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波 司 登 國 際 控 股 有 限 公 司

Bosideng International Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3998)

ANNUAL RESULTS FOR THE YEAR ENDED MARCH 31, 2009

HIGHLIGHTS

- Revenue decreased by 19.0% to RMB4,275.1 million
- Gross profit margin maintained at a high level of 45.5%
- Net profit attributable to equity holders of the Company decreased by 33.0% to RMB748.1 million
- Proposed a final dividend of RMB8 cents per ordinary share
- With a net cash position of approximately RMB4,898.9 million and a net cash generated from operating activities of approximately RMB1,424.4 million, the Group is in a very strong position to weather the global credit crisis

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Bosideng International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended March 31, 2009, together with the comparative figures for the year ended March 31, 2008, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended March 31, 2009

	Note	For the year ended March 31, 2009 *RMB'000*	2008 *RMB'000*
Revenue	3	**4,275,144**	5,279,416
Cost of sales		**(2,330,173)**	(2,870,614)
Gross profit		**1,944,971**	2,408,802
Other income	4	**17,352**	63,807
Fair value changes on derivative financial instruments		**34,217**	—
Distribution expenses		**(1,029,801)**	(1,106,599)
Administrative expenses		**(286,974)**	(202,262)
Profit from operations	5	**679,765**	1,163,748
Finance income		**105,615**	61,814
Finance expenses		**(9,310)**	(77,313)
Net finance income/(expense)	6	**96,305**	(15,499)
Profit before income tax		**776,070**	1,148,249
Income tax expense	7	**(27,797)**	(31,312)
Profit for the year		**748,273**	1,116,937
Attributable to:			
Equity holders of the Company		**748,120**	1,116,937
Minority interest		**153**	—
Profit for the year		**748,273**	1,116,937

	Note	For the year ended March 31, 2009 RMB'000	2008 RMB'000
Dividends payable to equity holders of the Company attributable to the year	8		
Interim dividends declared during the year		**294,674**	—
Final dividends proposed after the balance sheet date		**621,788**	698,421
		916,462	698,421
Earnings per share	9		
— basic (RMB cents)		**9.51**	17.06
— diluted (RMB cents)		**9.51**	16.23

CONSOLIDATED BALANCE SHEET

At March 31, 2009

	Note	At March 31, 2009 *RMB'000*	2008 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**42,481**	31,339
Deferred tax assets		**43,088**	18,928
		85,569	50,267
Current assets			
Inventories	10	**856,787**	985,421
Trade, bills and other receivables	11	**721,622**	1,265,704
Receivables due from related parties		**22,992**	36,365
Prepayments for materials and service suppliers		**179,658**	262,948
Derivative financial instruments		**34,217**	—
Held-to-maturity investments		**570,000**	612,000
Pledged bank deposits		**32**	2,578
Time deposits with maturity over 3 months		**1,085,914**	—
Cash and cash equivalents		**3,812,919**	4,686,188
		7,284,141	7,851,204
Total assets		**7,369,710**	7,901,471
EQUITY			
Share capital		**607**	622
Reserves		**6,595,187**	7,086,721
Equity attributable to equity holders of the Company		**6,595,794**	7,087,343
Minority interest		**—**	1,239
Total equity		**6,595,794**	7,088,582

	Note	At March 31, 2009 RMB'000	2008 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**50,000**	33,000
		50,000	33,000
Current liabilities			
Interest-bearing borrowings		**—**	60,000
Current income tax payables		**91,570**	80,000
Trade and other payables	12	**624,442**	617,687
Payables due to related parties		**7,904**	22,202
		723,916	779,889
Total liabilities		**773,916**	812,889
Total equity and liabilities		**7,369,710**	7,901,471
Net current assets		**6,560,225**	7,071,315
Total assets less current liabilities		**6,645,794**	7,121,582

Notes:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on July 10, 2006 as an exempted company with limited liability under the Cayman Companies Law, Cap 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Group is principally engaged in the research, design and development, raw materials procurement, outsourced manufacturing, marketing and distribution of branded 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 consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

For the purpose of preparing these consolidated financial statements, the Group has applied all new and revised IFRSs to the year ended March 31, 2009, except for any new standards or interpretations that are not yet effective for accounting periods beginning on and after April 1, 2008.

3. REVENUE AND SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments, which are the primary basis of segment reporting. The business segment reporting format reflects the Group's management and internal reporting structure.

(i) Business segment

The Group comprises the following main business segments:

- Down apparels — The down apparels segment carries on the business of sourcing and distributing down apparels.

- Original Equipment Manufacturing ("OEM") management — The OEM management segment carries on the business of sourcing and distributing OEM apparels.

(ii) Geographical segment

As the Group mainly operates in the PRC, no geographical segment information has been presented.

For the year ended March 31, 2009

(a) Revenue and expenses

	For the year ended March 31, 2009		
	Down apparels	**OEM management**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Total segment revenues	**3,747,613**	**527,531**	**4,275,144**
Segment results	**607,244**	**60,436**	**667,680**
Government grants			**9,088**
Unallocated income			**71,505**
Profit for the year			**748,273**

(b) Assets and liabilities

	At March 31, 2009		
	Down apparels	**OEM management**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Segment assets	**6,211,752**	**94,844**	**6,306,596**
Unallocated assets			**1,063,114**
Total assets			**7,369,710**
Segment liabilities	**(626,721)**	**—**	**(626,721)**
Unallocated liabilities			**(147,195)**
Total liabilities			**(773,916)**
Capital expenditures incurred	**36,268**	**—**	**36,268**

For the year ended March 31, 2008

(a) Revenue and expenses

	For the year ended March 31, 2008		
	Down apparels	**OEM management**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Total segment revenues	4,654,306	625,110	5,279,416
Segment results	1,027,418	91,558	1,118,976
Government grants			51,360
Unallocated expenses			(53,399)
Profit for the year			1,116,937

(b) Assets and liabilities

	At March 31, 2008		
	Down apparels	**OEM management**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Segment assets	5,481,719	159,431	5,641,150
Unallocated assets			2,260,321
Total assets			7,901,471
Segment liabilities	(631,989)	(881)	(632,870)
Unallocated liabilities			(180,019)
Total liabilities			(812,889)
Capital expenditures incurred	24,048	—	24,048

4. OTHER INCOME

		For the year ended March 31,	
	Note	**2009**	2008
		RMB'000	*RMB'000*
Royalty income	(i)	**8,264**	12,447
Government grants	(ii)	**9,088**	51,360
		17,352	63,807

(i) Royalty income arises from the use by other entities of the Group's brands.

(ii) The Group received unconditional discretionary grants amounting to RMB9,088,000 for the year ended March 31, 2009 (2008: RMB51,360,000) from various local PRC government authorities in recognition of the Group's contribution to the development of the local economies.

5. PROFIT FROM OPERATIONS

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

	For the year ended March 31,	
	2009	2008
	RMB'000	*RMB'000*
Cost of inventories recognized as expenses included in cost of sales	**2,321,117**	2,975,540
Write down/(reversal) of inventories to net realizable value	**9,056**	(104,926)
Depreciation	**21,421**	11,637
Operating lease charges	**28,797**	29,253
Impairment losses for bad and doubtful debts	**125,026**	41,560
Auditors' remuneration	**6,500**	6,693
Concessionaire fee	**245,728**	265,847
Staff costs, including directors' remuneration		
– Salaries, wages and other benefits	**144,300**	110,432
– Contributions to defined contribution plans	**31,080**	6,963
– Share-based payment expenses	**28,263**	27,550

6. NET FINANCE INCOME/(EXPENSE)

	For the year ended March 31,	
	2009	2008
	RMB'000	*RMB'000*
Interest income on bank deposits	**105,615**	61,814
Finance income	**105,615**	61,814
Interest on convertible redeemable preference shares	**—**	(8,501)
Interest on interest-bearing borrowings and equity holder loan wholly repayable within five years	**(4,316)**	(46,779)
Bank charges	**(3,494)**	(4,582)
Net foreign exchange loss	**(1,500)**	(17,451)
Finance expenses	**(9,310)**	(77,313)
Net finance income/(expense)	**96,305**	(15,499)

No interest was capitalized during the year.

7. INCOME TAX EXPENSE

(a) Income tax in the consolidated income statement represents:

	For the year ended March 31, 2009 *RMB'000*	2008 *RMB'000*
Current tax expenses		
Provision for PRC income tax	**34,957**	17,240
Deferred tax (benefit)/expenses		
Origination of temporary differences	**(7,160)**	14,072
	27,797	31,312

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(ii) No tax provision has been made for International Company Bosideng Ltd., a subsidiary of the Group registered in Russia, as it did not have assessable profits subject to any Russian income tax during the year.

(iii) The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Prior to December 31, 2007

The applicable tax rates of the Group's operating subsidiaries in the PRC ranged from 27% to 33% for the calendar year ended December 31, 2007. Pursuant to the income tax rules and regulations of the PRC applicable to foreign investment enterprises (the "FEIT Law") effective as at December 31, 2007, four principal operating subsidiaries located in the PRC, which became foreign investment enterprises in late 2006 started to be entitled to a tax holiday of a tax-free period for two years from January 1, 2007. Thereafter, they are subject to PRC enterprise income tax at 50% of the applicable income tax rate for the following three years.

Since January 1, 2008

On March 16, 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China (the "New Tax Law") which became effective on January 1, 2008, when the FEIT Law was abolished. The New Tax Law adopts a uniform tax rate of 25% for all enterprises including foreign investment enterprises.

Pursuant to the transitional arrangement under the New Tax Law, the four principal operating subsidiaries which are foreign investment enterprises will continue to enjoy the tax-exemption or 50% reduction on the applicable income tax rates under the New Tax Law during the transitional period of five years starting from January 1, 2008 until the expiry of the tax holidays previously granted under the FEIT Law. Thereafter they will be subject to the unified rate of 25%.

Applicable income tax rate of other domestic companies established in the PRC is 25%.

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

	For the year ended March 31,	
	2009	2008
	RMB'000	*RMB'000*
Profit before income tax	**776,070**	1,148,249
Income tax at the applicable PRC income tax rate of 25%/33%	**194,018**	378,922
Tax losses not recognized as deferred tax assets	**27,215**	41,422
Non-deductible expenses	**23,387**	16,124
Changes in tax rate	**—**	9,898
Effect of tax concessions of PRC operations	**(230,936)**	(447,983)
Tax effect on undistributed profits of PRC subsidiaries	**17,000**	33,000
Others	**(2,887)**	(71)
Income tax expense	**27,797**	31,312

(c) Income tax payable in the consolidated balance sheet represents:

	For the year ended March 31,	
	2009	2008
	RMB'000	*RMB'000*
Balance at beginning of the year	**80,000**	248,233
Provision for current income tax for the year	**34,957**	17,240
Payments during the year	**(23,387)**	(185,473)
Income tax payable at the end of the year	**91,570**	80,000

8. DIVIDENDS

On September 26, 2008 the Company declared and distributed a final dividend and a special dividend in an aggregate amount of RMB698,421,000 to the shareholders of the Company from the Company's reserves as at March 31, 2008.

On December 15, 2008, the Company declared and distrbuted an interim dividend of RMB294,674,000 to the shareholders of the Company.

A final dividend of RMB8 cents per ordinary share for the year ended March 31, 2009 has been proposed by the directors and is subject to approval by the shareholders in the annual general meeting. These financial statements do not reflect this dividend payable.

9. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended March 31, 2009 was based on the profit attributable to equity holders of the Company for the year of RMB748,120,000 (2008: RMB1,116,937,000) and the weighted average number of shares in issue during the year ended March 31, 2009 of 7,867,383,000 (2008: 6,545,665,000). The weighted average number of shares in issue during the year ended March 31, 2008 has been retrospectively adjusted for the effects of the share split and capitalization issue which took place in September 2007, as if the shares were in issue and outstanding throughout the entire year.

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

	For the year ended March 31,	
	2009	2008
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic earnings per share, being profit for the year attributable to equity holders of the Company	**748,120**	1,116,937
Effect of dilutive potential ordinary shares:		
Interest on convertible redeemable preference shares	**—**	8,501
Earnings for the purpose of diluted earnings per share	**748,120**	1,125,438

	For the year ended March 31,	
	2009	2008
Number of shares (thousand)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**7,867,383**	6,545,665
Effect of dilutive potential ordinary shares:		
Weighted average conversion number of Series A CRPS	**—**	111,638
Weighted average conversion number of Series B CPS	**—**	279,095
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**7,867,383**	6,936,398
Basic earnings per share (RMB cents)	**9.51**	17.06
Diluted earnings per share (RMB cents)	**9.51**	16.23

10. INVENTORIES

	As at March 31,	
	2009	2008
	RMB'000	*RMB'000*
Raw materials	**29,980**	27,852
Work in progress	**3,980**	10,184
Finished goods	**822,827**	947,385
	856,787	985,421

At March 31, 2009, inventories carried at net realizable value amounted to approximately RMB509,180,000 (2008: RMB557,682,000).

11. TRADE, BILLS AND OTHER RECEIVABLES

	As at March 31,	
	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**508,367**	1,048,150
Bills receivables	**64,479**	158,482
Third party other receivables		
• VAT recoverable	**119,639**	18,466
• Deposits	**7,722**	22,046
• Advances to employees	**10,061**	11,002
• Others	**11,354**	7,558
	721,622	1,265,704

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

The Group normally allows a credit period ranging from 30 days to 90 days to its customers.

As at March 31, 2009, trade and bills receivables of approximately RMB100,435,000 (2008: RMB370,780,000) were past due but considered to be not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of trade and bills receivables (net of impairment losses on bad and doubtful debts) is as follows:

	As at March 31,	
	2009	2008
	RMB'000	*RMB'000*
Within credit terms	**472,411**	835,852
1 to 3 months past due	**58,789**	360,129
Over 3 months but less than 6 months past due	**12,192**	9,597
Over 6 months but less than 12 months past due	**26,538**	1,054
Over 1 year	**2,916**	—
	572,846	1,206,632

Movements in the provision for impairment losses for trade and bills receivables are as follows:

	For the year ended March 31,	
	2009	2008
	RMB'000	*RMB'000*
At the beginning of the year	**56,539**	14,979
Add: provision for impairment of receivables	**125,026**	41,560
At the end of the year	**181,565**	56,539

The creation and release of provision for impaired receivables has been included in administrative expenses in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the balance sheet date is the fair values of trade and bills receivables disclosed above.

12. TRADE AND OTHER PAYABLES

	As at March 31,	
	2009	2008
	RMB'000	*RMB'000*
Trade payables	**297,524**	281,239
Other payables and accrued expenses		
• Customer deposits	**171,739**	130,225
• Accrued rebates and commissions	**52,740**	116,187
• Accrued advertising expenses	**28,965**	37,304
• Accrued payroll and welfare	**40,945**	29,126
• Other levies payable	**—**	3,672
• Others	**32,529**	19,934
	624,442	617,687

All of the trade and other payables are expected to be settled within one year.

An ageing analysis of trade payables is set out below:

	As at March 31,	
	2009	2008
	RMB'000	*RMB'000*
Due within 1 month or on demand	**142,681**	140,562
Due after 1 month but within 3 months	**154,843**	140,677
	297,524	281,239

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

Amidst the current financial tsunami, this global financial crisis has caused major economies in the world to experience a concurrent recession which has been unseen for many years. The PRC, which has maintained an increasingly close economic link with the global economy, has inevitably been subject to the adverse influence and impact of the international economic environment, resulting in a slowdown in economic growth.

The year of 2008/09 saw PRC enterprises being confronted with great challenges and trials. The down apparel industry was no exception. Under the pressure of internal challenges and the external crisis, the industry experienced a decrease in overall sales performance. A large number of small-and-medium-sized down apparel enterprises which were vulnerable to risks were eliminated because of their incapability of survival. In contrast, leading large down apparel enterprises with advantages in brand, capital, technology and management had strengthened their market position despite a decline in their performance to a certain extent.

The Group believes development opportunities always co-exist with challenges. During this global economic downturn, the performance of enterprises will inevitably be subject to fluctuations in the short run. However, from a long-term perspective, the current economic conditions and the direction of state policies are geared towards accelerating adjustments to industry structures and enhancing the business performance of large enterprises. This will be extremely beneficial to the development of leading enterprises within the Group's industry. The Group believes it has great potential for development in adversity by capturing opportunities amidst difficulties and challenges.

Business review

Steadily maintaining the position of market leader and strong profitability

Despite a difficult operating environment, the Group has leveraged its strong brand advantage and design capabilities based on leading industry trends and has successfully implemented its multi-brand coordination strategy, moderately adjusted its production plan, implemented its business concept of "quantity reduction, high quality and price increase", stepped up efforts in developing medium and high end markets, increased the added value of products and implemented the "off-season strategic sales plan" to sell stocks so as to minimize the impact of the financial crisis on the Group. In 2008/09, despite a reduction in sales to some extent, the Group still recorded much higher sales than other players in the industry, steadily maintained its leading position and its gross profit margin remained relatively high.

According to statistics released by the China Industrial Information Issuing Center and National Bureau of Statistics, "Bosideng" has been ranked as the top brand in terms of sales for 14 consecutive years since 1995. Based on the report issued by the China Industrial Information Issuing Center in 2008, the total market share of the Group's brand in 2008, including "Bosideng", "Snow Flying", "Kangbo" and "Bingjie", was 39.5% (2007: 39.9%). Among them, "Bosideng" and "Snow Flying" were ranked first and second respectively, with a market share of 26.34 % and 10.05% respectively. "Kangbo" and "Bingjie" were ranked No.7 and No.11 respectively.

Strong leading brand value and marketing efforts

In September 2007, the Group's brand had the honour of being the only apparel brand in the PRC to be awarded "China's World Famous Brand" by the PRC General Administration of Quality Supervision, Inspection and Quarantine. Subsequently, in 2008, the Group's brand was awarded the "National Quality Prize" (the top prize in national quality control) by the China Association for Quality, the "Achievement Prize" (the annual prize for China's apparel brands) by the China National Garment Association, and the title of "Leading Textile Clothing Brand in China" by the China National Textile and Apparel Council. In addition, in a survey jointly conducted by RREEF Global Rankings (睿富全球排行榜) and Beijing Famous-brand Evaluation Co., Ltd., the Group's brand was elected "2008 China's Most Valuable Brands". In a competition organized by World Brand Lab, an international brand research institution, the Group's brand was awarded "2008 China Brand Annual Prize (Down Apparel Industry)". These numerous awards represent the Group's significant achievement milestone in its brand building and management efforts and have significantly enhanced its brand value.

Being a leading enterprise and a trend leader in the industry, the Group organized the "2009/10 Fall/Winter Cold-resistant Apparel Trends Conference" in March 2009 under the theme of "Taste" at the "2009 China International Clothing and Accessory Fair" (which is an annual large event for major manufacturers in the industry to unveil apparel trends and the latest design concepts). The exhibition hall of the Company used "City" as the main concept which produced a visual effect incorporating stylish, healthy and modern elements and delivered the brand message of "enabling people to enjoy a better living". The Group has therefore, on behalf of the apparel industry in the PRC, become the only enterprise to unveil to the world the trends in winter cold-resistant clothing for 13 consecutive years and further consolidated its leading brand position in the winter cold-resistant clothing of the PRC by leveraging its leading advantages in the market and design.

In order to adapt to severe and complicated domestic and international competitive conditions and strengthen brand building, various domestic apparel enterprises have reached a consensus on establishing a strong brand image through high-end media platforms. The Group has adopted a "support + supplement" strategy in advertising spending. This strategy involves using CCTV as the support and other media channels as the supplement, whereby over 60% of the commercials will be broadcasted through CCTV. With the help of high-end platforms such as CCTV, the Group has significantly differentiated itself from its competitors in terms of advertisement broadcasts. In November 2008, at CCTV's "2009 Bidding of Prime-time Commercials", the Group maintained its leading position among textile clothing enterprises with advertising expenditure amounting to RMB220 million. Apart from launching TV commercials, the Group also integrated resources from various aspects, including various promotion media and methods such as organizing apparel expos, new product release conferences, sponsoring sports activities, appointing stars as spokesmen, outdoor advertisements and web sites, shop promotion and product display, so as to continue its brand building and marketing efforts, communicate its brand concept and the uniqueness of its products to consumers and increase the awareness of the Group's products among consumers in the target markets.

The Group has persevered in implementing a multi-brand policy, thus achieving the coordinated and effective development of all sub-brands. The Group's leading brand, "Bosideng", targets medium and high end markets, with product types and styles emphasizing stylish, quality, casual and classical characteristics. The Group's second leading brand, "Snow Flying", is positioned as a major brand for casual, sports and down apparel and targets customers who are full of vigor of life. The Group's "Kangbo" and "Bingjie" brands target the general low and medium end public. "Kangbo" mainly provides basic styles and comprises principally menswear whereas "Bingjie" focuses on down apparel of young and trendy styles and comprises principally lady's wear.

Product advantages demonstrated by excellent research and development , design and innovation capabilities

The Group believes strengthening and diversifying product design is the key to enhancing product competitiveness and achieving long-term success provided that the functions and features of down apparel are not affected. In this connection, the Group has been continuously developing technological research and development and product design systems. From styles, fabrics to concepts, the Group has been constantly innovating and upgrading its products. To further strengthen its design capability, the Group has also conducted exchanges and cooperated with designers from France and Korea so as to obtain first-hand information on the latest international trends. The Group's product design team has also conducted market surveys from time to time and participated in various trade fairs and carefully analyzed sales performance to gain an insight into customer needs, thereby keeping abreast of the latest trends. Meanwhile, the Group is also continuously expanding its product offerings, optimizes the product mix and facilitates product differentiation with a view to catering to the tastes of consumers of all ages.

As an enterprise unveiling to the world the trends in winter cold-resistant clothing on behalf of China for 13 consecutive years, the Group's product designs have provided an absolute trend direction for winter cold-resistant clothing in the PRC each year. The introduction of design concepts incorporating stylish, casual and sports elements in the down apparel industry to deliver a new concept of "light, thin, elegant" for down apparel, the launch of environmentally friendly and ecological anti-bacterial down apparel integrating environmental protection and trendiness, and the launch of anti-bacterial down apparel with water-repellant, oil-repellant, stain-repellant, anti-bacterial, fungus-resistant, odourless and self-cleaning characteristics through the application of international advanced "nano technology" in down apparel are testament to the repeated innovations of the Group which have led to significant progress and have also driven the upgrading of the entire down apparel industry within China.

Changing the seasonal product business model and implementing the non-seasonal product strategy

To enrich the existing product mix, mitigate the seasonal restrictions on seasonal products, reduce corporate operation risks, develop new profit growth sources and increase corporate profitability, the Group has formulated the "non-seasonal product" development strategy, correspondingly established a non-down apparel product business and product development team, and started to extend its brand concept through a series of non-seasonal products.

In September 2008, the Group's first non-seasonal apparel specialty store opened for business in Changshu. On September 17, 2008, a new product release conference named "Bosideng 2008 Fashion Carnival" was held in Changshu, Jiangsu. At the conference, the Group officially unveiled its first non-seasonal apparel collection targeting medium and high end markets. In March 2009, at the 17th China International Clothing and Accessory Fair held in Beijing, the Group officially exhibited its non-seasonal apparel collections. It changed its original business model of selling only seasonal products and commenced the Group's business of non-seasonal products, thereby winning great acclaim. This was another important milestone in the development of "Bosideng" brand after the Group started to implement the strategy of introducing non-seasonal products in its brand portfolio with a view to increasing the trendiness and attractiveness of its products.

Strengthening of the supply chain and the rationalization and optimization of the distribution network

The Group has continued to implement strict control over each step of the supply chain and effectively manages its product quality through a competitive cost structure. During the period under review, to strengthen network management capability and shorten the time between ordering and delivery of products for replenishment at the retail level, the Group implemented the enhancement plan to upgarde the ERP system, and professionally established the supply chain optimization project team to implement the scientific ordering, distribution and replenishment model, extending its coverage to include more retail outlets. This allowed the Group to more timely obtain important operating information and rapidly respond to market changes and at the same time reduced inventory and increased the logistics turnover rate.

The Group has developed an evaluation system for establishing retail channels, including the consideration of factors such as business area identification, shop location, staff marketing ability and shop profitability. On this basis, the Group made a significant change to the shop image and design style of its retail channels. On one hand, it uniformised retail channels located in various places with different decoration styles, thus creating standardized shop decoration and product display. On the other hand, this system has enabled the Group to provide products, retail space, lighting effects, service and ambience which are in tune with fashionable trends. Under such evaluation system, the Group eliminated or replaced distributors who do not meet the required standards and underperforming retail outlets, thereby accomplishing the streamlining of the total number of retail channels and the optimization of its stores.

Retail network composition by outlet type

	As at 31 March		
Store types	**2009**	**2008**	**Change**
Specialty store			
–operated by the Group	31	3	+28
–operated/supervised by third party distributors	3,829	5,057	-1,228
	3,860	5,060	-1,200
Concessionary retail outlets			
–operated by the Group	694	1,110	-416
–operated/supervised by third party distributors	1,108	947	+161
	1,802	2,057	-255
Total	5,662	7,117	-1,455

Retail network composition by geographical location

	As at 31 March		
Sales regions*	**2009**	**2008**	**Change**
Eastern China areas	1,453	2,685	-1,232
Northern China areas	1,393	2,228	-835
Western China areas	2,816	2,204	+612
Total	5,662	7,117	-1,455

* Eastern China areas: including Shandong Province, Eastern China and South Eastern China

Northern China areas: including Central and Northern China

Western China areas: including provinces and regions other than those in Eastern and Northern China areas

Post-balance sheet events

Product diversification, acquisition of the menswear business

In accordance with the Group's development strategy of increasing profitability by introducing non-seasonal apparel products and diversified product mix, the Group exercised the call option on May 15, 2009 to acquire Ying Fai International Investment Limited (盈輝國際投資有限公司), which indirectly and wholly owns the entire equity interests of Jiangsu Kangbo Clothing Co., Ltd. (the "Menswear Company") for a cash consideration of up to RMB650 million. The Menswear Company is engaged in the design, production and sale of menswear apparel products (other than down apparel products).

The acquisition represents an important transaction to the Group and was made because it provided an opportunity for the Group to diversify into non-seasonal apparel products, gain management and shareholding control of the Menswear Company, leverage the attractive valuation and growth potential of the Menswear Company and expand into the United Kingdom market. Despite the impact of the international financial tsunami, the performance of the menswear apparel business for the financial year ended March 31, 2009 was still satisfactory, thereby demonstrating the strong competitiveness of its brand and products in the market. Subsequent to completion of the acquisition, the Group has undertaken a series of measures to incentivize key management personnel to remain in office. Please refer to the Company's announcements dated May 15, 2009 and May 26, 2009 for further details.

The establishment of a joint venture company in Greater China Region for operating the "Rocawear" business

To further implement the development strategy of increasing profitability through enhancing the Group's brand and product mix, the Group and Iconix China Limited entered into a joint venture agreement on May 28, 2009 to establish a joint venture company for operating the "Rocawear" business in the Greater China Region (including China, Hong Kong, Macau Special Administrative Region and Taiwan), which includes the production, sales, advertising and promotion of "Rocawear" branded male and female apparel and accessories. "Rocawear" will be the first international brand associated with the Group, which will actively participate in sales planning and promotion in the Greater China Region. "Rocawear" mainly targets trendy hippie-style young consumers, keeps abreast of the latest fashion trends and belongs to a multinational business network.

The establishment of the joint venture company marks an important milestone of the Group's business development history. The Group plans to launch "Rocawear" men's and women's products through the joint venture company by 2010, and further develop the "Rocawear" brand by opening more than 300 "Rocawear" free-standing stores and shop-in-shop concepts in the Greater China Region by 2013 under suitable business conditions so as to jointly explore the huge business opportunity of the "Rocawear" business. With the Group's extensive experience in operating brand, service and retail businesses in the PRC, the Group is confident the "Rocawear" business will benefit from our expertise in these aspects and will experience business growth in the Greater China Region. The Group looks forward to introducing unique "Rocawear" products for consumers in the short term. Please refer to the Company's announcement dated May 29, 2009 for further details.

Connected transaction relating to acquisition of properties

The Group entered into sale and purchase agreements on April 14, 2009 to purchase (a) land use rights of a land situated in Changshu city, Jiangsu Province (with total site area of about 33,334 square metres) and four buildings with total gross floor area of about 27,050.8 square metres (the "Jiangsu Property") for a consideration of RMB47 million from Bosideng Corporation, and (b) land use rights of the 25th Floor of Shanghai New City Plaza in Shanghai with a total gross floor area of about 1,207.99 square metres (the "Shanghai Property") for a consideration of RMB21.0 million from Shanghai Bosideng Holdings Group Co., Ltd. The Group intends to use the Jiangsu Property for warehouse purposes, while the Shanghai Property will continue to be used for office purposes.

The Board believes that these property acquisitions will benefit the Group's operational activities as it enables the Group to secure legal ownership over these properties at a price lower than the aggregate valuation of these properties as at March 31, 2009 given the current downturn in the PRC real property market. In particular, these properties will enhance the long-term stability of the Group's operations since it will not be subject to potential fluctuations in rental payment and restrictions in material lease terms. Furthermore, the Group has the option to lease out the areas (other than the office premise) to third parties in the future at favourable rentals to generate rental revenues under suitable market conditions.

As Mr. Gao Dekang (the Company's Chairman and Chief Executive Officer) is a controlling shareholder of each vendor of the Jiangsu Property and Shanghai Property, these vendors are connected persons of the Group under the Listing Rules. Accordingly, these property acquisitions are connected transactions subject to reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirement. Please see the Company's announcement dated April 14, 2009 for further details.

Financial Review

Revenue

Revenue of the Group was mainly generated from sales of branded down apparel. This accounted for 87.7% of the Group's revenue, with the remaining 12.3% coming from the OEM management business, in comparison with 88.2% and 11.8% respectively in the previous year.

The Group's revenue for the year ended March 31, 2009 decreased by 19.0% year-on-year to RMB4,275.1 million. This was mainly due to the ongoing global economic downturn and fierce competition within the down apparel industry in the People's Republic of China (the "PRC") and the Group's strategy of maintaining profitability. While its industry rivals focused on driving volume growth through aggressive price cutting measures to liquidate stocks, the Group maintained its average selling price, and thus profitability, at a stable level with the launch of new value-added products. As a result, sales of the Group's branded down apparel decreased by 19.5% year-on-year to RMB3,747.6 million, while revenue from OEM management operations also decreased by 15.6% due to the appreciation of the Renminbi against the US Dollar. In September 2008, non-seasonal apparel products started contributing revenue to the Group amounting to RMB1.0 million for the year ended March 31, 2009.

A revenue analysis of down apparel sales by brand is set out below:

Revenue analysis by branded down apparel

Brands	Year ended March 31, 2009 *(RMB million)*	2009 *% of total down apparel revenue*	2008 *(RMB million)*	2008 *% of total down apparel revenue*
Bosideng	**2,300.1**	**61.4%**	2,714.6	58.3%
Snow Flying	**854.8**	**22.8%**	1,047.8	22.5%
Bingjie	**213.3**	**5.7%**	456.0	9.8%
Kangbo	**359.1**	**9.6%**	333.1	7.2%
Other brands	**20.8**	**0.6%**	92.5	2.0%
Others	**12.5**	**0.3%**	44.2	0.9%
Sub-total	**3,760.6**	**100.4%**	4,688.2	100.7%
Sales rebates	**(13.0)**	**(0.4%)**	(33.9)	(0.7%)
Total down apparel revenue	**3,747.6**	**100.0%**	4,654.3	100.0%

In an effort to strengthen differentiation amongst various brands, the Group adjusted its product offerings under its portfolio of brands. While "Bosideng" brand continues to be marketed as a medium to high-end brand, targeting customers with greater consumption power and who seek trendy and fashionable designs, "Snow Flying" brand appeals to younger customers with more energetic lifestyles. As a result of such brand repositioning strategy, "Bosideng" branded apparel remained the highest contributor and contributed 61.4% or approximately RMB2,300.1 million of the total branded down apparel sales. "Snow Flying" branded apparel, being the second largest contributor, contributed 22.8% or approximately RMB854.8 million. "Kangbo" and "Bingjie" branded apparel offer colourful, youthful down apparel lines for mainly men and ladies respectively, and is targeted at the mass market. Facing head-on price competition from other low-price products, "Kangbo" and "Bingjie" recorded revenues of RMB359.1 million and RMB213.3 million, which represented 9.6% and 5.7% of the total branded down apparel sales respectively.

A breakdown of the revenue by sales methods is set out below:

Revenue analysis by sales methods

	Year ended March 31,			
	2009		2008	
	(RMB million)	***% of total revenue***	*(RMB million)*	*% of total revenue*
Branded down apparel				
• Outright sales	**2,525.2**	**59.1%**	3,327.8	63.1%
• Consignment sales	**1,209.9**	**28.3%**	1,282.3	24.3%
• Others*	**12.5**	**0.3%**	44.2	0.8%
Total down apparel revenue	**3,747.6**	**87.7%**	4,654.3	88.2%
OEM management	**527.5**	**12.3%**	625.1	11.8%
Total revenue	**4,275.1**	**100%**	5,279.4	100%

* Represents sales primarily of raw materials related to down apparel products and sales of non-seasonal apparel products.

A majority of the Group's products were sold through outright sales, which accounted for 67.4% of the Group's branded down apparel revenue, compared to 71.5% in the previous year. The percentage increase in the portion of consignment sales reflects our continual strategic shift to increase consignment sales as part of our branding and marketing strategy.

Cost of sales and gross profit

Cost of sales for the year remained stable as a percentage of revenue as compared to the previous year. It amounted to approximately RMB2,330.2 million, or 54.5% of the Group's revenue, as compared to approximately RMB2,870.6 million or 54.4% of Group's revenue in the previous year. This is mainly attributable to stringent cost control measures and the Group's strategy of maintaining profitability.

Cost of sales included the cost of branded down apparel, as well as the cost of OEM management operations, accounting for 81.5% and 18.5% of the Group's total cost of sales respectively, compared to 82.0% and 18.0% in the previous year.

Fair value changes on derivative financial instruments

The Group entered into a conditional call option agreement dated August 29, 2008 under which the Group was granted a call option to acquire the menswear apparel business from Goldwai Holdings Limited at an appropriate time in future. The fair value of this call option as at March 31, 2009 amounting to RMB34.2 million was valued by an independent valuer using the Black-Scholes Model, which constitutes an one-off income for the financial year ended March 31, 2009. Please refer to the Company's announcement dated August 29, 2008 and the circular dated September 11, 2008 for further details of the terms of the conditional call option agreement.

Distribution expenses

The Group's distribution expenses, mainly comprising advertising, promotion, concessionaire fees and salary and welfare, amounted to approximately RMB1,029.8 million, representing a decrease of 6.9%, compared with approximately RMB1,106.6 million in the previous year. The rate of decrease in actual spending was not as much as the rate of decrease in revenue because the advertising and promotion costs increased sharply during the Beijing Olympics. Therefore, in terms of percentage to revenue, distribution expenses constituted 24.1% of total revenue, signifying a growth of 3.1 percentage points compared with 21.0% in the same period last year.

Administration expenses

The administrative expenses of the Group, which mainly comprised of bad and doubtful debts provision, salary and welfare, travel and office expenses, amounted to approximately RMB287.0 million, an increase of 41.9%, compared with approximately RMB202.3 million in the previous year. The increase mainly resulted from the impairment of bad and doubtful debts, the increase of headcount and professional expenses after the Group's initial public offering.

Operating profit

During the year under review, the Group's operating profit decreased by 41.6% to RMB679.8 million. Operating profit margin was 15.9%, a decrease of 6.1 percentage points as compared to that of the previous year.

Finance income

The Group's finance income for the year under review increased sharply to approximately RMB105.6 million from approximately RMB61.8 million in the previous year. The increase was due to the interest income from bank deposits and the returns from money market instruments (including held-to-maturity investments) of the unused proceeds of the Group's initial public offering.

Finance costs and taxation

The Group's finance costs for the year under review decreased by 88.0% to RMB9.3 million due to the full repayment of loans and bank borrowings during the year.

For the year ended March 31, 2009, income tax expenses decreased slightly from RMB31.3 million to RMB27.8 million. This was mainly contributed by the local sales subsidiaries in the PRC as the Group's four principal operating subsidiaries in the PRC, being foreign investment enterprises, commenced their entitlement of a tax-free period for two years from January 1, 2007, followed by a further 3-year tax exemption of 50% of the applicable tax rate. Therefore, a substantial portion of the Group's profit was exempt from tax during the year.

Final Dividends

The Board has recommended the payment of a final dividend of RMB8 cents per ordinary share for the year ended March 31, 2009. The proposed dividend payments are subject to approval by the shareholders of the Company at the annual general meeting to be held on or around September 16, 2009 and are payable in Hong Kong Dollars based on the official exchange rate of Renminbi against Hong Kong Dollars as quoted by the People's Bank of China on July 6, 2009. Upon shareholders' approval, the proposed final dividends will be paid on or around September 30, 2009 to shareholders whose names shall appear on the register of members of the Company on September 16, 2009.

Liquidity and financial resources

The Group adopted prudent funding and treasury management policies while maintaining a healthy overall financial position. The Group's source of funding was cash generated from operating activities.

For the year ended March 31, 2009, the Group's net cash from operating activities amounted to RMB1,424.4 million, compared to a net cash outflow of RMB194.9 million during the same period in 2008. Cash and cash equivalents as at March 31, 2009 was in the amount of approximately RMB3,812.9 million, compared to approximately RMB4,686.2 million as at March 31, 2008. The decrease in cash and cash equivalents was due to the increase in time deposits with maturity over 3 months, which is not included within the scope of cash and cash equivalents according to the Group's accounting policies in compliance with IFRSs.

In order to maximise returns on the Group's available cash reserves, the Group had held-to-maturity investments, which comprised principal guaranteed short-term investments with banks in the PRC. These investments have interest rates ranging from 5.1% to 5.3% per annum and have maturity periods ranging from 6 to 12 months.

As at March 31, 2009, the Group had no outstanding loans and bank borrowings. The gearing ratio (total debt/total equity) of the Group was zero compared with 0.8 times as at March 31, 2008.

Contingent liabilities

As at March 31, 2009, the Group had no material contingent liabilities or commitments.

Pledge of assets

As at March 31, 2009, bank deposits amounting to approximately RMB32,000 had been pledged to secure the Group's banking facilities in relation to bills payable and bank borrowings.

Financial management and treasury policy

The financial risk management of the Group is the responsibility of the Group's treasury function at our head office. One of the major objectives of the Group's treasury policies is to manage its exposure to fluctuations in interest rates and foreign currency exchange rates.

Foreign currency exposure

The business operations of the Group were conducted mainly in the PRC with revenues and expenses of the Group denominated in RMB. Some of the Group's cash and bank deposits, including proceeds from the Group's initial public offering, were denominated in Hong Kong Dollars or US Dollars. Any significant exchange rate fluctuations of Hong Kong Dollars or US Dollars against each entity's respective functional currency may have a financial impact to the Group.

As at March 31, 2009, the Directors of the Company considered the Group's foreign exchange risk to be insignificant.

During the year under review, the Group did not use any financial instruments for hedging purposes.

Business Outlook

Going forward, the Group holds a positive outlook. In 2009/10, the impact of the international financial crisis on the real economy will still be significant. Enterprises are facing various difficulties and challenges. However, for quality enterprises with real competitive strength, this also represents a rare development opportunity. With a major re-shuffle of apparel enterprises within the PRC, market resources will be further concentrated in these quality enterprises. The Group believes that the various positive macro-economic policies of the PRC will be successively introduced and the Group will see a new period of steady development. The Group expects itself to experience all-round development during the year of 2009/10. The Group will expand into the international market under suitable market conditions by leveraging its business strength in the PRC market. It will also leverage the "Bosideng" brand to actively adjust its business structure, expedite industrial transformation, thereby changing its original model of selling only seasonal products and commencing the business of non-seasonal products. In addition, the Group will strive towards performance optimization and sustained development to develop itself into a diversified apparel conglomerate in the long term.

The Group is poised to achieve these goals through a business strategy that contains the following key aspects:

Expediting the development of non-seasonal products by proceeding with timely mergers and acquisitions

The financial tsunami has resulted in a substantial portion of apparel enterprises experiencing slow development and difficulties in operation but has also created an excellent opportunity for acquiring optimum assets at minimal costs. The Group has adequate cash flow and an extensive domestic retail sales network and will take full advantage of this opportunity to identify suitable acquisition or cooperation targets both domestically and overseas. In addition, it will expedite the development of non-seasonal products through acquisitions and mergers to expand its brand and product portfolios.

The menswear apparel business will represent a key step for the Group's brands towards completion of the transformation from a "seasonal product" brand to a "non-seasonal product" brand, while the lady's apparel business will focus on the acquisition of enterprises with strong design and research and development capabilities which requires improvement in the aspects of retail channel and marketing.

Apart from mergers and acquisitions, the Group also plans to consider adopting various cooperation modes such as through distributors, joint ventures and collaboration with external retail channels to actively promote product transformation, fully implement and facilitate the development strategy of introducing non-seasonal products and increase the proportion of the non-down apparel business in overall sales.

Optimizing and expanding the retail sales network in both domestic and international markets

Concurrent with the rationalization and optimization of down apparel products through the application of the "evaluation system for establishing retail channels", non-seasonal products which are sold through the specialty stores operated by the Group will focus on market expansion. The Group will establish more non-seasonal apparel retail outlets in a systematic manner in accordance with the actual progress and demand in respect of the development of non-seasonal products.

The Group will open "gallery-styled" large brand flagship stores in major cities such as Beijing and Shanghai to display the full range of products under the Group's brands, and utilise its new image visual system for retail outlets to provide a complete shopping experience to consumers, thus establishing a new milestone for the image of our retail outlet store image.

The Group's down apparel has already successfully penetrated overseas markets such as Japan, the United States, Canada, Russia, Switzerland and Britain. With the launch of non-seasonal products, the Group will progressively establish specialty stores overseas to sell apparel collections under "Bosideng" and improve the "Bosideng" international sales network, thereby enhancing the position of "Bosideng" apparel in the international market.

Improving the brand marketing strategy to effectively increase the brand value

The Group will adjust its brand development strategy to further enrich the cultural significance of "Bosideng" and upgrade the brand positioning of "Bosideng". On the basis of strengthening its position as the top high end brand in the PRC down apparel market, the Group will extend the influence of "Bosideng" to other non-down apparel areas so as to transform "Bosideng" into an established international well-known brand. At the same time, the Group will make full efforts to drive the respective development of dominant brands such as "Snow Flying", "Kangbo" and "Bingjie" (and such other brands newly acquired by the Group).

The Group will closely cooperate with external professional consultancies to further define the various styles and market positioning of all its brands and carry out brand promotion by adopting various flexible and solid target-focused marketing models so as to effectively increase the brand value and maximize the returns derived from the down apparel and non-down non-seasonal apparel businesses. The Group will open high-end flagship stores in busy commercial districts to bolster the effect of brand promotion and select suitable celebrities to be its brand spokesmen. In addition, it will continue with advertising in major TV stations, famous periodicals and magazines as well as strategic outdoor locations with high pedestrian traffic. It will also sponsor sports and promotional activities as and when appropriate and maintain market exposure through various fashion shows and trade fairs.

Enhancing research, development and design capabilities and bolstering market competitiveness of its products

The Group will continue to expand and strengthen its research, design and development team while fostering closer collaboration with domestic and internationally renowned research institutions to develop and apply new fabric materials to strengthen product competitiveness.

To speed up the launch of non-seasonal apparel and the pace of internationalization, the Group will create and provide spaces and arenas for designers to develop their artistic potential and stimulate their artistic inspirations. The Group will invite famous designers from France, Korea and Hong Kong to offer on-site guidance and send outstanding designers to France and Italy for inspection and study, participation in international professional exhibitions, collection of information on what is currently popular and exposure to artistic ideas. The Group will also cooperate with reputable international design firms to establish design studios in cities such as Shanghai and Guangzhou. By applying international leading-edge design concepts, the Group has seamlessly combined the classical Chinese ethnic style with international popular trends, and has continually improved on cutting, colour and fabrics. By generating creative designs for customers with a sincere heart, the Group is continuously increasing the quality and competitiveness of its products.

Strengthening the management information system and optimizing the supply chain and logistics management

The Group plans to further upgrade its management information system, enhance the coverage and analytical functions of its ERP system and generally extend the operational scope to both upstream and downstream segments of the supply chain. These system upgrades will provide the Group with a comprehensive assessment of the performance of its entire supply chain to expedite its response to market changes. The Group also intends to establish a quality inspection centre to ensure its adherence to quality control standards at every stage of the supply chain. To facilitate swift response to market changes and timely replenishment of stocks, the Group will also strengthen and upgrade its logistics management.

Human Resources

As at March 31, 2009, the Group had approximately 1,740 full-time employees (2008: 1,437 full-time employees). Staff costs for the year ended March 31, 2009 (including Directors' remuneration in the form of salaries and other allowances) totalled RMB203.6 million (2008: RMB144.9 million). This increase was mainly due to the increase of headcount to support expansion of the specialty stores operated by the Group. According the Group's policy, salary and bonus are primarily based on duties, performance and length of service of each individual employee with reference to the prevailing market conditions.

To attract and retain skilled and experienced personnel and to motivate them to strive for the future development and expansion of our business, the Group also offers a share scheme as well as a share option scheme ("Share Option Scheme").

As at March 31, 2009, there have not been any share options granted under the Share Option Scheme.

Closure of Register of Members

The register of members of the Company will be closed from September 13, 2009 to September 16, 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend payable on September 30, 2009 and to determine the identity of the members who are entitled to attend and vote at the forthcoming annual general meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on September 12, 2009.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year, the Company had repurchased 221,972,000 of its shares on the Stock Exchange at an aggregate consideration of HK$238,816,754.80 before expenses. Details of the share repurchases are as follows:

Month of repurchases	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration paid
		HK$	*HK$*	*HK$*
April 2008	4,942,000	1.48	1.44	7,267,797.40
May 2008	15,568,000	1.48	1.42	22,712,692.60
June 2008	37,216,000	1.48	1.35	52,708,606.00
September 2008	65,692,000	1.00	0.87	64,543,352.80
October 2008	98,554,000	0.99	0.73	91,584,306.00
Total	221,972,000	1.48	0.73	238,816,754.80

The repurchased shares were cancelled on delivery of the share certificates during the year. The Directors are of the view that such repurchases have the effect of enhancing the earnings per share of the Group and would benefit the shareholders as a whole. Depending on the market circumstances, the Company may undertake further share repurchases as the Directors may consider to be appropriate.

Code on Corporate Governance Practices

The Directors are of the opinion that the Company has complied with the Code on Corporate Governance Practices ("Code"), as set out in Appendix 14 to the Listing Rules for the year ended March 31, 2009, except for Code provision A.2.1, which provides that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

Mr. Gao Dekang is the Chairman and CEO of the Company and 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 for efficient business planning and decisions of the Company. As all major decisions are made in consultation with members of the Board and the relevant Board committees, and there are four independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all Directors, and the Directors have confirmed that they have complied with all relevant requirements as set out in the Model Code during the year ended March 31, 2009.

Audit Committee

The audit committee of the Company (the "Audit Committee") has been established by the Company on September 15, 2007 with written terms of reference pursuant to Rule 3.21 of the Listing Rules and paragraph C3 of the Code, whose primary duties are to review and supervise the financial reporting process and internal control procedures of the Group, nominate and monitor external auditors, and perform other duties and responsibilities as assigned by the Board. The audited consolidated financial statements for the year ended March 31, 2009 have been reviewed by the Audit Committee and agreed by KPMG, the Company's external auditors. As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely, Mr. Ngai Wai Fung (Chairman), Mr. Dong Binggen and Mr. Jiang Hengjie.

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") has been established by the Company on September 15, 2007 with written terms of reference pursuant to paragraph B1 of the Code, whose primary duties are to evaluate the performance and make recommendations on the remuneration packages of the directors and senior management, and evaluate and make recommendations on the retirement scheme and performance assessment system and bonus and commission policies. The Remuneration Committee consists of five members, comprising three independent non-executive Directors, one non-executive Director and one executive Director (namely Mr. Gao Dekang (Chairman), Mr. Shen Jingwu, Mr. Dong Binggen, Mr. Jiang Hengjie and Mr. Wang Yao).

Nomination Committee

The nomination committee of the Company (the "Nomination Committee") has been established by the Company on September 15, 2007 with written terms of reference pursuant to paragraph A.4.5 of the Code, which primary functions are to make recommendations to the Board regarding candidates to fill vacancies on the Board. The Nomination Committee consists of three members, comprising two independent non-executive Directors and one executive Director (namely Mr. Gao Dekang (Chairman), Mr. Dong Binggen and Mr. Jiang Hengjie).

Publication of Final Results on the Websites of the Stock Exchange and the Company

This announcement will be published on the website of the Stock Exchange and the Company's website (http://company.bosideng.com). The annual report for the year ended March 31, 2009 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

Appreciation

On behalf of the Board of Directors, I wish to express my sincere gratitude to our shareholders, distributors, customers and business partners for their continued support, and to our employees for their dedication and hard work.

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

Hong Kong, July 6, 2009

As at the date of this announcement, the executive Directors are Mr. Gao Dekang, Ms. Mei Dong, Ms. Gao Miaoqin, Dr. Kong Shengyuan, Ms. Huang Qiaolian and Ms. Wang Yunlei, the non-executive Director is Mr. Shen Jingwu, and the independent non-executive Directors are Mr. Dong Binggen, Mr. Jiang Hengjie, Mr. Wang Yao and Mr. Ngai Wai Fung.