the ladieswear business within its overall portfolio. The Group has adopted a "dual-focus" development strategy, which emphasizes refraining from significant investments in non-core businesses area while resources will be allocated to core businesses and strategic opportunities to establish and enhance its competitive edges.

INDEPENDENT REVIEW REPORT

Review report to the board of directors of Bosideng International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 57 to 97 which comprises the consolidated statement of financial position of Bosideng International Holdings Limited as of September 30, 2024, and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at September 30, 2024 is not prepared, in all material respects, in accordance with IAS 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

November 28, 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended September 30, 2024 – unaudited (Expressed in Renminbi)

	Note	Six months ended September 30, 2024 RMB'000	2023 RMB'000
Revenue	6	**8,804,128**	7,471,665
Cost of sales		**(4,412,808)**	(3,738,188)
Gross profit		**4,391,320**	3,733,477
Other income	7	**196,158**	110,357
Selling and distribution expenses		**(2,274,944)**	(2,029,940)
Administrative expenses		**(768,589)**	(582,479)
Impairment losses on goodwill	15	**(70,000)**	–
Other expenses		**(2,140)**	(448)
Profit from operations		**1,471,805**	1,230,967
Finance income		**197,317**	178,021
Finance costs		**(105,455)**	(96,505)
Net finance income	10	**91,862**	81,516
Share of losses of associates and joint ventures		**(5,219)**	(11,949)
Profit before taxation		**1,558,448**	1,300,534
Income tax	11(a)	**(416,370)**	(384,349)
Profit for the period		**1,142,078**	916,185
Other comprehensive income for the period:			
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)		**(11,666)**	10,703
		(11,666)	10,703
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside Mainland China		**35,158**	(67,033)
		35,158	(67,033)
Other comprehensive income for the period, net of tax		**23,492**	(56,330)
Total comprehensive income for the period		**1,165,570**	859,855

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

for the six months ended September 30, 2024 – unaudited (Expressed in Renminbi)

	Note	Six months ended September 30, 2024 RMB'000	2023 RMB'000
Profit/(loss) attributable to:			
Equity shareholders of the Company		**1,129,698**	918,637
Non-controlling interests		**12,380**	(2,452)
Profit for the period		**1,142,078**	916,185
Total comprehensive income attributable to:			
Equity shareholders of the Company		**1,153,190**	862,307
Non-controlling interests		**12,380**	(2,452)
Total comprehensive income for the period		**1,165,570**	859,855
Earnings per share	12		
– basic (RMB cents)		**10.35**	8.47
– diluted (RMB cents)		**10.13**	8.35

The notes on pages 64 to 97 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company attributable to the profit for the period are set out in note 28(a).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at September 30, 2024 – unaudited (Expressed in Renminbi)

	Note	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Non-current assets			
Property, plant and equipment	13	1,803,132	1,543,951
Right-of-use assets	14	1,399,172	958,155
Intangible assets and goodwill	15	1,174,161	1,236,397
Interests in associates	16	333,317	52,558
Interests in joint ventures		201,800	200,789
Investment properties	17	55,655	264,702
Other financial assets	21	163,612	358,902
Derivative financial instruments		3,726	3,726
Deferred tax assets	11(b)	557,769	497,703
Pledged bank deposits	22	350,200	18,336
Time deposits	23	1,200,000	1,570,000
Long-term receivables	20	77,473	47,374
		7,320,017	6,752,593
Current assets			
Inventories	18	5,939,197	3,197,497
Trade and bills receivables	19	4,547,203	1,497,900
Deposits, prepayments and other receivables	20	1,357,093	1,287,676
Amounts due from related parties	32(b)	165,614	93,752
Other financial assets	21	3,113,709	3,963,011
Pledged bank deposits	22	963,393	653,095
Time deposits	23	1,539,787	2,098,666
Cash and cash equivalents	24	1,962,725	6,227,015
		19,588,721	19,018,612

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

at September 30, 2024 – unaudited (Expressed in Renminbi)

	Note	**At September 30, 2024 RMB'000**	At March 31, 2024 RMB'000
Current liabilities			
Current income tax liabilities		**474,333**	497,071
Interest-bearing borrowings	25	**995,547**	768,436
Lease liabilities		**316,374**	356,071
Trade, bills and other payables	26	**9,457,479**	7,765,152
Amounts due to related parties	32(b)	**17,746**	86,815
Convertible bonds		**1,716,116**	1,709,523
		12,977,595	11,183,068
Net current assets		**6,611,126**	7,835,544
Total assets less current liabilities		**13,931,143**	14,588,137
Non-current liabilities			
Deferred tax liabilities	11(b)	**151,665**	309,021
Lease liabilities		**386,505**	384,423
Derivative financial instruments		**3,655**	3,655
Other non-current liabilities	27	**40,887**	71,553
		582,712	768,652
Net assets		**13,348,431**	13,819,485
Capital and reserves			
Share capital		**827**	819
Reserves		**13,251,175**	13,734,617
Equity attributable to equity shareholders of the Company		**13,252,002**	13,735,436
Non-controlling interests		**96,429**	84,049
Total equity		**13,348,431**	13,819,485

Approved and authorized for issue by the board of directors on November 28, 2024.

Gao Dekang
Chairman of the Board of Directors

Gao Xiaodong
Director

The notes on pages 64 to 97 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended September 30, 2024 – unaudited (Expressed in Renminbi)

	Attributable to the equity shareholders of the Company										
	Share capital RMB '000	Share premium RMB '000	Treasury shares held for the Share Award Scheme RMB '000	Capital reserves RMB '000	Statutory reserves RMB '000	Translation reserves RMB '000	Other reserves RMB '000	Retained earnings RMB '000	Total RMB '000	Non-controlling interests RMB '000	Total equity RMB '000
Balance at April 1, 2024	819	1,966,044	(207,370)	218,333	1,005,390	(645,783)	161,313	11,236,690	13,735,436	84,049	13,819,485
Total comprehensive income for the period:											
Profit for the period	–	–	–	–	–	–	–	1,129,698	1,129,698	12,380	1,142,078
Foreign currency translation differences – foreign operations	–	–	–	–	–	35,158	–	–	35,158	–	35,158
Net change in fair value of equity investment at FVOCI, net of tax (non-recycling) (note 21(i))	–	–	–	–	–	–	–	(11,666)	(11,666)	–	(11,666)
Total comprehensive income for the period	–	–	–	–	–	35,158	–	1,118,032	1,153,190	12,380	1,165,570
Transactions with owners, recorded directly in equity											
Equity-settled share-based transactions (note 29)	8	284,121	–	41,201	–	–	–	–	325,330	–	325,330
Treasury shares granted for Share Award Scheme	–	–	46,658	(25,000)	–	–	–	6,034	27,692	–	27,692
Deregister of a subsidiary	–	–	–	–	(2,174)	–	–	2,174	–	–	–
Dividend	–	–	–	–	–	–	–	(1,989,646)	(1,989,646)	–	(1,989,646)
	8	284,121	46,658	16,201	(2,174)	–	–	(1,981,438)	(1,636,624)	–	(1,636,624)
Balance at September 30, 2024	827	2,250,165	(160,712)	234,534	1,003,216	(610,625)	161,313	10,373,284	13,252,002	96,429	13,348,431

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the six months ended September 30, 2024 – unaudited (Expressed in Renminbi)

	Attributable to the equity shareholders of the Company										
	Share capital RMB '000	Share premium RMB '000	Treasury shares held for the Share Award Scheme RMB '000	Capital reserves RMB '000	Statutory reserves RMB '000	Translation reserves RMB '000	Other reserves RMB '000	Retained earnings RMB '000	Total RMB '000	Non-controlling interests RMB '000	Total equity RMB '000
Balance at April 1, 2023	818	1,928,764	(109,924)	144,772	1,001,472	(595,951)	152,644	10,024,516	12,547,111	57,258	12,604,369
Total comprehensive income for the period:											
Profit for the period	–	–	–	–	–	–	–	918,637	918,637	(2,452)	916,185
Foreign currency translation differences – foreign operations	–	–	–	–	–	(67,033)	–	–	(67,033)	–	(67,033)
Net change in fair value of equity investment at FVOCI, net of tax (non-recycling) (note 21(i))	–	–	–	–	–	–	10,703	–	10,703	–	10,703
Total comprehensive income for the period	–	–	–	–	–	(67,033)	10,703	918,637	862,307	(2,452)	859,855
Transactions with owners, recorded directly in equity											
Equity-settled share-based transactions (note 29)	–	3,380	–	13,042	–	–	–	–	16,422	–	16,422
Treasury shares granted for Share Award Scheme	–	–	34,247	(10,908)	–	–	–	(7,853)	15,486	–	15,486
Deregister of subsidiaries	–	–	–	–	(28)	–	–	28	–	–	–
Acquisition of non-controlling interests without a change in control	–	–	–	(2,147)	–	–	–	–	(2,147)	(12,010)	(14,157)
Dividend	–	–	–	–	–	–	–	(1,349,628)	(1,349,628)	–	(1,349,628)
	–	3,380	34,247	(13)	(28)	–	–	(1,357,453)	(1,319,867)	(12,010)	(1,331,877)
Balance at September 30, 2023	818	1,932,144	(75,677)	144,759	1,001,444	(662,984)	163,347	9,585,700	12,089,551	42,796	12,132,347

The notes on pages 64 to 97 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended September 30, 2024 – unaudited (Expressed in Renminbi)

	For the six months ended September 30, 2024 RMB'000	2023 RMB'000
Operating activities		
Cash used in operations	**(2,766,010)**	(51,628)
Interest paid	**(64,453)**	(61,718)
Income tax paid	**(652,641)**	(472,195)
Net cash used in operating activities	**(3,483,104)**	(585,541)
Investing activities		
Payments in relation to investments in joint ventures and associates	**(287,416)**	(6,675)
Payment in relation to acquisition of non-controlling interests in a subsidiary	**–**	(14,157)
Payments of loans provided to an associate (note 32(a))	**(20,000)**	(42,500)
Collection of a loan repaid by an associate	**–**	21,000
Advances to a joint venture (note 32(a))	**(8,000)**	(3,000)
Payment for the purchase of property, plant and equipment	**(323,207)**	(205,527)
Payment for the purchase of land use right (note 14)	**(413,030)**	–
Payment for the purchase of intangible assets (note 15)	**(25,703)**	–
Acquisition of other financial assets	**(5,212,363)**	(3,370,934)
Proceeds from disposal of other financial assets	**6,321,206**	4,062,043
Dividend received from other financial assets (note 21(i))	**3,710**	1,427
Decrease in time deposits	**928,879**	634,432
Interest received	**120,326**	85,140
Net cash generated from investing activities	**1,084,402**	1,161,249
Financing activities		
Proceeds from interest-bearing borrowings	**610,000**	688,200
Repayment of interest-bearing borrowings	**(388,752)**	(550,560)
Proceeds from exercise of share options	**226,028**	2,674
Dividends paid (note 28(ii))	**(2,003,441)**	(1,345,200)
Capital element of lease rentals paid	**(321,210)**	(253,214)
Net cash used in financing activities	**(1,877,375)**	(1,458,100)
Net decrease in cash and cash equivalents	**(4,276,077)**	(882,392)
Cash and cash equivalents at the beginning of the period	**6,227,015**	3,718,211
Effect of foreign currency exchange rate changes	**11,787**	(27,993)
Cash and cash equivalents at the end of the period	**1,962,725**	2,807,826

The notes on pages 64 to 97 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 REPORTING ENTITY AND CORPORATE INFORMATION

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

The Company has a financial year end date of March 31. The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), including compliance with the International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorized for issue on November 28, 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended March 31, 2024, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending March 31, 2025. Details of the changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended March 31, 2024. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

2 BASIS OF PREPARATION (CONTINUED)

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company. It has also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). KPMG's independent review report to the board of directors is included on page 56.

The financial information relating to the financial year ended March 31, 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The annual financial statements for the year ended March 31, 2024 are available in the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated June 26, 2024.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")*
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")*
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments 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 interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 SEASONALITY OF OPERATIONS

The Group's down related apparel segment is subject to seasonal fluctuations. As a result, the sales volume and revenue in the second half of the financial year are normally substantially higher than those during the first half of the financial year.

(Expressed in Renminbi unless otherwise indicated)

5 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the 2023/24 annual financial statements.

6 REVENUE AND SEGMENT REPORTING

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

- Down related apparels – The down related apparel 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 apparel segment carries on the business of sourcing and distributing branded ladieswear apparels.

- Diversified apparels – The diversified apparel segment carries on the business of sourcing and distributing non-seasonal apparels, including branded 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 six months ended September 30,	
	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	**8,715,659**	7,436,939
– Royalty income	**88,048**	32,846
	8,803,707	7,469,785
Revenue from other sources		
Gross rentals from investment properties	**421**	1,880
Consolidated revenue	**8,804,128**	7,471,665

All revenue was recognized at point in time.

6 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment results

Disaggregation of revenue from contracts with customers and revenue from other sources by 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 period is set out below:

	For the six months ended September 30, 2024				
	Down related apparel RMB'000	**OEM management RMB'000**	**Ladieswear apparels RMB'000**	**Diversified apparels RMB'000**	**Group RMB'000**
Revenue from external customers	**6,062,687**	**2,316,390**	**308,142**	**116,909**	**8,804,128**
Inter-segment revenue	**7,542**	**2,880**	**–**	**12,029**	**22,451**
Reportable segment revenue	**6,070,229**	**2,319,270**	**308,142**	**128,938**	**8,826,579**
Reportable segment profit/(loss)	**1,225,297**	**389,515**	**(50,421)**	**(13,490)**	**1,550,901**
Amortization of intangible assets	**–**	**–**	**(17,939)**	**–**	**(17,939)**
Impairment losses on goodwill	**–**	**–**	**(70,000)**	**–**	**(70,000)**

	For the six months ended September 30, 2023				
	Down related apparel RMB'000	OEM management RMB'000	Ladieswear apparels RMB'000	Diversified apparels RMB'000	Group RMB'000
Revenue from external customers	4,939,684	2,042,879	392,718	96,384	7,471,665
Inter-segment revenue	15,514	1,908	–	13,764	31,186
Reportable segment revenue	4,955,198	2,044,787	392,718	110,148	7,502,851
Reportable segment profit/(loss)	938,368	341,802	(5,962)	(1,587)	1,272,621
Amortization of intangible assets	–	–	(17,939)	–	(17,939)

6 REVENUE AND SEGMENT REPORTING (CONTINUED)

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

	For the six months ended September 30, 2024 RMB'000	2023 RMB'000
Revenue		
Reportable segment revenue	**8,826,579**	7,502,851
Elimination of inter-segment revenue	**(22,451)**	(31,186)
Consolidated revenue	**8,804,128**	7,471,665

	For the six months ended September 30, 2024 RMB'000	2023 RMB'000
Profit before taxation		
Reportable segment profit	**1,550,901**	1,272,621
Amortization expenses	**(17,939)**	(17,939)
Government grants	**196,158**	110,357
Impairment losses on goodwill	**(70,000)**	–
Finance income	**197,317**	178,021
Finance costs	**(105,455)**	(96,505)
Share of losses of associates and joint ventures	**(5,219)**	(11,949)
Unallocated expenses	**(187,315)**	(134,072)
Consolidated profit before income tax	**1,558,448**	1,300,534

7 OTHER INCOME

	For the six months ended September 30, 2024 RMB'000	2023 RMB'000
Government grants	**196,158**	110,357

The Group received unconditional discretionary grants amounting to RMB196,158,000 during the six months ended September 30, 2024 (six months ended September 30, 2023: RMB110,357,000) from various local PRC government authorities.

8 PERSONNEL EXPENSES

	For the six months ended September 30, 2024 RMB'000	2023 RMB'000
Salaries, wages and other benefits	**728,446**	654,676
Equity-settled share-based payments (note 29(c))	**99,302**	13,748
Contributions to defined contribution plans	**124,966**	111,847
	952,714	780,271

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

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

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

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

(Expressed in Renminbi unless otherwise indicated)

9 EXPENSES BY NATURE

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

	For the six months ended September 30, 2024 RMB'000	2023 RMB'000
Cost of inventories recognized as expenses included in cost of sales	**4,412,808**	3,738,188
Depreciation		
– assets leased out	**5,729**	4,898
– owned property, plant and equipment	**204,722**	300,389
– right-of-use assets	**245,871**	245,543
Amortization charge		
– intangible assets	**17,939**	17,939
Impairment losses on goodwill	**70,000**	–
Lease charge of short-term leases exempt from capitalization under IFRS 16	**19,640**	18,842
Variable lease payments (note 14)	**341,713**	293,352

10 NET FINANCE INCOME

	For the six months ended September 30, 2024 RMB'000	2023 RMB'000
Recognized in profit or loss:		
Interest income on bank deposits, loan receivables due from related parties and long-term receivables	**113,801**	86,820
Interest income on financial assets measured at amortized cost	**–**	2,362
Total interest income on financial assets	**113,801**	89,182
Unrealized/realized net gain in financial assets classified as fair value through profit or loss ("FVPL") (note 21(ii))	**79,806**	66,312
Dividend income (note 21(i))	**3,710**	1,427
Net foreign exchange gain	**–**	21,100
Finance income	**197,317**	178,021
Interest on interest-bearing borrowings and discounted bills	**(33,167)**	(30,248)
Interest on convertible bonds	**(36,560)**	(35,269)
Bank charges	**(8,659)**	(7,542)
Interest expenses on lease liabilities	**(22,131)**	(23,446)
Net foreign exchange loss	**(4,938)**	–
Finance costs	**(105,455)**	(96,505)
Net finance income recognized in profit or loss	**91,862**	81,516

11 INCOME TAX

(a) Income tax in profit or loss represents:

	For the six months ended September 30, 2024 RMB'000	2023 RMB'000
Current tax		
Provision for income tax for the period	**456,989**	298,566
PRC dividend withholding tax	**172,914**	26,500
	629,903	325,066
Deferred tax		
Origination and reversal of temporary differences (note 11(b))	**(213,533)**	59,283
	416,370	384,349

(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 or the BVI.

(ii) No tax provision has been made for Bosideng UK Limited and Bosideng Retail Limited, as they do not have any assessable profits subject to any income tax in the United Kingdom during the period.

(iii) The provision includes provision for PRC income tax and provision for Hong Kong income tax. Provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of each of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC. Provision for Hong Kong income tax is calculated at Hong Kong Profits Tax rate of 16.5% on the estimated assessable Hong Kong profits for the six months ended September 30, 2024 and 2023.

For the six months ended September 30, 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 started from 2022, and You Nuo was granted a preferential rate of 15% for high-tech enterprises for three years started from 2023.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

11 INCOME TAX (CONTINUED)

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

(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 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 six months ended September 30, 2024, considering a crystallisation of deferred tax liabilities of RMB172,914,000 (six months ended September 30, 2023: RMB26,500,000) which has been recognized previously based on management's best estimation, an additional PRC dividend withholding tax of RMB17,500,000 (six months ended September 30, 2023: RMB47,500,000) was provided against the dividend to be distributed in the foreseeable future out of earnings of PRC subsidiaries.

(b) Deferred tax assets and liabilities:

The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements during the period are as follows:

	Write-down of inventory RMB'000	Provision for credit loss allowance RMB'000	Customer relationships and trademark RMB'000	Property, plant and equipment RMB'000	Withholding tax on dividends RMB'000	Unrealized profits arising from intra-group transactions RMB'000	Unused tax losses RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
At April 1, 2024	92,485	20,105	(89,241)	(2,595)	(197,500)	54,193	235,368	(171,594)	184,998	62,463	188,682
Credited/(charged) to profit or loss	3,399	9,114	4,484	421	(17,500)	(5,907)	40,621	(12,180)	12,091	6,076	40,619
Released upon distribution of dividends	–	–	–	–	172,914	–	–	–	–	–	172,914
Credited to other comprehensive income	–	–	–	–	–	–	–	–	–	3,889	3,889
At September 30, 2024	95,884	29,219	(84,757)	(2,174)	(42,086)	48,286	275,989	(183,774)	197,089	72,428	406,104

Reconciliation to the consolidated statement of financial position:

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Net deferred tax assets	**557,769**	497,703
Net deferred tax liabilities	**(151,665)**	(309,021)
	406,104	188,682

12 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended September 30, 2024 is based on the profit attributable to ordinary equity shareholders of the Company of RMB1,129,698,000 (six months ended September 30, 2023: RMB918,637,000) and the weighted average number of ordinary shares of 10,914,084,000 (six months ended September 30, 2023: 10,851,270,000 shares) in issue during the interim period.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended September 30, 2024 is based on the profit attributable to equity shareholders of the Company of RMB1,166,258,000 (six months ended September 30, 2023: RMB953,906,000), after adjusting for the effective interest on the liability component of convertible bonds of RMB36,560,000 (six months ended September 30, 2023: RMB35,269,000), and the weighted average number of ordinary shares of 11,513,248,000 (six months ended September 30, 2023: 11,421,420,000 shares), after adjusting for the effect of the Company's share-based payment arrangements (note 29) and the effect of conversion of convertible bonds.

13 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings RMB'000	Machinery RMB'000	Motor vehicles and others RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost						
At March 31, 2024	1,079,182	369,423	520,019	2,272,021	20,085	4,260,730
Additions during the period	–	5,535	12,796	202,501	36,038	256,870
Transfer among items under plant, property and equipment	–	16,802	–	–	(16,802)	–
Disposals during the period	–	(10)	(11,646)	(5,686)	–	(17,342)
Transfer from investment properties	220,544	–	–	–	–	220,544
Movement of exchange rate	10,426	–	1,136	(3)	–	11,559
At September 30, 2024	1,310,152	391,750	522,305	2,468,833	39,321	4,732,361
Accumulated depreciation						
At March 31, 2024	(359,429)	(119,711)	(375,753)	(1,861,886)	–	(2,716,779)
Depreciation charge for the period	(19,639)	(14,649)	(29,241)	(141,193)	–	(204,722)
Disposals during the period	–	9	2,834	2,345	–	5,188
Transfer from investment properties	(8,470)	–	–	–	–	(8,470)
Movement of exchange rate	(2,675)	–	(1,773)	2	–	(4,446)
At September 30, 2024	(390,213)	(134,351)	(403,933)	(2,000,732)	–	(2,929,229)
Net book value						
At September 30, 2024	919,939	257,399	118,372	468,101	39,321	1,803,132
At March 31, 2024	719,753	249,712	144,266	410,135	20,085	1,543,951

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Except for freehold land and buildings with the carrying amount of RMB246,609,000 (March 31, 2024: RMB39,602,000) which were located in the United Kingdom, all other buildings were located in mainland China at September 30, 2024. The properties located in the United Kingdom were acquired by the Group in June 2011.

As at September 30, 2024, no interest expense was capitalized as there were no material borrowing costs directly attributable to the acquisition of qualifying assets.

During the six months ended September 30, 2024, the properties located in the United Kingdom of GBP22,618,000 (equivalent of RMB212,074,000) were reclassified from investment property to property, plant and equipment because of the use of the properties has changed.

14 RIGHT-OF-USE ASSETS

During the six months ended September 30, 2024, the Group entered into a number of lease agreements for use of warehouses and retail stores, and therefore recognized the additions to right-of-use assets of RMB274,051,000 (six month ended September 30, 2023: RMB296,165,000).

On May 21, 2024, the Group succeeded in the bid for the land use rights of a land parcel for a lease period of 40 to 50 years located at Qingpu District of Shanghai, the PRC, with a consideration amounted to approximately RMB413,030,000, for the purpose of the construction of office and commercial buildings.

The variable lease payments not included in the measurement of lease liabilities recognized in profit or loss is as follows:

	For the six months ended September 30,	
	2024	2023
	RMB'000	RMB'000
Variable lease payments (i)	**341,713**	293,352

(i) Some property leases contained variable lease payments that are linked to sales generated from a store. Variable lease payments that based on the sales volume are recognized in profit or loss in the period as incurred.

15 INTANGIBLE ASSETS AND GOODWILL

	Goodwill RMB'000	Customer relationships RMB'000	Trademarks RMB'000	Software and other intangible assets RMB'000	Total RMB'000
Cost:					
At March 31, 2024	1,708,151	648,822	633,795	–	2,990,768
Addition during the period	–	–	–	25,703	25,703
At September 30, 2024	**1,708,151**	**648,822**	**633,795**	**25,703**	**3,016,471**
Amortization and impairment losses:					
At March 31, 2024	(828,741)	(643,234)	(282,396)	–	(1,754,371)
Amortization charge for the period	–	(2,096)	(15,843)	–	(17,939)
Impairment losses	(70,000)	–	–	–	(70,000)
At September 30, 2024	**(898,741)**	**(645,330)**	**(298,239)**	**–**	**(1,842,310)**
Net book value:					
At September 30, 2024	**809,410**	**3,492**	**335,556**	**25,703**	**1,174,161**
At March 31, 2024	879,410	5,588	351,399	–	1,236,397

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 period is included in "selling and distribution expenses" in the consolidated statement of profit or loss and other comprehensive income.

Impairment testing for cash-generating units ("CGUs") containing goodwill

For the purpose of impairment testing, customer relationships, trademarks and goodwill are allocated to the Group's CGUs according to the Group's operating divisions.

The management of the Group engaged an external valuer to conduct an impairment test to determine the recoverable amounts of each of the above CGUs containing intangible assets and goodwill as at September 30, 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, 2024: 2.5%). 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 16.1% to 16.6% (for the year ended March 31, 2024: from 16.4% to 16.8%).

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15 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Impairment testing for cash-generating units ("CGUs") containing goodwill (continued)

Based on assessments using the discounted cashflow forecast method, the businesses of JESSIE brand ladieswear CGU, BUOU BUOU brand ladieswear CGU and Tianjin ladieswear CGU were under-performed. According to the valuation reports issued by the external valuer on November 18, 2024, the recoverable amounts of JESSIE brand ladieswear CGU, BUOU BUOU brand ladieswear CGU and Tianjin ladieswear CGU as at September 30, 2024 were RMB429 million, RMB357 million and RMB644 million, respectively, which were lower than the carrying amount by RMB10 million, RMB40 million and RMB20 million, respectively. Therefore, a total impairment loss of RMB70 million has been recognized in the profit or loss account for the six months ended September 30, 2024 (six months ended September 30, 2023: nil). The impairment losses are fully allocated to goodwill.

The aggregate carrying amount of goodwill allocated to each CGU is as follows:

	At September 30, 2024 RMB'000	At March 31, 2024 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	**(170,800)**	(160,800)
Ladieswear – BUOU BUOU brand	**(360,600)**	(320,600)
Ladieswear – Tianjin Ladieswear	**(74,600)**	(54,600)
	(898,741)	(828,741)
Net value		
Menswear	**–**	–
Ladieswear – JESSIE brand	**313,512**	323,512
Ladieswear – BUOU BUOU brand	**164,537**	204,537
Ladieswear – Tianjin Ladieswear	**331,361**	351,361
	809,410	879,410

16 INTERESTS IN ASSOCIATES

The following list contains the particulars of associates, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activity
Anhui Liuqiao International Supply Chain Co., Ltd. ("Anhui Liuqiao")	Limited liability company	Mainland China	Registered capital RMB100,000,000	35%	–	35%	Trading of down raw materials (i)
Anhui Ehong Down Co., Ltd. ("Anhui Ehong")	Limited liability company	Mainland China	Registered capital RMB33,350,000	40%	–	40%	Trading of down raw materials (ii)
MODES MOOSE HOLDINGS ULC ("Modes Moose")	Unlimited liability company	Canada	Registered shares designated as Class A-F shares of 496,754,961 shares as fully diluted and as converted	31.61%	–	31.61%	Wholesale and retail of clothes and accessories (iii)

(i) Anhui Liuqiao is a down supplier in the Chinese market, which was invested by a subsidiary of the Company on November 29, 2021.

(ii) Anhui Ehong is a down supplier in the Chinese market, which was invested by the Group on October 30, 2023.

(iii) On August 6, 2024, the Group had made cash contribution of Canadian dollars 50,000,000 (equivalent to RMB259,263,000) for the subscription of 157,035,288 Class F Preferred Shares of Modes Moose, which represented 31.61% equity interest in Modes Moose on a fully diluted and as converted basis. Modes Moose is mainly engaged in the manufacturing and distribution of high-end down and related apparels of Moose Knuckles brand.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

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17 INVESTMENT PROPERTIES

	2024 RMB'000
Cost:	
At March 31	383,178
Effect of movements in exchange rates	9,535
Transfer out to property, plant and equipment (note 13)	(220,544)
At September 30	172,169
Accumulated depreciation:	
At March 31	(118,476)
Charge for the period	(5,729)
Effect of movement in exchange rates	(779)
Transfer out to property, plant and equipment (note 13)	8,470
At September 30	(116,514)
Net book value：	
At September 30	55,655
At March 31	264,702

Investment properties comprise land and buildings that are leased to third parties. As at September 30, 2024, freehold investment properties with the carrying amount of RMB5,756,000 (March 31, 2024: RMB210,414,000) represented land and buildings located in the United Kingdom and leasehold investment properties with the carrying amount of RMB49,899,000 (March 31, 2024: RMB54,288,000) represented buildings located in mainland China. The Group leases out investment properties under operating lease. The leases carry rentals which were determined based on the lease contracts with third parties for a period of three to ten years.

As at September 30, 2024, the estimated fair value of the investment properties had not significantly changed as compared to their respective fair value as at March 31, 2024, because having considered the latest property market condition and the market data on comparable properties, the directors of the Company were of the view that there were no indications of significant changes in the fair value since the previous annual reporting date.

18 INVENTORIES

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Raw materials	**2,081,164**	921,703
Work in progress	**34,332**	13,718
Finished goods	**3,823,701**	2,262,076
	5,939,197	3,197,497

19 TRADE AND BILLS RECEIVABLES

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Trade receivables	**4,610,757**	1,191,438
Bills receivable	**60,240**	393,657
Less: loss allowance for doubtful debts	**(123,794)**	(87,195)
	4,547,203	1,497,900

The gross carrying amount of trade and bills receivables from contracts with customers amounted to RMB4,670,997,000 as at September 30, 2024 (March 31, 2024: RMB1,585,095,000).

All of the trade and bills receivables are expected to be recovered within one year.

As at September 30, 2024, the Group endorsed certain acceptance bills totaling RMB28,123,000 (March 31, 2024: RMB142,641,000) to suppliers for settling trade payables of the same amount on a full recourse basis. Among these, RMB28,123,000 of the bills receivable and the payables to suppliers has been derecognized by the Group (March 31, 2024: RMB20,492,000).

19 TRADE AND BILLS RECEIVABLES (CONTINUED)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables and bills receivable, based on the date of revenue recognition and net of credit loss allowance on bad and doubtful debts, is as follows:

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Within credit terms	**4,304,230**	1,398,890
1 to 3 months past due	**207,687**	84,853
Over 3 months but less than 6 months past due	**12,895**	10,842
Over 6 months but less than 12 months past due	**16,272**	2,052
Over 1 year past due	**6,119**	1,263
	4,547,203	1,497,900

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

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Non-current		
Long-term receivables	**77,473**	47,374
Current		
Deposits	**416,470**	482,235
Prepayments for materials and processing fee	**364,420**	360,404
Prepayments for other services	**167,329**	150,499
Third party other receivables:		
– Value-added tax ("VAT") recoverable	**311,477**	187,626
– Advances to employees	**50,181**	28,410
– Others	**47,216**	78,502
	1,357,093	1,287,676
Total	**1,434,566**	1,335,050

21 OTHER FINANCIAL ASSETS

	Note	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Non-current			
Equity securities designated at FVOCI (non-recycling)	(i)	**114,736**	130,291
Financial assets classified as FVPL	(ii)	**48,876**	228,611
		163,612	358,902
Current			
Financial assets classified as FVPL	(ii)	**3,113,709**	3,963,011
Total		**3,277,321**	4,321,913

(i) On February 9, 2018, Shuo Ming De Investment Co., Ltd. ("Shuo Ming De"), a subsidiary of the Group, subscribed for 12,184,230 non-public issued shares of Jinhong Fashion Group Co., Ltd. (formerly known as V-GRASS Fashion Co., Ltd.) (Shanghai Stock Exchange stock code: 603518) ("Jinhong Group") for RMB224,921,000. On May 31, 2019, the shares held by Shuo Ming De increased to 17,057,922 due to the bonus issue of shares made by Jinhong Group. After the disposal of 2,787,223 shares in July 2021, the number of shares held by Shuo Ming De decreased to 14,270,699. As at September 30, 2024, the number of shares held by Shuo Ming De remained at 14,270,699. The Group designated its investment in Jinhong Group as FVOCI (non-recycling), as it is held as a long-term investment instead of being traded for short-term gains.

During the period, the changes in fair value of the investment, after tax effects, of RMB11,666,000 was recognized as a loss in other comprehensive income (six months ended September 30, 2023: gain of RMB10,703,000).

Dividend income of RMB3,710,000 was received for this investment during the six months ended September 30, 2024 (six months ended September 30, 2023: RMB1,427,000).

21 OTHER FINANCIAL ASSETS (CONTINUED)

(ii) As at September 30, 2024, financial assets classified as FVPL represented listed equity investments of RMB1,616,000 (March 31, 2024: RMB1,480,000) and investments with banks and other financial institutions of RMB3,160,969,000 (March 31, 2024: RMB4,190,142,000).

(a) Listed equity investments

The listed equity investments held by the Group, other than investment 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 six months ended September 30, 2024, the net realized/unrealized gain of other listed equity investments held by the Group of RMB136,000 was recognized as a gain in net finance income (six months ended September 30, 2023: loss of RMB264,000).

No dividend income has been recognized for the six months ended September 30, 2024 (six months ended September 30, 2023: nil).

(b) 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 period, the net realized/unrealized gain in these investments of RMB79,670,000 was recognized as a gain in finance income (six months ended September 30, 2023: net realized/unrealized gain of RMB66,576,000). Neither the single investment nor investments made with the same bank or other financial institution on an aggregate basis accounted for over 5% of the Group's total assets.

22 PLEDGED BANK DEPOSITS

Bank deposits are pledged to banks as securities for the issuance of bills payables:

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Non-current	**350,200**	18,336
Current	**963,393**	653,095
Total	**1,313,593**	671,431

The pledged bank deposits as at September 30, 2024 will be released upon the settlement of the relevant bills payable.

23 TIME DEPOSITS

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Non-current		
Time deposits with initial terms over 3 months	**1,200,000**	1,570,000
Current		
Time deposits with initial terms over 3 months	**1,539,787**	2,098,666
Total	**2,739,787**	3,668,666

(Expressed in Renminbi unless otherwise indicated)

24 CASH AND CASH EQUIVALENTS

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Cash at bank and on hand	**4,465,905**	8,978,776
Less: Pledged bank deposits	**(963,393)**	(653,095)
Time deposits with initial terms over three months and maturity less than one year	**(1,539,787)**	(2,098,666)
Cash and cash equivalents	**1,962,725**	6,227,015

Cash and cash equivalents include bank balance of RMB194,114,000 (March 31, 2024: RMB34,936,000) with restriction on use which represented cash collection on behalf of employees in relation to shares disposed of by employees under share-based payment schemes.

25 INTEREST-BEARING BORROWINGS

At September 30, 2024, the interest-bearing borrowings were repayable as follows:

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Within 1 year or on demand	**995,547**	768,436

At September 30, 2024, the interest-bearing borrowings comprised:

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Bank loans		
– Secured	**–**	135,982
– Unsecured (i)	**995,547**	632,454
	995,547	768,436

(i) Unsecured bank borrowings of RMB172,322,000 as at September 30, 2024 were intra-group guaranteed (March 31, 2024: RMB417,948,000).

26 TRADE, BILLS AND OTHER PAYABLES

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Trade payables	**2,413,295**	1,308,359
Bills payable	**5,002,739**	3,868,527
	7,416,034	5,176,886
Other payables and accrued expenses		
– Deposits from customers	**224,731**	205,461
– Contract liabilities	**620,388**	1,150,784
– Construction payables	**179,993**	212,937
– Accrued advertising expenses	**117,653**	90,673
– Accrued payroll, welfare and bonus	**302,895**	737,165
– VAT and other tax payable	**245,612**	13,703
– Payables in relation to shares disposed of by employees under share-based payment schemes (note 24)	**194,114**	34,936
– Receipts in advance in relation to unvested restricted shares (note 29(a))	**43,722**	43,722
– Interest payable in relation to convertible bonds	**4,957**	5,019
– Others	**107,380**	93,866
	9,457,479	7,765,152

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 payable, based on purchase date/bills issue date, is as follows:

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Within 1 month	**7,106,699**	4,900,978
1 to 3 months	**309,335**	275,908
	7,416,034	5,176,886

27 OTHER NON-CURRENT LIABILITIES

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Payables in relation to equity-settled share-based transactions (note 29(a))	**40,887**	71,553

28 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim periods:

	Six months ended September 30,	
	2024 RMB'000	2023 RMB'000
Interim dividend declared and paid after the interim period of HKD6.0 cents per ordinary share (2023: interim dividend of HKD5.0 cents per ordinary share)	**615,279**	498,012

The interim dividend 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 years, approved and paid during the interim periods:

	Six months ended September 30,	
	2024 RMB'000	2023 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the period, of HKD20.0 cents per ordinary share (2023: final dividend of HKD13.5 cents per ordinary share)	**2,003,441**	1,345,200

Difference between the final dividends proposed and dividends paid was mainly attributable to the exchange rate fluctuation of HKD against RMB.

(b) Purchase of own shares

During the interim period, the Company did not repurchase any of its own ordinary shares on the Stock Exchange.

29 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

A share option scheme (the "2017 Share Option Scheme") was proposed by the board of directors of the Company on July 26, 2017 and approved by the shareholders of the Company on August 25, 2017. In light of the amendments to the requirements under Chapter 17 of the Listing Rules which took effect on January 1, 2023, the board of directors proposed to adopt a new share option scheme (the "Share Option Scheme") to comply with the said new requirements and such scheme was approved by the shareholders of the Company on August 20, 2024. The terms of each of the 2017 Share Option Scheme and the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

On April 23, 2020, the Company adopted a new share award scheme (the "Share Award Scheme"), which is funded solely by existing shares of the Company, to recognize and reward the contribution of certain eligible employees (including the directors and core management team of the Group) and to incentivize them for the growth and development of the Group through an award of the Company's shares.

As at September 30, 2024, the Company had the following share-based payment arrangements:

(a) Share Award Scheme

The term and conditions of the restricted shares are as follows:

Grant date	Number of instruments	Purchase price	Vesting conditions	Contractual life of restricted shares
Restricted shares granted to directors, senior management or core employees:				
– On December 20, 2021 (i)	16,000,000	HKD2.49	30% – 3 years commencing from 12 months after the grant date 30% – 2 years commencing from 24 months after the grant date 40% – 1 year commencing from 36 months after the grant date	48 months
– On November 28, 2023 (ii)	78,400,000	HKD1.62	30% – 3 years commencing from 8 months after the grant date 30% – 2 years commencing from 20 months after the grant date 40% – 1 year commencing from 32 months after the grant date	44 months

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29 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Share Award Scheme (continued)

(i) In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2022, 2023 and 2024 as well as the cumulative performance for the two years ended March 31, 2023 and three years ended March 31, 2024, respectively. These restricted shares also have a lock-up period of 12 months from the dates of vesting. Employees are required to make the upfront payment of HKD2.49 per share, which shall be refunded if the restricted shares are not vested. As of September 30, 2024, upfront payment for all restricted shares were received by the Group and such payments were recorded as other current payable of RMB13,056,000.

(ii) In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2024 and ending March 31, 2025 and 2026 as well as the cumulative performance for the two years ending March 31, 2025 and three years ending March 31, 2026, respectively. These restricted shares also have a lock-up period of 12 months from the dates of vesting. Employees are required to make the upfront payment of HKD1.62 per share, which shall be refunded if the restricted shares are not vested. As of September 30, 2024, upfront payments for all restricted shares were received by the Group and such payments were recorded as current other payable of RMB30,666,000 and non-current other payables of RMB40,887,000, respectively.

(iii) Movements in the number of restricted shares granted to the employees under the Share Award Scheme and the respective weighted average grant date fair value are as below:

	Weighted average fair value per share	Number of restricted shares
Outstanding at March 31, 2024	HKD1.48	84,800,000
Vested during the period	HKD1.46	(18,720,000)
Forfeited during the period	HKD1.46	(15,020,000)
Outstanding at September 30, 2024	HKD1.49	51,060,000

29 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Share option scheme

The terms and conditions of the share options are as follows:

Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Options granted to directors, senior management or core employees:				
– On October 26, 2018 (i)	260,000,000	HKD1.07	30% – evenly in 9 years commencing from 12 months after the grant date 30% – evenly in 8 years commencing from 24 months after the grant date 40% – evenly in 7 years commencing from 36 months after the grant date	10 years
– On April 23, 2020 (ii)	330,000,000	HKD1.94	30% – 3 years commencing from 15 months after the grant date 30% – 2 years commencing from 27 months after the grant date 40% – 1 year commencing from 39 months after the grant date	51 months
– On December 20, 2021 (iii)	103,200,000	HKD4.98	30% – 3 years commencing from 12 months after the grant date 30% – 2 years commencing from 24 months after the grant date 40% – 1 year commencing from 36 months after the grant date	48 months
– On November 28, 2023 (iv)	511,480,000	HKD3.24	30% – 3 years commencing from 8 months after the grant date 30% – 2 years commencing from 20 months after the grant date 40% – 1 year commencing from 32 months after the grant date	44 months
Options granted to parties other than employees:				
– On October 23, 2020 (v)	100,000,000	HKD3.41	30% – 3 years commencing from 12 months after the grant date 30% – 2 years commencing from 24 months after the grant date 40% – 1 years commencing from 36 months after the grant date	48 months

29 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Share option scheme (continued)

(i) Each option gives the eligible persons the right to subscribe for one ordinary share of the Company. In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2019, 2020 and 2021.

(ii) Each option gives the eligible persons the right to subscribe for one ordinary share of the Company. In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2021, 2022 and 2023 as well as the cumulative performance for the two years and three years ended March 31, 2022 and 2023, respectively.

(iii) Each option gives the eligible persons the right to subscribe for one ordinary share of the Company. In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2022, 2023 and 2024 as well as the cumulative performance for the two years ended March 31, 2023 and three years ended March 31, 2024, respectively.

(iv) Each option gives the eligible persons the right to subscribe for one ordinary share of the Company. In addition to the service condition, there are other vesting conditions related to the employees' performance and the Group's performance for each of the three years ended March 31, 2024 and ending March 31, 2025 and 2026 as well as the cumulative performance for the two years ending March 31, 2025 and three years ending March 31, 2026, respectively.

(v) On October 23, 2020, the Company granted 100,000,000 share options to Wise Triumph Group Limited, an eligible independent consultant of the Group. Each option gives the right to subscribe for one ordinary share of the Company. In addition to the service condition, there are other vesting conditions related to:

- the Group's performance for each of the three years ended March 31, 2022, 2023 and 2024 as well as the cumulative performance for the two years and three years ended March 31, 2023 and 2024, respectively; and

- the Bosideng brand's performance for each of the three years ended March 31, 2022, 2023 and 2024 as well as the cumulative performance for the two years and three years ended March 31, 2023 and 2024, respectively.

On October 23, 2024, the 100,000,000 share options granted to Wise Triumph Group Limited lapsed due to the failure to meet the vesting conditions.

29 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Share option scheme (continued)

(vi) Movements in the number of share options granted under the 2017 Share Option Scheme and their related weighted average exercise prices are as below:

	Weighted average exercise price per share	Number of share options
Outstanding at March 31, 2024	HKD3.10	822,345,999
Exercised during the period	HKD2.03	(124,196,000)
Forfeited during the period	HKD3.24	(27,630,000)
Outstanding at September 30, 2024	HKD3.29	670,519,999
Exercisable at September 30, 2024	HKD3.31	162,799,999

(c) Expense recognized in profit or loss

The share-based payment related employee benefit expenses were disclosed in note 8.

30 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and

- Level 3 valuations: Fair value measured using significant unobservable inputs.

		Fair value measurements as at September 30, 2024 categorized into		
	Fair value at September 30, 2024 RMB'000	**Significant observable inputs (Level 1) RMB'000**	**Significant other observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**
Recurring fair value measurements				
Financial assets:				
Equity securities designated as FVOCI (non-recycling)	**114,736**	**114,736**	**–**	**–**
Financial assets classified as FVPL	**3,162,585**	**1,616**	**3,160,969**	**–**
Derivative financial assets	**3,726**	**–**	**–**	**3,726**
Financial liabilities:				
Derivative financial liabilities	**(3,655)**	**–**	**–**	**(3,655)**

		Fair value measurements as at March 31, 2024 categorized into		
	Fair value at March 31, 2024 RMB'000	Significant observable inputs (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurements				
Financial assets:				
Equity securities designated at FVOCI (non-recycling)	130,291	130,291	–	–
Financial assets classified as FVPL	4,191,622	1,480	4,190,142	–
Derivative financial assets	3,726	–	–	3,726
Financial liabilities:				
Derivative financial liabilities	(3,655)	–	–	(3,655)

30 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities measured at fair value (continued)

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of other financial assets in Level 2 is determined by reference to quoted prices of instruments similar to the assets being valued, adjusted for factors unique to the assets being valued.

Information about level 3 fair value measurement

The fair value of derivative financial instruments, the put option and call options, are determined by Black-Scholes model. The key parameters used include spot share price, share price volatility, dividend yield, risk-free rate and repurchase probability.

Below is a summary of significant unobservable inputs to the valuation of the options together with an analysis for the relationship of unobservable inputs to the fair value measurements at the end of reporting period:

	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to the input
Put option	Black-Scholes model	Share price volatility, dividend yield and repurchase probability	The fair value increase/decrease as the volatility increase/decrease, dividend yield increase/decrease and repurchase probability increase/decrease
Call options	Black-Scholes model	Share price volatility, dividend yield and repurchase probability	The fair value increase/decrease as the volatility increase/decrease, dividend yield decrease/increase and repurchase probability increase/decrease

As at September 30, 2024, the fair value of the derivative financial instruments had not significantly changed as compared to their respective fair value as at March 31, 2024, because having considered the relevant inputs for determine the fair value of the instruments, the directors of the Company were of the view that there were no indications of significant changes in the fair value since the previous annual reporting date.

Any gain or loss arising from the remeasurement of the put option and call options are presented in the "Net finance income" line item in the consolidated statement of profit or loss.

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as at September 30, 2024 and March 31, 2024.

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31 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Commitments

Commitments of the Group in respect of plant, property and equipment, consultant, advertising and promotional expenses outstanding at September 30, 2024 not provided for in the consolidated financial statements were as follows:

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Contracted for	**333,208**	156,011

(b) Contingent liabilities

As at the end of the reporting period, the Group did not have any significant contingent liabilities.

32 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2024 and 2023, transactions with the following parties are considered as related party transactions.

Name of parties	Relationship
Bosideng Corporation Limited ("Bosideng Corporation") 波司登股份有限公司("波司登股份")	Solely ultimately beneficially owned by Mr. Gao Dekang, the controlling equity shareholders of the Group
Kangbo Gaoyou Enterprise development Co., Ltd. ("Kangbo Gaoyou") 康博(高郵)企業發展有限公司("康博高郵")	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group and one of the shareholders since November 29, 2018 and ceased to be a related party since June 28, 2023
Anhui Liuqiao International Supply Chain Co., Ltd. ("Anhui Liuqiao") 安徽柳橋國際供應鏈有限公司("安徽柳橋")	Associate
Anhui Ehong Down Co., Ltd. ("Anhui Ehong") 安徽鵝泓羽絨有限公司("安徽鵝泓")	Associate
Bogner GCA Holding PTE. Ltd. ("Bogner GCA Holding") 博格納大中華控股有限公司("博格納大中華控股")	Joint venture
Tan Duong Export Garment Co., Ltd. ("Tan Duong") 新洋服裝出口有限責任公司("新洋服裝")	Joint venture

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties

	Six months ended September 30, 2024 RMB'000	2023 RMB'000
Purchase of raw materials:		
Bosideng Corporation and its subsidiaries	**1,536**	562
Anhui Ehong	**78,414**	–
	79,950	562
Lease and service charges under lease agreements:		
Bosideng Corporation and its subsidiaries	**3,085**	2,801
Purchase of processing services and finished goods:		
Bosideng Corporation and its subsidiaries	**1,491,162**	877,432
Tan Duong	**9,956**	–
Kangbo Gaoyou (ceased to be a related party since June 28, 2023)	**–**	13,753
	1,501,118	891,185
Integrated service fees:		
Bosideng Corporation and its subsidiaries	**9,234**	7,002
Loans or advances provided to, netting off the repayment:		
Anhui Liuqiao	**–**	21,500
Anhui Ehong	**20,000**	–
Bogner GCA Holding	**8,000**	3,000
	28,000	24,500

Based on IFRS 16, for the lease of properties from Bosideng Corporation, the Group had recognized a lease liability with the balance of RMB19,933,000 (March 31, 2024: RMB24,574,000), and a right-of-use asset with the balance of RMB18,695,000 (March 31, 2024: RMB23,225,000) as at September 30, 2024. In addition, the Group recorded depreciation of right-of-use asset of RMB5,609,000 (six months ended September 30, 2023: RMB5,851,000) and an interest expense of RMB528,000 (six months ended September 30, 2023: RMB484,000).

(Expressed in Renminbi unless otherwise indicated)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties

	At September 30, 2024 RMB'000	At March 31, 2024 RMB'000
Amounts due from:		
Prepayments to related parties (i):		
Bosideng Corporation and its subsidiaries	66,371	22,494
Tan Duong	8,623	–
	74,994	22,494
Other receivables due from related parties (iii):		
Bosideng Corporation and its subsidiaries	20,118	27,016
Anhui Liuqiao (ii)	42,500	43,746
Anhui Ehong (ii)	20,000	–
Bogner GCA Holding	8,002	496
	90,620	71,258
	165,614	93,752
Amounts due to:		
Trade and other payables due to related parties (iv):		
Bosideng Corporation and its subsidiaries	17,746	86,815

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties (continued)

(i) The prepayments to related parties mainly arose from the transaction of raw material and processing service procurement from related parties which are expected to be settled within one year.

(ii) On August 31, 2024, the Group entered into an extension agreement with Anhui Liuqiao to extend the maturity date of the secured loan with the principal amount of RMB42,500,000 from August 31, 2024 to August 29, 2025 and the interest rate was revised from 5% per annum to 4.5% per annum.

The other receivables due from Anhui Ehong represented a loan provided with the maturity date on April 2, 2025. The loan is secured and bears 4.5% interest rate per annum.

During six months ended September 30, 2024, total interest income generating from the loans provided to associates was RMB885,000 (six months ended September 30, 2023: RMB702,000).

(iii) Except for the other receivables due from Anhui Liuqiao and Anhui Ehong, the remaining receivables due from related parties are unsecured, interest-free and expected to be recovered within one year or on demand.

(iv) The trade and other payables due to related parties are unsecured, interest-free and are expected to be paid within one year or on demand.

33 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to September 30, 2024, the board of directors of the Company proposed an interim dividend of HKD665,829,000 (approximately RMB615,279,000), representing HKD6.0 cents per ordinary share to the equity shareholders of the Company.

GENERAL INFORMATION

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

As at September 30, 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them had taken or deemed to have taken under the provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Company *(Note 1)*
Mr. Gao Dekang	Interest of controlled corporation *(Note 2)*	262,479,999	2.38%
	Deemed interest *(Note 3)*	2,763,697	0.03%
	Founder of discretionary trust *(Note 4)*	1,314,862,385	11.90%
	Founder of discretionary trust *(Note 5)*	611,656,857	5.54%
	Founder of discretionary trust *(Note 6)*	2,836,311,202	25.68%
	Founder of discretionary trust *(Note 7)*	2,000,000,000	18.11%
Ms. Mei Dong	Deemed interest *(Note 2)*	262,479,999	2.38%
	Beneficial owner *(Note 3)*	2,763,697	0.03%
	Beneficiary of discretionary trust *(Note 4)*	1,314,862,385	11.90%
	Beneficiary of discretionary trust *(Note 5)*	611,656,857	5.54%
	Beneficiary of discretionary trust *(Note 6)*	2,836,311,202	25.68%
	Beneficiary of discretionary trust *(Note 7)*	2,000,000,000	18.11%
Ms. Huang Qiaolian	Beneficial owner *(Note 8)*	16,763,697	0.15%
Mr. Rui Jinsong	Beneficial owner *(Note 8)*	93,854,242	0.85%
Mr. Gao Xiaodong	Beneficiary of discretionary trust *(Note 4)*	1,314,862,385	11.90%
	Beneficiary of discretionary trust *(Note 5)*	611,656,857	5.54%
	Beneficiary of discretionary trust *(Note 6)*	2,836,311,202	25.68%
	Beneficiary of discretionary trust *(Note 7)*	2,000,000,000	18.11%

Notes:

1. The percentage represents the number of the Shares interested divided by the total number of the issued Shares as at September 30, 2024 of 11,045,237,385.

2. These Shares were directly held by Kong Bo Development Limited. Kong Bo Development Limited is owned as to 80% by Lucky Pure Limited, which is in turn wholly owned by Mr. Gao Dekang. As Ms. Mei Dong is the spouse of Mr. Gao Dekang, Ms. Mei Dong is deemed to be interested in the 262,479,999 Shares interested by Mr. Gao Dekang under the SFO.

3. Mr. Gao Dekang is the spouse of Ms. Mei Dong. Thus, he is deemed to be interested in the 2,763,697 Shares held by Ms. Mei Dong under the SFO.

4. These Shares were directly held by New Surplus, which is wholly owned by Topping Wealth Limited. Topping Wealth Limited is wholly owned by Kova Group Limited, which is wholly owned by a trust, the trustee of which is Cititrust Private Trust (Cayman) Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as the founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO. Further, Topping Wealth Limited had conferred and assigned all its voting rights in New Surplus to Bo Flying Limited, which is wholly owned by Bosideng Corporation Limited, which in turn is owned as to 75.04% by Kangbo Holdings Group Co., Ltd. and 24.46% by Jiangsu Kangbo Investment Co., Ltd. (a company wholly owned by Mr. Gao Dekang). Kangbo Holdings Group Co., Ltd. is owned as to 81.56% by Jiangsu Kangbo Investment Co., Ltd. and 18.44% by Mr. Gao Dekang. Accordingly, each of Mr. Gao Dekang, Kova Group Limited, Topping Wealth Limited, Cititrust Private Trust (Cayman) Limited, Bo Flying Limited, Bosideng Corporation Limited, Kangbo Holdings Group Co., Ltd. and Jiangsu Kangbo Investment Co., Ltd. is deemed to be interested in the 1,314,862,385 Shares held by New Surplus under the SFO. Mr. Gao Dekang is a director of each of New Surplus, Topping Wealth Limited, Lucky Pure Limited (as mentioned in note 2 above), Bo Flying Limited, Blooming Sky Ventures Limited (as mentioned in note 6 below), Kong Bo Investment Limited (as mentioned in note 6 below), Jiangsu Kangbo Investment Co., Ltd., Bosideng Corporation Limited and Kangbo Holdings Group Co., Ltd. Mr. Gao Xiaodong is a director of Bosideng Corporation Limited and Kangbo Holdings Group Co., Ltd., and a general manager of Jiangsu Kangbo Investment Co., Ltd.

5. These Shares were directly held by Topping Wealth Limited (as mentioned in note 4 above).

6. These Shares were directly held by Kong Bo Investment Limited. Kong Bo Investment Limited is owned as to 90% by Blooming Sky Ventures Limited, which is wholly owned by Blooming Sky Investment Limited, which is in turn wholly owned by a trust, the trustee of which is BOS Trustee Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as the founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO.

7. These Shares were directly held by Blooming Sky Ventures Limited (as mentioned in note 6 above).

8. Details of the Options and awarded Shares are set out in the section headed "Human Resources" under "Management Discussion and Analysis" of this report.

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

As at September 30, 2024, save as disclosed below, according to the register of interests kept by the Company under section 336 of the SFO, and so far as was known to the Directors or chief executive of the Company, no other persons, other than Directors or chief executive of the Company, had an interest or short position in the Shares which would be required to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the number of the Shares carrying rights to vote in all circumstances at the general meetings of the Company:

Name of shareholder	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Company *(Note 6)*
Jiangsu Kangbo Investment Co., Ltd.	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.90%
Kangbo Holdings Group Co., Ltd.	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.90%
Bosideng Corporation Limited	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.90%
Bo Flying Limited	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.90%
New Surplus	Beneficial interest *(Note 1)*	1,314,862,385	11.90%
Topping Wealth Limited	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.90%
	Beneficial interest *(Note 2)*	611,656,857	5.54%
Kova Group Limited	Interest of controlled corporation *(Note 3)*	1,926,519,242	17.44%
Cititrust Private Trust (Cayman) Limited	Trustee *(Note 3)*	1,926,519,242	17.44%
BOS Trustee Limited	Trustee *(Note 4)*	4,836,311,202	43.79%
Blooming Sky Investment Limited	Interest of controlled corporation *(Note 4)*	4,836,311,202	43.79%
Blooming Sky Ventures Limited	Interest of controlled corporation *(Note 4)*	4,836,311,202	43.79%
Kong Bo Investment Limited	Beneficial interest *(Note 5)*	2,836,311,202	25.68%

Notes:

1. Same as the interests as disclosed in note 4 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

2. Same as the interests as disclosed in note 5 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

3. Same as the interests as disclosed in notes 4 and 5 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

4. Same as the interests as disclosed in notes 6 and 7 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

5. Same as the interests as disclosed in note 6 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

6. The percentage represents the number of the Shares interested divided by the total number of the issued Shares as at September 30, 2024 of 11,045,237,385.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from December 18, 2024 to December 20, 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the proposed interim dividend payable on or around January 13, 2025, 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, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on December 17, 2024.

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

The Company and its subsidiaries had not purchased, sold or redeemed any of the listed securities of the Company during the six months ended September 30, 2024.

GENERAL INFORMATION

CORPORATE GOVERNANCE CODE

The Directors are of the opinion that the Company had complied with the code provisions of the Code, as set out in Appendix C1 to the Listing Rules for the six months ended September 30, 2024, except for the following deviations:

– Code provision C.2.1 of the Code provides that the roles of chairman and CEO should be separated and should not be performed by the same individual. Mr. Gao Dekang is the Chairman and CEO of the Company, as well as the founder of the Group. The Board believes that it is necessary to vest the roles of Chairman and CEO in the same person due to its unique role, Mr. Gao Dekang's experience and 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 to efficient business planning and decision-making of the Company. As all major decisions of the Group are made in consultation with members of the Board and the relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that adequate safeguards are in place to ensure sufficient balance of powers within the Board.

– Code provision B.2.4 of the Code provides that where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at its forthcoming annual general meeting. The Company has not yet appointed a new independent non-executive Director at the annual general meeting held on August 20, 2024, due to the time required to identify a suitable candidate. The Company is confident that the existing independent non-executive Directors will continue to provide independent and objective judgement and advice to the Board to safeguard the interests of the Group and the Shareholders. The Company undertakes to take practical steps to appoint a new independent non-executive Director as soon as practicable.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all Directors, and the Directors confirmed that they had complied with all relevant requirements as set out in the Model Code during the six months ended September 30, 2024 and up to the date of this report. No incident of non-compliance in relation to the guidelines of the Model Code by the Directors and relevant employees was noted by the Company during the six months ended September 30, 2024.

AUDIT COMMITTEE

The Audit Committee was established by the Company on September 15, 2007 with written terms of reference pursuant to Rules 3.21 and 3.22 of the Listing Rules, whose primary duties are to review and supervise the financial reporting process, risk management and internal control procedures of the Group, nominate and monitor external auditors, and perform other duties and responsibilities as assigned by the Board. Please refer to the terms of reference of the Audit Committee published on the websites of the Company and the Stock Exchange for the principal roles and functions of the Audit Committee. The Financial Statements have been reviewed by the Audit Committee and KPMG, the Company's external auditor. The independent review report issued by KPMG is set out in this report. As at the date of this report, the Audit Committee comprised three independent non-executive Directors, namely, Dr. Ngai Wai Fung (chairman), Mr. Dong Binggen and Mr. Wang Yao.

REMUNERATION COMMITTEE

The Remuneration Committee was established by the Company on September 15, 2007 with written terms of reference pursuant to Rules 3.25 and 3.26 of the Listing Rules, whose primary duties are to determine the remuneration packages of individual executive Directors and the senior management based on the Company's operating results, individual performance and comparable market statistics. Please refer to the terms of reference of the Remuneration Committee published on the websites of the Stock Exchange and the Company for the principal roles and functions of the Remuneration Committee. As at the date of this report, the Remuneration Committee consisted of three members, comprising one executive Director and two independent non-executive Directors, namely Mr. Wang Yao (chairman), Mr. Gao Dekang and Mr. Dong Binggen.

NOMINATION COMMITTEE

The Nomination Committee was established by the Company on September 15, 2007 with written terms of reference pursuant to Code provision B.3.1, whose primary functions are to review the structure, size, diversity and composition of the Board, identify individuals suitably qualified to become Board members with reference to the candidates' experience and qualifications and the Company's corporate strategy and diversity policy, assess the independence of independent non-executive Directors and make recommendations to the Board regarding candidates to fill vacancies on the Board. Please refer to the terms of reference of the Nomination Committee published on the websites of the Company and the Stock Exchange for the principal roles and functions of the Nomination Committee. As at the date of this report, the Nomination Committee consisted of three members, comprising one executive Director and two independent non-executive Directors, namely Mr. Gao Dekang (chairman), Mr. Dong Binggen and Mr. Wang Yao.

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

There is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Gao Dekang *(Chairman of the Board and CEO)* *(Notes 1 & 2)*
Ms. Mei Dong
Ms. Huang Qiaolian
Mr. Rui Jinsong
Mr. Gao Xiaodong

Independent Non-executive Directors

Mr. Dong Binggen *(Notes 1, 2 & 3)*
Mr. Wang Yao *(Notes 1, 2 & 3)*
Dr. Ngai Wai Fung *(Note 3)*

COMPANY SECRETARY

Ms. Liang Shuang

AUTHORIZED REPRESENTATIVES

Mr. Gao Dekang
Ms. Liang Shuang

SHARE LISTING

Place of Listing
The Stock Exchange of Hong Kong Limited

STOCK CODE

3998

INVESTOR RELATIONS

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

WEBSITES

http://company.bosideng.com
http://www.bosideng.com

INVESTOR RELATIONS CONSULTANT

iPR Ogilvy Ltd.

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17 Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL LEGAL ADVISORS AS TO HONG KONG LAW

CFN Lawyers

AUDITORS

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

PRINCIPAL BANKERS

Agricultural Bank of China Limited
China Construction Bank Corporation
Bank of China Limited
China CITIC Bank Corporation Limited
DBS Bank Ltd., Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited
Sumitomo Mitsui Banking Corporation Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

Notes:

(1) Members of the Remuneration Committee, Mr. Wang Yao is the chairman of the Remuneration Committee

(2) Members of the Nomination Committee, Mr. Gao Dekang is the chairman of the Nomination Committee

(3) Members of the Audit Committee, Dr. Ngai Wai Fung is the chairman of the Audit Committee

SHAREHOLDER INFORMATION

IMPORTANT DATES

Closure of Register of Members

December 18, 2024 to December 20, 2024
(both days inclusive)

DIVIDENDS

Interim Dividend	:	HKD6.0 cents per Share
Payable	:	On or around January 13, 2025

INTERIM PERIOD END

September 30

BOARD LOT

2,000 Shares

DEFINITIONS

Terms	Definitions
"2017 Share Option Scheme"	the share option scheme adopted by the Company on August 25, 2017
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"CEO"	the chief executive officer of the Company
"Chairman"	the chairman of the Board
"Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company"	Bosideng International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on July 10, 2006
"Conversion Share(s)"	the Share(s) to be issued by the Company upon conversion of the Convertible Bonds
"Convertible Bond(s)"	the convertible bonds with an initial aggregate principal amount of USD275,000,000 with a coupon of 1.00 per cent. due 2024 issued by the Company on December 17, 2019, which are listed on the Stock Exchange (Stock Code: 40107)
"Director(s)"	the director(s) of the Company
"Euro(s)"	the lawful currency of the European Union
"Financial Statements"	the unaudited condensed consolidated interim financial statements for the six months ended September 30, 2024 set out in the Independent Review Report in this report
"FY2023/24"	the year ended March 31, 2024
"FY2024/25"	the year ending March 31, 2025
"Group"	the Company and its subsidiaries
"HKD" or "HK dollar(s)"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Japanese yen"	the lawful currency of Japan
"Latest Practicable Date"	the latest practicable date prior to the printing of this interim report (being December 12, 2024)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

Terms	Definitions
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"New Surplus"	New Surplus International Investment Limited, a shareholder of the Company
"Nomination Committee"	the nomination committee of the Company
"OEM"	original equipment manufacturing
"Options"	share options granted under the Share Option Schemes
"Period"	the period ended September 30, 2024
"Pound sterling"	the lawful currency of the United Kingdom
"PRC" or "China"	the People's Republic of China
"Remuneration Committee"	the remuneration committee of the Company
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of USD0.00001 each
"Share Award Scheme"	the share award scheme adopted by the Company on April 23, 2020
"Share Option Scheme"	the share option scheme adopted by the Company on August 20, 2024
"Share Option Schemes"	the "2017 Share Option Scheme" and the "Share Option Scheme"
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription and issue of the Convertible Bonds pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated December 4, 2019 entered into between the Company and Citigroup Global Markets Limited and China International Capital Corporation Hong Kong Securities Limited, as managers, in relation to, among other things, the Subscription
"USD" or "US dollar(s)"	the lawful currency of the United States of America
"%"	per cent.

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波司登
BOSIDENG

Bosideng International Holdings Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 3998

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