波司登
BOSIDENG

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

EXPLORE NEW HEIGHTS

ANNUAL REPORT 2020/21

On May 27, 2020, the Chinese mountaineering team worn the down apparel business under the *Bosideng* brand and climbed on the Top of the World - Mount Everest. *Bosideng* managed to sponsor height measurement activity of Mount Everest in 2020, with its professional warmth technology. In November, *Bosideng* sponsored the 37th Antarctic expedition missions of Chinese Antarctic expedition team.


EXPLORE
NEW
EXTREMES

In FY2020/21, *Bosideng* undertook the Antarctic scientific expedition and the technology and quality services of climbing products, applied for an aggregate of 17 patents and obtained 26 patent certificates for previous application, which provided patented technology and endorsement support for down apparel experts. Currently, it has accumulated all 231 patents (including invention, utility model and appearance patents).


EXPLORE
NEW
TECHNOLOGY

On October 28, 2020, *Bosideng* joined hands with Mr. Jean Paul Gaultier, the creator of the golden age of Hermes, and launched a new generation of down apparels, which made a stunning debut at the Shanghai World Expo Center. In the exhibition, the celebrities gathered to witness the launch of new products, thus making a splash in a new round of the hot fashion topics.


EXPLORE
NEW
STYLE

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 operation in extremely difficult conditions under the leadership of Mr. Gao Dekang. On October 11, 2007, the Company was listed on the main board of Stock Exchange of Hong Kong Limited (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 the 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 consecutive 26 years (1995 - 2020) 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 includes *Sameite*.

The Group has been proactively implementing its strategies of brand development, which brought it a number of honours, including "China's World Famous Brand" (中國世界名牌產品) and Leading Textile Clothing Brand in China (中國紡織服裝領軍品牌). Looking forward, the Group will maintain the focus on its core down apparel business, upgrade its products and channels under the strategies of brand development, stay true to the mission of warm the world, and strive for the goal of becoming the most respected multi-functional apparel group in the world.

CONTENTS

MISSION

Bosideng warms the world

VISION

Be the most respectable and fashionable functional apparel group around the world

CORE VALUES

Customer Foremost, Integrity, Motivation, Innovation, Cooperation, Responsibility

SPIRIT

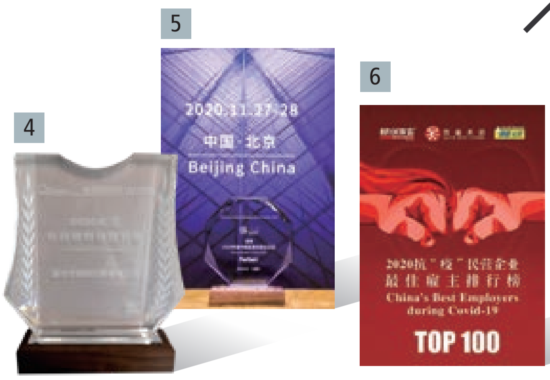
Overcome difficulties, No complaints, Self-discipline, Embrace innovation,
Pursue excellence, Strive for the best

BOSIDENG BRAND POSITIONING

The top-selling down apparel expert in the world

Bosideng Brand Awards

1. *Bosideng* brand was awarded "My Favorite Chinese Brand 2020" by China National Brand Network and "Global Antiepidemic Brand Power Typical Case"
2. *Bosideng's* climbing series was awarded the gold medal award in China Excellent Industrial Design by the Ministry of Industry and Information Technology in 2020
3. The urban ski series of *Bosideng* won the ISPO Award – Global Design Award issued by Munich International Expo Group



Listed Company Awards

4. Awarded the title of "Pursuer of excellence in the sustainability of the Year 2020" jointly issued by China National Garment Association and China National Textile and Apparel Council Social Responsibility Office
5. Awarded the "2020 Best Employer Enterprise in China" at the 15th China Employer Brand Special Annual Conference) issued by CHIRC (中企聯合)
6. Top 100 on the Best Employer List for Anti-epidemic Private Enterprise in 2020 by Hurun Report

Investor Relations Team Awards

7. Won the "2020 Golden Stock Award" in the 5th Golden Hong Kong Stock Award co-hosted by Zhitongcaijing.com (智通財經) and Hithink RoyalFlush Information Network Co., Ltd. (同花順財經) in 2020

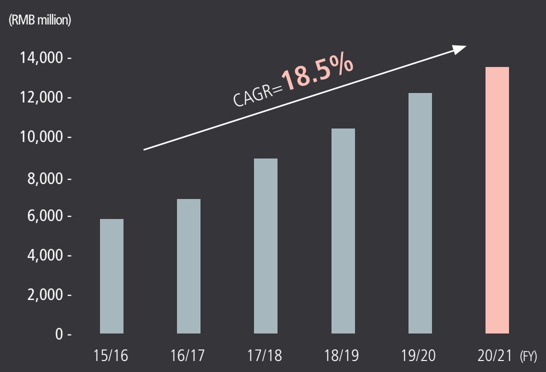
FINANCIAL HIGHLIGHTS

(All amounts in RMB thousands unless otherwise stated)

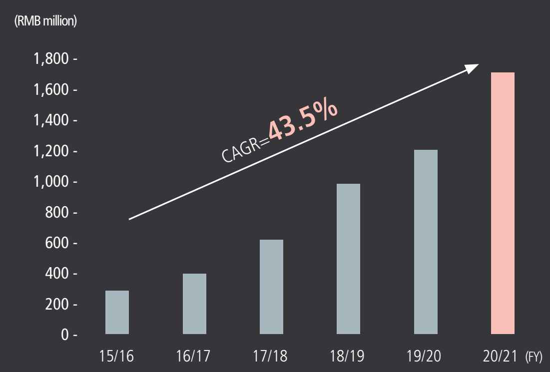
	For the year ended March 31,				
	2021	2020	2019	2018	2017
Revenue	**13,516,513**	12,190,535	10,383,453	8,880,792	6,816,599
Gross profit	**7,924,266**	6,708,646	5,513,514	4,119,102	3,163,204
Profit from operations	**2,224,606**	1,598,678	1,370,765	923,410	660,007
Profit attributable to:					
Equity shareholders of the Company	**1,709,566**	1,203,184	981,316	615,478	391,844
Non-controlling interests	**(4,600)**	(7,908)	24,244	24,043	(22,723)
Dividends per share (HKD cents):					
Interim	**3.5**	3.0	2.0	1.5	1.0
Final	**10.0**	6.0	6.0	3.5	0.5
Special	**–**	–	–	2.5	–
Total	**13.5**	9.0	8.0	7.5	1.5
Non-current assets	**6,079,665**	4,909,115	3,944,547	3,484,607	3,635,768
Current assets	**12,876,571**	12,469,638	11,138,157	10,958,555	10,482,633
Current liabilities	**5,442,073**	4,690,139	4,795,859	4,337,362	4,382,897
Non-current liabilities	**2,263,433**	2,285,989	177,959	323,032	380,277
Net current assets	**7,434,498**	7,779,499	6,342,298	6,621,193	6,099,736
Total assets	**18,956,236**	17,378,753	15,082,704	14,443,162	14,118,401
Total assets less current liabilities	**13,514,163**	12,688,614	10,286,845	10,105,800	9,735,504
Total equity	**11,250,730**	10,402,625	10,108,886	9,782,768	9,355,227
Gross profit margin (%)	**58.6**	55.0	53.1	46.4	46.4
Operating margin (%)	**16.5**	13.1	13.2	10.4	9.7
Net profit margin (%)*	**12.6**	9.9	9.5	6.9	5.7
Earnings per share					
– basic (RMB cents)	**15.98**	11.27	9.32	5.82	4.22
– diluted (RMB cents)	**15.77**	11.06	9.17	5.80	4.22
Current ratio (x)	**2.4**	2.7	2.3	2.5	2.4
Gearing ratio (%)	**20.3**	24.0	16.1	23.9	31.9

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

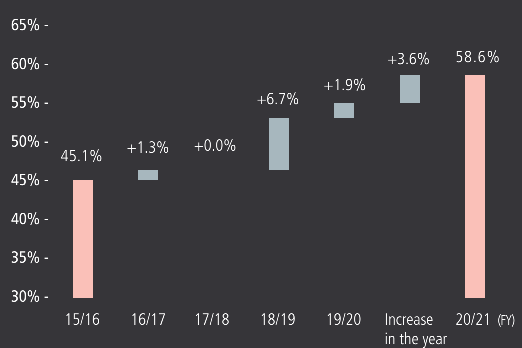
REVENUE OF THE GROUP



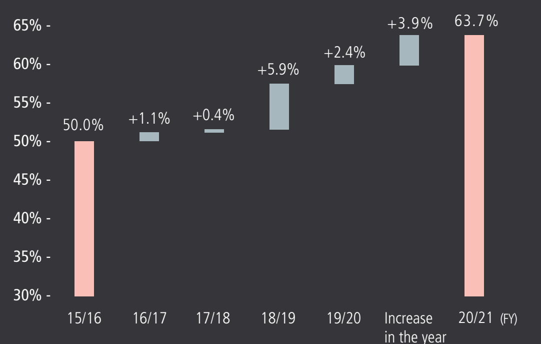
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS



GROSS PROFIT MARGIN OF THE GROUP



GROSS PROFIT MARGIN OF BRANDED DOWN APPAREL BUSINESS



CROSSING THROUGH AGES AND CHALLENGING NEW HEIGHTS UNSTOPPABLY

Dear shareholders,

I would like to extend my gratitude to every one for your joint efforts in forging ahead with Bosideng. On behalf of the Board, I am pleased to present the Group's annual results for the year ended March 31, 2021.

FY2020/21 marks the last year of the first stage of the Group's new ten-year strategic plan and the beginning of the second stage of upgrading and development. Since the commencement of the new journey of "starting a new undertaking" in 2018, Bosideng has reaped satisfactory results of its strategic focus and the continuous enhancement of its profitability. The revenues of the Group grew steadily for three consecutive years, and in particular, the revenues hit a record high again in this financial year, amounting to RMB13.52 billion, representing a year-on-year increase of 10.9%. Net profit attributable to shareholders was approximately RMB1.71 billion, representing a year-on-year increase of 42.1%. Amid the challenges of COVID-19 pandemic and external environment, the Group attached greater importance to the enhancement of cash flow management and quality of operation. The cash flow generated from operating activities of the Group for the financial year amounted to RMB3.13 billion, representing a significant increase of 155.8% on a year-on-year basis. Through three years of efforts, the Company has improved its quality and efficiency of operation, maximized its brand potential, and showed its love for the motherland. We are undoubtedly the leading competitor in Chinese brands, winning the most significant "key battle" of transformation and upgrade in its development history. To thank the shareholders for their continued support and recognition, the Board recommended the distribution of a final dividend of HKD10.0 cents per share in the financial year. This, together with the distributed interim dividend of HKD3.5 cents per share, the dividend distribution rate of the financial year was 70.8%, continuously generating steady returns for our shareholders.

Forging ahead quickly but steadily and reaching new heights again

Only the toughest grass can withstand the strongest wind, and the raging fire makes the real gold. The world is undergoing great changes unprecedented in a century. The severe challenges arising from global pandemic and the rapid development of a new round of digital revolution promoted the reconstruction of global economy as well as the social order. For Bosideng, the period from 2018 to 2020 was a three-year period for strategic transformation and brand upgrading, as well as a remarkable and memorable journey of unwavering efforts.

Sticking to the strategic direction and focusing on principal business and key brands

Since 2018, the Group has established the strategic positioning of "focusing on principal business and key brands", returned to the development model of "Brand Leadership" initiated at our start-up stage, adapted to develop in line with the trend of the era, deeply explored the brand gene of "Top Brands of Down Apparel with High Quality", and commenced its new journey of "starting a new undertaking". Over the past three years, the Group has concentrated on our advantageous strength, enhanced the deployment of strategic resources, fully upgraded the brands, products, channels, retails, supply chains and our capabilities in other aspects. Furthermore, main development indicators of our business recorded increase under adverse conditions, and we realized the strategic goals of achieving sustained, steady and significant growth. As for the core down apparel business, while focusing the positioning of *Bosideng* brand being on the "top-selling down apparel expert in the world", the Group enhanced the brand strength, devoted to product innovation, increased efforts in retail transformation and won the recognition of mainstream consumers. Our down apparel brands, such as *Snow Flying* and *Bengen*, have achieved promising development. OEM management business and fashionable ladieswear business have also weathered the unprecedented impact brought by the pandemic and remained steady and showed positive signs of growth in general.

We persevere in maintaining brand leadership to create value for our users in line with consumers' needs in this era

In the face of great challenges arising from the pandemic, the "strength of brand" has been proved as the best immunity against adverse conditions. The Group has been persistent in building brand confidence, persevering in maintaining "Brand Leadership", to diversify the propositions of our brands and increase the brand value, so as to gain consumers of the era with brand strength.

Fully leveraging on brand potential to enter the first rank of the top brands in China

We position the *Bosideng* brand from a global perspective, making a stunning appearance at the international Fashion Weeks in New York, Milan and London. We participated in the "China Brand Day" and were listed in "Strong Country Brand Project (強國品牌工程)" by CCTV. We publicized in various platforms of new media and We Media to enhance brand presence. The first mentioned awareness rate, net promoter score (NPS) and brand reputation of *Bosideng* secured first ranking in the industry, demonstrating its strong brand confidence and presence in the fashion sector.

Product innovation empowered by fashion and extraordinary quality achieved through craftmanship

Quality products made with remarkable craftmanship could withstand the test of time. With the height of our products underpinned by their depth, we could reach the peak of brand building-up. Also, the rising share of high-end product is driven by technology innovation of *Bosideng*. Our products are empowered by design in terms of collection development, fashion and branding. *Bosideng* has been collaborating with Mr. Jean Paul Gaultier, a prestigious French designer and the creator of the golden age for Hermès, as well as other global designers with outstanding talent and creativity, to include the global perspective and meet its commitment on "quality" and "worthy". With the collection of warmth products, we supported the Mount Everest climbers to reach the summit and facilitated the Antarctic scientific investigation. The collections also won the Golden Award for Excellent Industrial Design in China 2020 and the Global Design Award of ISPO Award 2021. We infuse the element of fashion and culture and create barriers of leading-edge technologies to enhance the awareness of brand experts. Building on these advantages and our comprehensive and vertical product lines, we could become the choice of a wider range of consumers.

Enhancing transformation of new retail and upgrading channels to activate new growth momentum

Based on our consumer-centered concept, we have made persistent efforts in enhancing transformation of new retail, particularly, promoting the integrated commodity operation, nationwide inventory management, connecting the "people, goods with market" as well as "production, sales with inventory" to effectively support store-level operation and efficiency improvements. We have opened outlet stores in Wanda, Intime, CapitaLand and other core shopping malls, and established our flagship stores in landmark business districts in Beijing, Shanghai, Hangzhou, Chengdu and other first-and-second-tier cities. The Group has seen iteration of our image in core business districts, further perfection of our talent team building in terminal outlets, booming stores in mainstream channel propelling our sales, effective precision marketing through live streaming e-commerce, in-depth expansion of circle-based and group-based supply scenarios and optimization and upgrade of consumption experience. Breakthroughs are made in online and offline omni-channel sales. *Bosideng's* Tmall flagship store took the lead in the "Double 11" and "Double 12" massive promotional activities, ranking first in the domestic apparel category for two straight years in terms of sales.

Making breakthrough in the flexible supply system and intelligent transformation and digital transformation to improve business quality and efficiency

As the Group has been accelerating intelligent transformation, we independently developed a software system and big data center with our own intellectual property rights, and established the most advanced intelligent delivery center and intelligent manufacturing production bases in the apparel industry in China. Therefore, our degree of intelligence and rapid response capabilities are far ahead of the average level in the industry, as we are able to instruct rapid production and replenishment while serving customers swiftly and accurately. Synergistic effects between production and sales help link up the process of front-end sales, mid-end inventory and production and outsourcing of back-end supply chain, which realizes timely match with the needs of consumers and data docking with core suppliers to ensure healthy inventory.

While striving to start a new undertaking and to realize transformation in three years, the Group has achieved dual benefits in terms of operational and social value by faithfully fulfilling its commitments and responsibilities to employees, partners, investors and the society. The Company has promoted four large share-based incentive initiatives in succession, and therefore, our team has united as a closer and more steadfast one, which became a team with a shared future during our corporate development. Whilst fighting against the COVID-19 pandemic with unity and solidarity, we, the Bosideng people, took the initiative to launch the charity activity themed "down apparel worth RMB300 million from Bosideng to front-line personnel in pandemic prevention". We also actively participated in the China Charity Federation's activity "Philanthropy Sending Warmth to Numerous Families (慈善情暖萬家)", assisting more than 20,000 poverty-stricken families, which has greatly contributed to fighting the decisive battle against poverty and passing on warmth.

TRUST IN BRAND AND LEAD TO SUCCESS

The year of 2021 marked the 45th anniversary of Bosideng's foundation. In the past 45 years, Bosideng has become a proud national brand by starting from a "mountaineering" dream in Shikumen, Shanghai to a corporate whose products were sold well in 72 countries, maintaining a leading position in the Chinese market for 26 consecutive years by sales volume. In the past 45 years, we shared the same fate with our country, kept pace with the spirit of the era and engaged with reform and innovation. In the past 45 years, we fearlessly confronted the headwinds in the global eventful market and promoted the development of the high-end textile and down apparel industry in China, making a history of a Chinese brand's "warm" commitment over nearly half a century.

Only in hard times can courage and perseverance be manifested. Only after polishing can a piece of jade be finer. In the post-epidemic era, amid China's strong economic recovery, its bigger say and increasing influence of Chinese brands in the world, the market size of down apparel in China has experienced notably growth with obvious concentration of brands and high-end trend, and remarkable siphonic effect of leading brands. Digitalization makes innovation boundless; innovation makes development unlimited and branding makes our future infinite. We are committed to building up a top brand not only in the domestic industry, but a leading brand in the world. The Group has formulated our medium to long term strategy for 2021 and next three years and launched the "A World Leading Expert in Making Down Apparel" initiative. We will focus on customers' value and digital and intelligent operation, integrate global innovative resources and upgrade *Bosideng* brand from the international mid-and-high end perspective to blaze a trail of "Chinese brand" in global market, so as to achieve sustainable and maximized market value.

Building a high-rise begins with mounds of soil. A journey of a thousand miles begins with a single step. Facing the future, we need to firmly uphold overall strategic positioning of "focusing on principal business and key brands". It is necessary to navigate the future with the insightful view into the ages, integrate the resources of the future into the present and deal with problems with the methods of the future. We create new consumer demands with innovation-driven and high-quality supply, so that we can keep sustainable profitability and push our brand's quality development toward "fast track".

Establishing the leadership, and maximizing the potential of our brand

The Group will thoroughly exploit the connotation of its brand, tell a compelling brand story and deliver its brand values, so that it can win the emotional resonance of customers of the era and improve the potential and influence of the brand among customers and industry.

Establishing the leadership of our products, and focusing on customer values

Through our persevering pursuit of leadership in terms of fashion, function, category and quality, the Group interprets fashion and trend with our cultural confidence, passes on the gene of warmth with original design, lays down solid foundation of competitiveness with cutting-edge technologies, so as to create its core competitiveness.

Enhancing efficiency of the channels, and accelerating multiple growth

The Group makes every effort to boost the integration of new retail and adopt a digital and intelligent operation model in which the whole process and whole industry chain are digitalized. In addition, to improve the profitability of individual outlet stores, the Group commits to aligning the brand image with channel, business with channel, people with channel and products with sales. The Group thus builds up a landmark flagship in core business districts in core cities to boost business growth through its superior innovation of whole-sector retail.

Upgrading the organization, and establishing smart platforms

The Group focuses its organizational effectiveness on "take users as priority", and accelerates the establishment of a large commodity smart cooperation platform featuring whole value chain and a large retail smart operation platform featuring whole scenario, to link up the whole value chain for business and achieve flexible production. Also, it creates a self-driven organization, continues to optimize co-operated and win-win mechanism and expends a fruit sharing and business partners platform so that it can steadily march forward an organizational culture that embraces changes, responds swiftly and shares values.

No matter how far we go, we will never forget where we came from. "Bosideng warms the world" is our unswerving original mission. It is our ambitious vision to be the most respected fashion and functional apparel brand in the world. It is our irresistible aspiration to be the "A World Leading Expert in Making Down Apparel". We will carry forward the spirit of "overcoming difficulties and striving for the best". We will live up to their trust and forge ahead regardless of difficulties, seize opportunities and continue to strive for the warm story of "Down Apparel in China, Bosideng in the World". We will unremittingly strive to reach the new height of "global leadership" in terms of brand and business performance, thus creating greater value for customers, employees, shareholders and society!

Gao Dekang
Chairman and President
June 23, 2021

The year 2020 was an extraordinary year. The outbreak and spread of COVID-19 plunged global economy into disorder and recession and led to a rise of trade protectionism and escalation of geopolitical tensions, which have profound impact on the operation of society and livelihood and posed tremendous systematic risks to the operation of global economy. Under extremely challenging and complex external environment, China made significant strategic achievement in respect of pandemic prevention and control with strict pandemic prevention measures and proactive financial policies, which made it the only major economy around the world that realized positive growth. The annual economic aggregate output of China exceeded RMB100 trillion for the first time, which has become a strong force behind the recovery of global economy.

Currently, China is taking full advantage of its super-large-scale market and the potential of domestic demand to accelerate the construction of a new development paradigm in which domestic circulation plays a dominant role and domestic and international dual-cycle reinforce each other. Under the new dual-cycle development pattern, consumer demand has been released at a faster pace and domestic demand has continued to recover and improve in both quality and efficiency. "Consumption upgrading" and "Better life" have become the mainstream topics in the new consumption environment. Despite the impact of the COVID-19 pandemic, the Group's tracking data indicate, that such new trends in consumption have not changed significantly.

FY2020/21 marks the last year of the first stage of the Group's new ten-year strategic plan, in which the Group had clarified the strategic direction of "focusing on our principal business and key brands" and adhered to the development model of "ensuring brand development leads the way of future expansion" to link to the development trends of the times. By exerting its efforts throughout its system including products, channels, retail, supply chain, etc., the Group achieved the operating results far above industry level in terms of growth and realized its goal of sustained, stable and high-growth development.

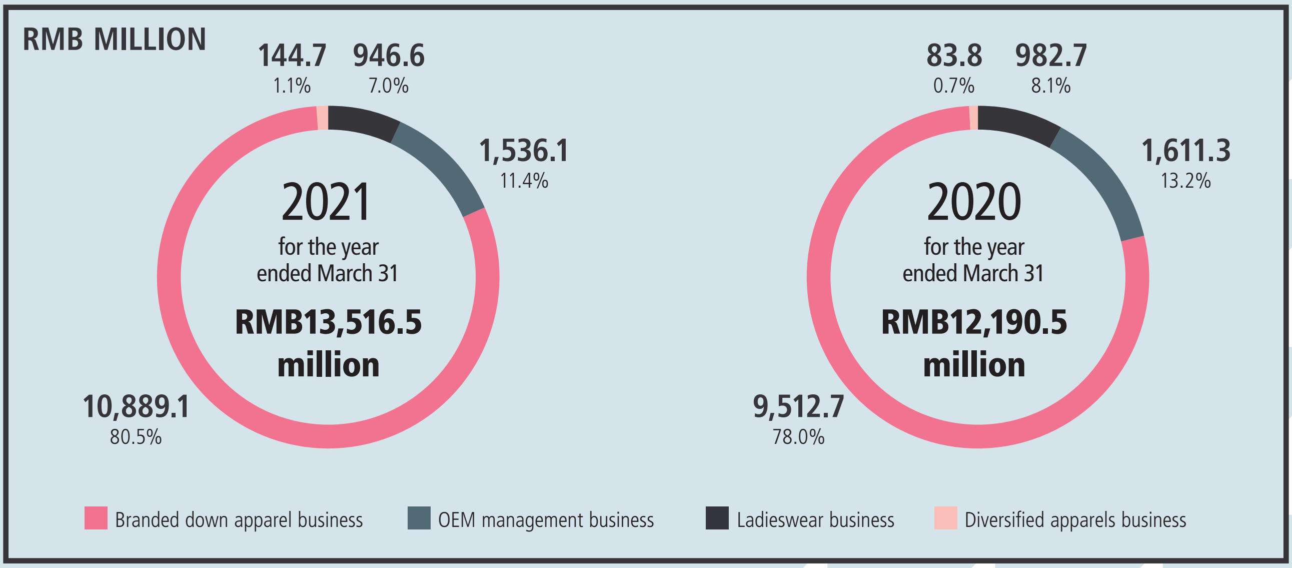
REVENUE ANALYSIS

In FY2020/21, the Group continued to use its brand in all aspects to lead its products, channels, and supply chain, fully stimulating the brand's strength, which has accumulated for many years. While firmly grasping the "four core competencies" of upgrading brand, upgrading retail, innovating products and adhering to high product quality and quick response, we actively differentiated and established the "two security systems" in relation to an organization, mechanism, culture and talent development system, and also a digital information system, and achieved progressive results.

For the Year, the Group's revenue amounted to approximately RMB13,516.5 million, representing an increase of approximately 10.9% as compared to that of the corresponding period of last year. The branded down apparel business, OEM management business, ladieswear business and diversified business are the Group's main business segments.

The branded down apparel business remained the biggest revenue contributor of the Group, and recorded revenue of approximately RMB10,889.1 million, accounting for approximately 80.5% of the total revenue, representing a year-on-year increase of 14.5%. The OEM management business recorded revenue of approximately RMB1,536.1 million, accounting for 11.4% of the total revenue, representing a year-on-year decrease of 4.7%. The ladieswear business recorded revenue of approximately RMB946.6 million, accounting for 7.0% of the total revenue, representing a year-on-year decrease of 3.7%. The diversified apparels business recorded revenue of approximately RMB144.7 million, accounting for 1.1% of the total revenue, representing a year-on-year increase of 72.7%.

REVENUE BY BUSINESS



Branded Down Apparel Business:

In FY2020/21, the Group actively responded to the adverse impact caused by the COVID-19 pandemic by focusing on "brand, product, channel and terminal" to carry out systematic construction from all angles. In terms of brand building, by fully exploiting its brand potential, participating in the "China Brand Day", being selected in CCTV's "Strong Country Brand Project (強國品牌工程)" and other activities, *Bosideng* led the industry in terms of top-of-mind awareness rate, net promoter score, and brand reputation and has become the first choice for middle and high-end down apparel consumption. In terms of product innovation, the Group has steadily increased the sales proportion of high-end products and continuously consolidated the recognition of down apparel experts through optimizing product structure, integrating quality and efficiency, matching business channels, and co-branding with cross sectoral intellectual property ("IP") and top international designers. In terms of channel optimization, product integration is beginning to take effect through promotion of channel upgrades, the continuous strengthening of the core commercial district, the accelerated upgrade of store image and the promoted sales of mainstream channels and popular stores. At the same time, the growth potential throughout all the sales channels has continued to be consolidated and strengthened by the accurate reach of live-streaming e-commerce.

For the Year, the *Bosideng* brand under the Group's branded down apparel business recorded an increase of 18.9% in revenue to approximately RMB9,993.7 million as compared to that of the corresponding period of last year. The revenue of the overall branded down apparel business segment increased by 14.5% to approximately RMB10,889.1 million as compared to that of the corresponding period of last year.

Brand Building

During the Year, the branded down apparel business segment continued to implement the competitive strategy of "top-selling down apparel expert in the world" and insisted on brand leadership, and focused on the main business of down apparel. It further enhanced brand power through upgrades of marketing and publicity, content innovation, new media optimization and other measures. Meanwhile, it actively promoted the improvement of product efficiency, and actively promoted the increases of operating results by adopting digital launch model of new media and refining the operation and maintenance of brand membership.

The *Bosideng* brand also attaches great importance to its cooperation with internationally renowned designers and IPs. Through IP cooperation with Mr. Jean Paul Gaultier, Walt Disney Company and Marvel, the Group launched brand new products which were well received and sought after among young consumers.

According to the *Bosideng* brand health tracking report made by Ipsos, *Bosideng's* current brand recognition and top-of-mind awareness rate are both in the leading position in China's apparel industry. Among them, the net promoter score (i.e. NPS) was as high as 55, and brand reputation was as high as 8.96. It has continued to be the preferred down apparel expert brand in the minds of more than 60% of Chinese consumers. These indicators of brand health have improved over previous years, and the *Bosideng* brand recognition in the minds of consumers has become more positive.

According to the "Brand Finance Apparel 50 2021" released by Brand Finance, one of the top five international authoritative brand value evaluation consultancy, *Bosideng* was selected for the first time as the third fastest growing brand with a growth rate of 39% and ranked 50th in the apparel brand list.

BRAND RECOGNITION

Preferred down apparel expert brand ≥60% Chinese Consumer

Brand Finance 50 2021 ranked 50th

In FY2020/21, *Bosideng* had continued to maintain its positioning as a down apparel expert, and commenced a series of brand events through product technology upgrades, cooperation with international designers and fulfilment of social responsibilities:

MAY 2020

Bosideng sponsored Chinese mountaineering team's height measurement activity of Mount Everest, perfectly interpreting the spirit of rock climbing and showing the professional strength of Chinese brands to the world.

SEP 2020

As the only textile and apparel brand showcased the Chinese Brand Day Gala, *Bosideng* actively implemented the strategy of strengthening a nation with brands and demonstrated its brand strength and entrepreneurial spirit.

OCT 2020

Bosideng continued to fulfill its corporate social responsibility (i.e. CSR) and launched a public welfare activity "For the Heroes in the Cold Wind (為了寒風中的英雄)", during which warm down apparels were gifted to the staffs of Xinjiang Kuqa Fire Rescue Brigade (新疆庫車消防救援大隊), the Liangshan Blue Leopard Rescue Team (涼山州藍豹救援隊), Inner Mongolia Alxa Suobian Ecological Cooperation Center (內蒙古阿拉善鎖邊生態協力中心), and the orphanage Derenyuan (德仁苑) in the Fenyi County, Jiangxi. It was shared and reported by authoritative media such as Xinhua News Agency, Global Times, China Daily, etc..

OCT 28, 2020

Bosideng, together with Mr. Gautier, the creator of the golden age of Hermes, released the "New-Generation down apparel Collection" at the Shanghai World Expo Center. The show was joined by Yang Mi and William Chan, the spokespersons of *Bosideng* Designer Collection, as well as celebrities in the media and fashion industry who attended to show their support. The event was widely reported by fashion authoritative media and became a hot topic among consumers. As a Chinese clothing brand that has focused on down apparel for 45 years, the Company constantly influence the design aesthetics of the down apparel industry.

NOV 2020

Bosideng collaborated with Chinese Antarctic Research Expedition to release an outdoor down apparel collection. Through the collaboration in design and development, the Company once again upgraded the innovative technology of down apparel and led the development of the brand and the industry. The outdoor down apparel collection has been well received by professionals and consumers and its strong sales created a new high in the performance of featured products. In addition, the outdoor collection also contributed to the great success of China's 37th Antarctic research expedition.

JAN 2021

Bosideng had the honour to be included in the recommendation list of New Year's gifts by "Sina Fashion", "marie claire", "《OK！精彩》" and other authoritative media and became the most popular New Year's gift in the fashion circle and consumers, which contributed to results improvement during the New Years holidays.

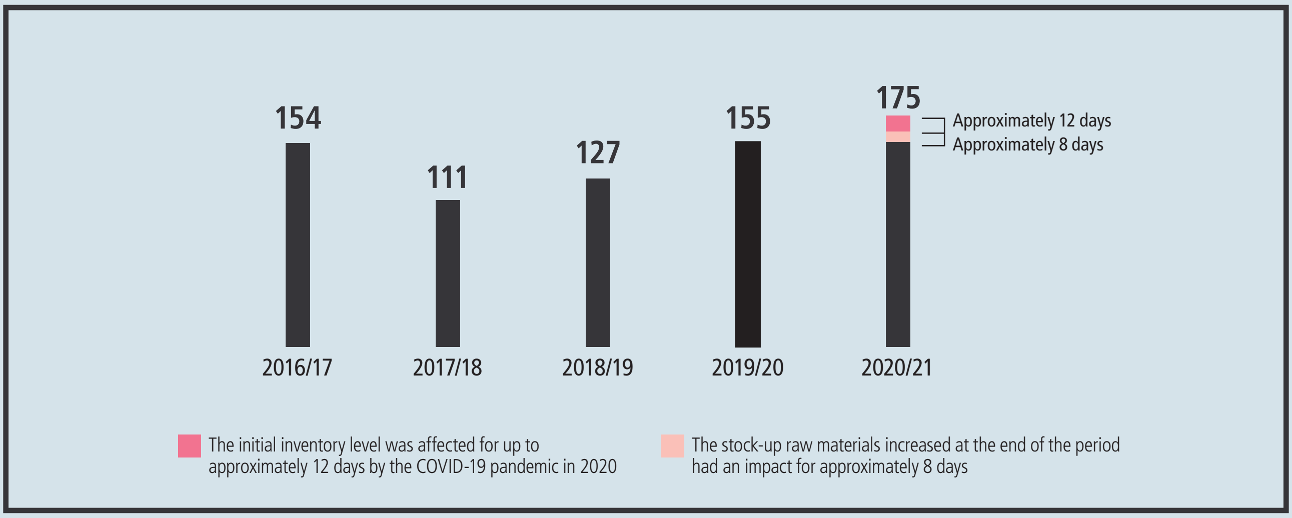
Commodity Management

In FY2020/21, the Group continued to completely separate order placements of direct sales and wholesale. Single-store orders were applied to self-operated stores, which meant products for sales in single stores would match the demand for orders and products would be produced with reference to the actual demand. Meanwhile, distributors adopt different flexible modes of order placement and rebate based on their respective scales of operation. Such system has optimized the mix of orders placed at self-operated stores and those placed by distributors, and hence the Group managed to maintain stability in order placement. For FY2020/21, the proportion of the first order placed between the Group and distributors decreased to no more than 30%, and the remaining orders shall be replenished based on actual market feedback and demand in the peak seasons. Such a demand-pull mechanism has been extremely effective in alleviating the inventory pressure of the Group under the COVID-19 pandemic and optimized the Group's channel inventory management to the greatest extent.

For FY2020/21, in the face of the impact of the COVID-19 pandemic, effective inventory management is one of the key focuses of the Group. By extending the management model of the Group's smart central delivery centre ("CDC") which serves all offline direct stores, franchised stores and e-commerce online to offline (i.e. O2O) businesses throughout the country, the Group unified the inventory management of 9 direct large warehouses and 12 small warehouses of distributors during this Year through an integrated inventory management platform. The Group achieved an inventory accuracy of 99.995% by adopting dynamic and static methods of inventory count during the process including suppliers' delivery, storage/return of commodities from market to warehouse, sorting and shelves arranging to continuously optimize availability of replenished goods, inventory turnover and other indicators in accordance with market sales conditions in conjunction with different strategies that allocate and store commodities.

Due to the impact of the COVID-19 pandemic in early 2020, the Group's inventory level at the beginning of this Year was relatively high; meanwhile, the amount of stock-up raw materials increased at the end of the period as the Group had made certain raw material reserve purchases since the purchase price of raw materials continued to rise during the second half of FY2020/21. As illustrated by the table below, excluding the two factors above, the Group's inventory level had remained relatively stable for the past three consecutive financial years, which was better than the average level of the industry.

INVENTORY TURNOVER ANALYSIS



Supply Chain Management

High product quality and quick response are the core competitive edges of the supply chain for the Group's continued success in the industry, and also the key elements in sustaining the Group's efficient, healthy and sustainable development. According to the current strategy on commodity management, each order placed for down apparel products of the Group are replenished with the goal of high product quality and quick response, while small quantities of new products will be launched to achieve a quick turnaround time. Meanwhile, the Group continued to replenish stock on a rolling basis during the peak seasons according to the sales data from end consumers, and hence achieved the target of maintaining high product quality and quick response in supply.

The COVID-19 pandemic served as a test for the supply chain management of the Group. During FY2020/21, the Group was able to make flexible and quick responses, and to achieve excellent quality and cost leadership through continuous innovation and continuous breakthroughs. For flexible and quick response, through various measures such as refined order management, production cycle management, material preparation management and precise order scheduling, the frequency of order replenishment in peak season sales was increased to more than 8 times and the quick-response cycle was increased to and stabilized at 7-18 days. For quality management, by focusing on user perception as the core of improvement, the Group, through team co-creation, established an internal active network to formulate management and control measures that centers on user perception and further expands to organization, mechanisms and standards. Externally, the Group targeted high-end resources and built a high-end quality digitalized system to achieve forward management and control as well as reverse order tracking in the entire process and to ensure real-time online and transparent quality control. For cost control, despite the increasing uncertainties in the market environment under the impact of the pandemic in FY2020/21, and that the overall raw material market was unstable. The Group made use of *Bosideng's*

advantages in its brand, volume and capital to guide suppliers to strictly control cost in each step of the whole process. The Group also strengthened suppliers' awareness to reduce cost from a strategic and long-standing collaborative mindset to achieve synergistic co-existence and reach a consensus on cost reduction. The Group cooperated with its suppliers to cope with the fluctuations in raw material prices, overcame difficulties, and achieved a win-win situation.

Logistics and Delivery

For logistics and delivery, the Group adopted a system to automatically match transport and delivery resources for each order based on traffic (mainly including order quantity, weight and size), combined with limitations such as the advantages of social transport and delivery resources, transport cost and timeliness. The Group also collects and monitors data of each step of the entire process, including collection, distribution, in-transit and sign-off, to achieve a delivery timeliness of approximately 98% and a near 100% order accuracy. At the same time, in response to the centralized logistics and delivery of down apparel during peak season sales, the Group has strengthened its own capabilities. Regardless of the volume of orders of each peak season, the Group was able to achieve shipping orders out of the warehouse on the same day the orders were placed and delivering them to retail stores or consumers on time according to the agreed timeline.

On October 23, 2020, the Group also acquired the entire equity interest in Suzhou Bosideng Logistics Co., Limited (蘇州波司登物流有限公司) (the "Logistics Park" or "Suzhou Bosideng Logistics"). After the acquisition, the Logistics Park will mainly serve the branded down apparel business and OEM management business, which are the two main businesses of the Group. The integration of the Group's existing logistics management system with logistics plant and warehousing systems will play a key role in the continuous upgrade of the Group's future integrated construction of logistics parks, the improvement of operational efficiency and the establishment of a smart CDC.

Digital Operation

In FY2020/21, to cope with the global digital development trend, by virtue of Alibaba Data Center technology, the Group focused on the two areas of retail and commodities to implement digital exploration, which primarily comprises:

The establishment of a membership tag system:
By combing, cleaning and processing data on the four dimensions of members' natural attributes, social attributes, preferences and interests, and transaction records, consumer digital portrait is initially completed, and the online and offline omni-channel membership ONE ID tags system is achieved to lay the foundation for precision marketing;

Reconstruction of the automatic replenishment system for offline stores:
An automatic replenishment scheme for offline stores is formulated to retain the original system front-end page on one hand, and make full use of the computing power of the data center on the other hand to migrate the logical calculation part to the data. After the launch, the number of replenishment calculations in stores nationwide has been reduced from the original 5 hours to 1 hour, which has greatly improved the efficiency of product operations; and

Attempt to precision marketing:
Based on the planned sales scenario, on the one hand, the supporting tools of Alibaba Data Center is adopted to accurately select the target population, and on the other hand, targeted content dissemination is achieved through digital media or the target population is accurately reached via digital SMS and other means.

New Retail Operations

In FY2020/21, the Group continued the use of corporate WeChat to build a more convenient communication bridge with customers, and achieved over 9.3 million new corporate WeChat fans. The Group had over 6.7 million followers on its WeChat account. The number of registered members of *Bosideng* in Tmall platform was over 4.76 million, an increase of more than 160% as compared to that of the end of the last financial year. In particular, the number of young consumers under the age of 30 accounted for approximately 27.4%, a significant increase from the end of the last financial year. Furthermore, member repurchase sales had accounted for 26.9% of the total offline sales.

In terms of new retail digital innovation, we created customer tags through Alibaba Data Center, reached customers with high-quality digital content and generate sales through checkout mini programs. At the same time, it provided marketing assistant for each corporate WeChat shopping guide, and used the data center to match interactive content templates for terminal shopping guides to assist them in maintaining good customer relationships.

Technological Innovation

The Group attaches great importance to the technological innovation of products. In FY2020/21, the Group undertook the Antarctic scientific expedition and the technology and quality services of climbing products. During the Year, the Group applied for an aggregate of 17 patents, including inventions, utilities and appearance patents, and obtained 26 patent certificates for previous application, which provided patented technology and endorsement support for down apparel experts. Meanwhile, the Group cooperated with down suppliers to complete the development of odor-removing down technology and applied it on a large scale this Year. The complaint rate of product down odor dropped significantly by more than 80% as compared to that of the same period of last year. As at the date of this report, the Group has accumulated all 231 patents (including invention, utility model and appearance patents).

The Group plays the role of the down apparel sub-committee of the National Clothing Standards Committee and the ISO/TC133 secretariat, the core drafting unit and the first drafter of the Down Clothing standard GB/T14272-2021, and the fourth drafting unit of the Ski Clothing. For two consecutive years, the Group has been awarded the top-ranked Corporate Standard Leader for down apparels by the State Administration of Market Regulation, fully demonstrating the Group's image as a standard leader.

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

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

The combination of product design and consumer preferences is the key to product innovation. The Group conducted precise development of different series of product for consumers based on consumer preferences and cognitive models. On the whole, new product development of the Group was articulated in different scenarios: "sports" represented fashion, "business" represented quality, "outdoor" represented functionalism and "leisure" focused on current fashion trends to create hot-selling products. Through a series of scientific, objective and methodical design processes covering customer research, market research, trend analysis, design planning, product development, customer appreciation, ordering feedback, sales feedback and summary review, we endeavored to present new series of products to consumers. In addition, the Group also attaches great importance to cooperation with international designers and well-known IPs, and develops new products by continuously introducing new ideas and concepts, and combining the unique brand genetic characteristics of the *Bosideng* brand.

In FY2020/21, *Bosideng's* climbing series of down apparels won the gold medal award in China Excellent Industrial Design, becoming the first independent clothing brand in China receiving the honor. Meanwhile, the climbing series helped the Chinese mountaineering team's 2020 Mount Everest elevation measurement mountaineering activities. The urban ski series won the ISPO Award – Global Design Award. The professional warmth series sponsored the 36th and 37th Antarctic expedition missions of Chinese Antarctic expedition team.

THE KEY PRODUCT COLLECTIONS IN FY2020/21 INCLUDED:

Extreme Cold Collection

Since its birth in 2017, the Extreme Cold Collection has won the favor and love of consumers with its "extreme cold-resistant, thick and warm" fashionable outdoor style, and has become one of *Bosideng's* most well-known theme products. 600+ high-loft quality goose down, with a generous fluffy large fur collar satisfies consumers' rigid needs for keeping warm from the cold; a variety of silhouettes and lengths are available to suit different consumer body types and wearing preferences; brilliant and colorful color palettes matching with classic camouflage prints satisfies consumers' demand for fashionable appearance. The entire series adopts *Bosideng's* upgraded velvet-locking process to solve consumers' worries about cluster sticking out of needle holes and make consumers wear more comfortable and at ease.

High-end Outdoor Collection

The High-end Outdoor Collection with urban elites and middle-level and high-level government enterprises as the core consumer groups, satisfies consumers' daily business commuting needs, with the function of resisting the harsh outdoor climate environment. The main function, fashion and quality positioning, in addition to the use of uncommon 800+ European imported goose down, the Group is in close cooperation with Gore-tex – "cloth of the century" in terms of fabric, which brings consumers long-lasting windproof and rainproof, highly breathable wearing experience. The 3D cut version and laser laminated details not only show the wearer's luxurious and simple style, but also present highlight high-quality details; the iconic WIFI logo adds technological attributes to the entire series.

City Sport Collection

Led by Italian designers, the design of this collection gives a visual impression of vigor and energy with dazzling and comforting color to create workwear products with brand-new sense by combining the stylish silhouette suitable for young consumers in Asia. Meanwhile, this collection was made of high-quality goose down with 600+ fill power, which provides a warmer and more comfortable wearing experience to consumers. Yang Mi and William Chan were the spokespersons for the theme products, which attracted the attention and love of the young consumer base.

Stylish Sport Collection

With the dynamic coastline "Protecting the Blue Sea" as the design inspiration, this collection injects young and vigorous elements into the theme products by combining stylish colors and 3D streamline models. Meanwhile, it upgrades the process that tightly locks down the craftsmanship spirit to offer downproof and more comfortable apparel to the consumers. Yang Mi and William Chan were also the spokespersons for the theme products, which attracted the attention and love of the young consumer base.

Puff Collection

Developed by a senior domestic/foreign design team, this collection returns to the most classic comfort experience of down apparels. Lightweight light-sensitive materials were used, with fashionable and advanced tailoring, and high-quality goose down to create a fashionable puff down apparels with "lightness | fluffy | warmth" to meet consumers' different styles of dressing demands. Products of the collection are promoted by celebrities, and are concerned and loved by consumer groups.

Bosideng X Gaultier Joint Series

Bosideng once again joined hands with Mr. Jean Paul Gaultier, the creator of the golden age of Hermes, in interpreting a new generation of down apparels. The joint series is designed by Mr. Gaultier himself. With the help of *Bosideng's* professional craftsmanship, the classic elements of Gaultier, such as navy style and fish-bone girdle, are displayed and re-innovated on down apparels, breaking the traditional design of down apparels. The unparalleled fashion pioneering concept and *Bosideng's* 45 years of professional accumulation in the down apparel field have merged into the "new generation down apparel".

Classic Business Collection
This series adopts neat silhouettes, high-end fabrics, exquisite craftsmanship and versatile styles, which can easily cope with multiple scenes such as urban commuting, social interaction and business travel.

Light Down Apparel Collection

The down apparel of this collection is as light as 330g per piece, making it the lightest down apparel ever in the history of *Bosideng*. In terms of materials, it is made of ultra-soft skin fabric, and the skin-friendly cotton feels smooth and soft. In terms of technology, anti-lint technology is adopted and the fabric was first quilted before down was filled to prevent the down cluster from sticking out of needle holes.

Multi-brand Strategies

While emphasizing the development of *Bosideng* brand and reshaping *Bosideng* as a mid-to-high-end functional brand in the era, the Group maintained the strategy of "Down apparel +" to continuously develop and position its branded down apparel business under its mid-end brand *Snow Flying* and cost-effective brand *Bengen*, as part of its efforts in gaining more market share in the industry.

Snow Flying

In FY2020/21, the *Snow Flying* brand recorded revenue of approximately RMB551.7 million, representing a year-on-year increase of 10.7%. In FY2020/21, the *Snow Flying* brand launched its online distribution business, optimized offline sales business, and achieved the steady development of the brand.

During the Year, the *Snow Flying* brand further optimized the innovative era business model and made efforts online, achieving rapid development of the brand and a year-on-year growth higher than the industry. In terms of traffic, the *Snow Flying* brand had reached strategic cooperation with top traffic platforms such as Tmall and Vipshop to obtain top traffic resources. Meanwhile, it recorded new retail traffic through the promotion of new models such as member marketing, live broadcast, short video, Internet celebrity and community. In terms of category extension, through the deep exploration and innovation of down fist categories, the creation of explosive collections, extending T-shirts, sweaters, children's clothing and other categories, careful products selection, functional selling points refinement, this brand focused on sinking mainstream young user groups in the market and making breakthroughs in inclusive categories. In terms of authorization model innovation, the high-quality resources of the superior original design manufacturing (i.e. ODM) suppliers in the industry were integrated to achieve asset-light operations, and seize mainstream sales channels in collaboration with high-quality distribution operators in the industry. In terms of channel construction, this Year, the *Snow Flying* brand had been operating smoothly through the innovative online distribution model, the online omni-channel sales share had increased significantly, and the online retail flow had also increased by more than 100% this Year as compared with that of the same period of last year.

Bengen

During FY2020/21, the *Bengen* brand recorded revenue of approximately RMB146.8 million, representing a year-on-year decrease of 28.6%. Compared with *Bosideng* and *Snow Flying* brands of the Group, the transformation of the *Bengen* brand has been relatively slow. Coupled with the impact of the epidemic, *Bengen's* traditional business model, which was based on wholesale agents, no longer has market competitiveness. Therefore, in the Year, *Bengen* has made great efforts in reducing offline agency channels and begin to transform and develop online channels. In FY2020/21, the offline revenue of the *Bengen* brand fell by 80.7% compared with that of the same period of last year due to the full contraction of offline stores and the full return of the original agent inventory. Meanwhile, the *Bengen* brand increased product coverage and crowd coverage through online distribution, and recorded online distribution authorization revenue of approximately RMB14.9 million, representing a significant increase of online sales of more than 50% on a year-on-year basis.

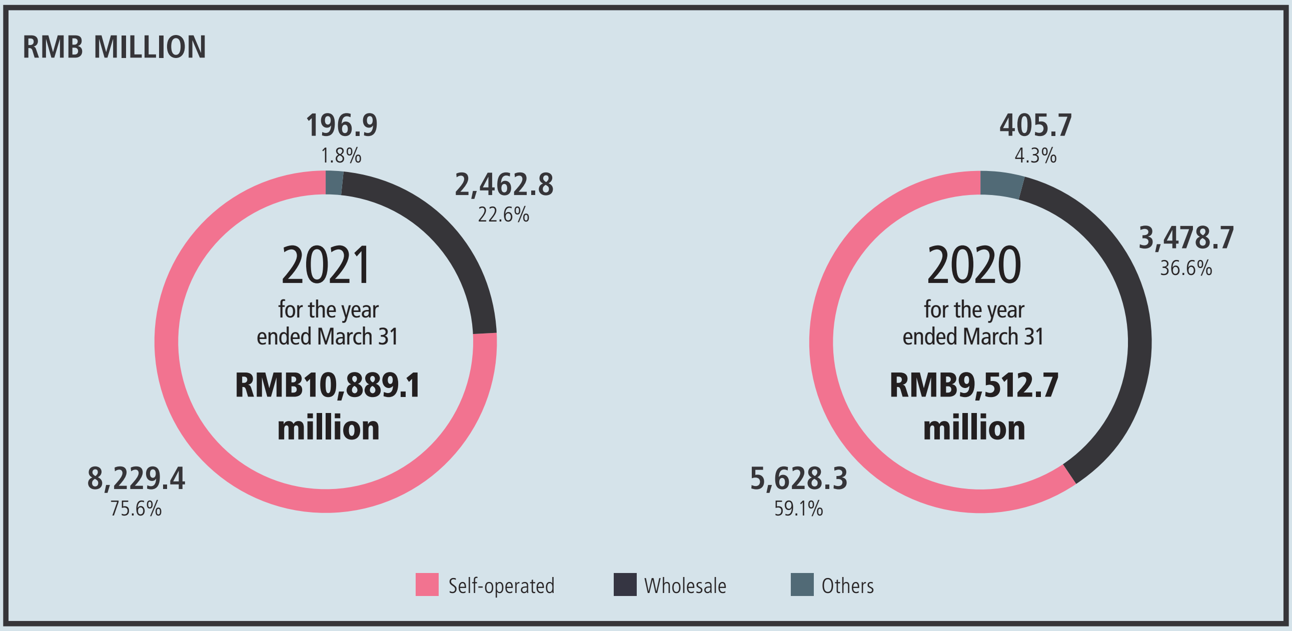
Revenue from down apparel business by brand

	For the year ended March 31,				
	2021		2020		
Brands	**RMB million**	**% of branded down apparel revenue**	RMB million	% of branded down apparel revenue	Changes
Bosideng	**9,993.7**	**91.8%**	8,403.3	88.3%	18.9%
Snow Flying	**551.7**	**5.1%**	498.2	5.2%	10.7%
Bengen	**146.8**	**1.3%**	205.5	2.2%	-28.6%
Others	**196.9**	**1.8%**	405.7	4.3%	-51.5%
Total revenue from branded down apparel business	**10,889.1**	**100.0%**	9,512.7	100.0%	14.5%

Revenue from branded down apparel business by sales category

	For the year ended March 31,				
	2021		2020		
Sales categories	**RMB million**	**% of branded down apparel revenue**	RMB million	% of branded down apparel revenue	Changes
Self-operated	**8,229.4**	**75.6%**	5,628.3	59.1%	46.2%
Wholesale	**2,462.8**	**22.6%**	3,478.7	36.6%	-29.2%
Others*	**196.9**	**1.8%**	405.7	4.3%	-51.5%
Total revenue from branded down apparel business	**10,889.1**	**100.0%**	9,512.7	100.0%	14.5%

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

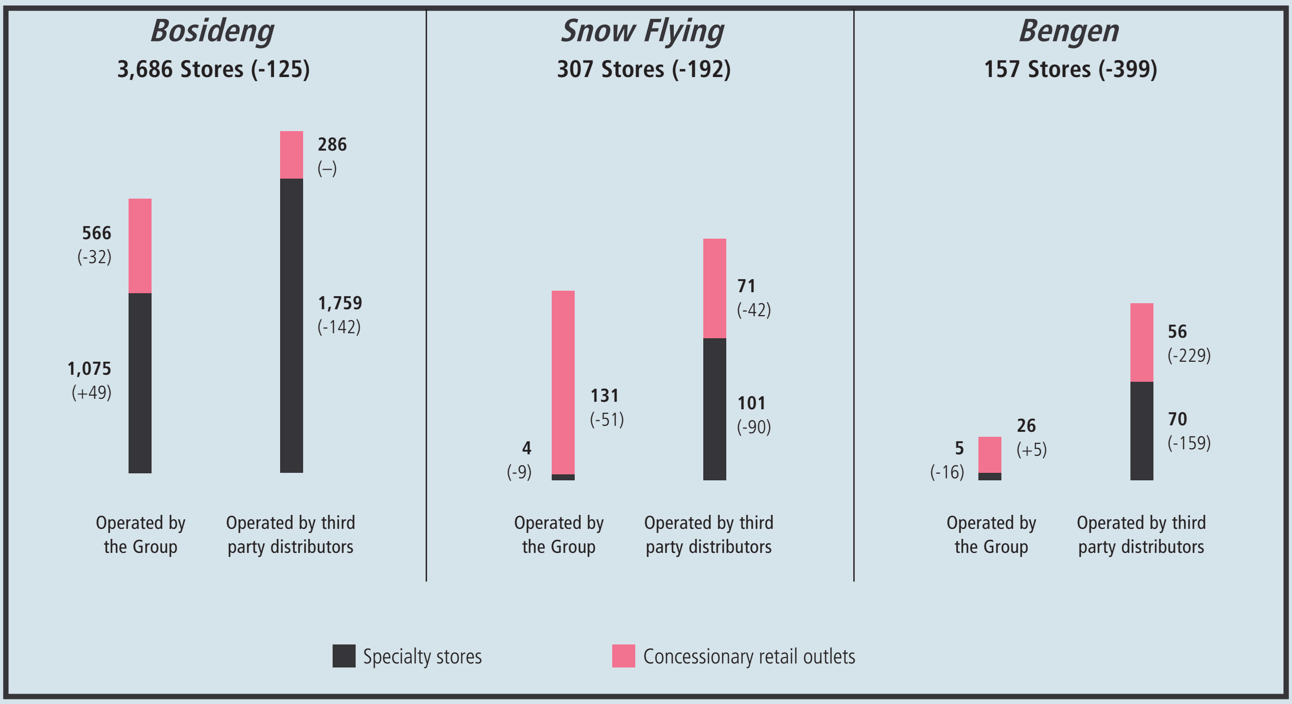


In FY2020/21, the Group's channel construction was relatively cautious. In terms of offline channel construction, the Group mainly focused on optimizing the existing channel structure and migrating to the mainstream channels of the times as the main construction ideas, which include opening large-scale stores and image stores in mainstream business circles and core areas, and closing low-efficiency stores. Newly opened large-scale stores and image stores in this Year were mainly self-operated stores. The Group hoped to further promote consumer awareness of our brand and increase the efficiency of single store output by strengthening refined retail operations. At the same time, the dealer team of the Group was relatively stable this Year, and the distribution channels also actively collaborated with the Group under the influence of the epidemic and achieved satisfactory results. In terms of online channel construction, the Group actively promoted new retail operations and digital transformation, and achieved breakthroughs in precision marketing and integrated operation of goods. As at March 31, 2021, the total number of selling points of the Group's down apparel business (net) decreased by 716 to 4,150; self-operated selling points (net) decreased by 54 to 1,807 and selling points operated by third party distributors (net) decreased by 662 to 2,343. The self-operated and third party distributor-operated selling points as a percentage of the overall selling points were 43.5% and 56.5%, respectively. Among the total selling points of the Group's branded down apparel business, approximately 28.0% were located in the first- and second-tier cities (namely, Beijing, Shanghai, Guangzhou, Shenzhen and provincial capital cities in China) and approximately 72.0% were located in the third- and lower-tier cities.

Retail network breakdown by down apparel brand

As at March 31, 2021	*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	1,075	49	4	-9	5	-16	1,084	24
Operated by third party distributors	1,759	-142	101	-90	70	-159	1,930	-391
Subtotal	2,834	-93	105	-99	75	-175	3,014	-367
Concessionary retail outlets								
Operated by the Group	566	-32	131	-51	26	5	723	-78
Operated by third party distributors	286	–	71	-42	56	-229	413	-271
Subtotal	852	-32	202	-93	82	-224	1,136	-349
Total	**3,686**	**-125**	**307**	**-192**	**157**	**-399**	**4,150**	**-716**

Change: Compared with that as at March 31, 2020

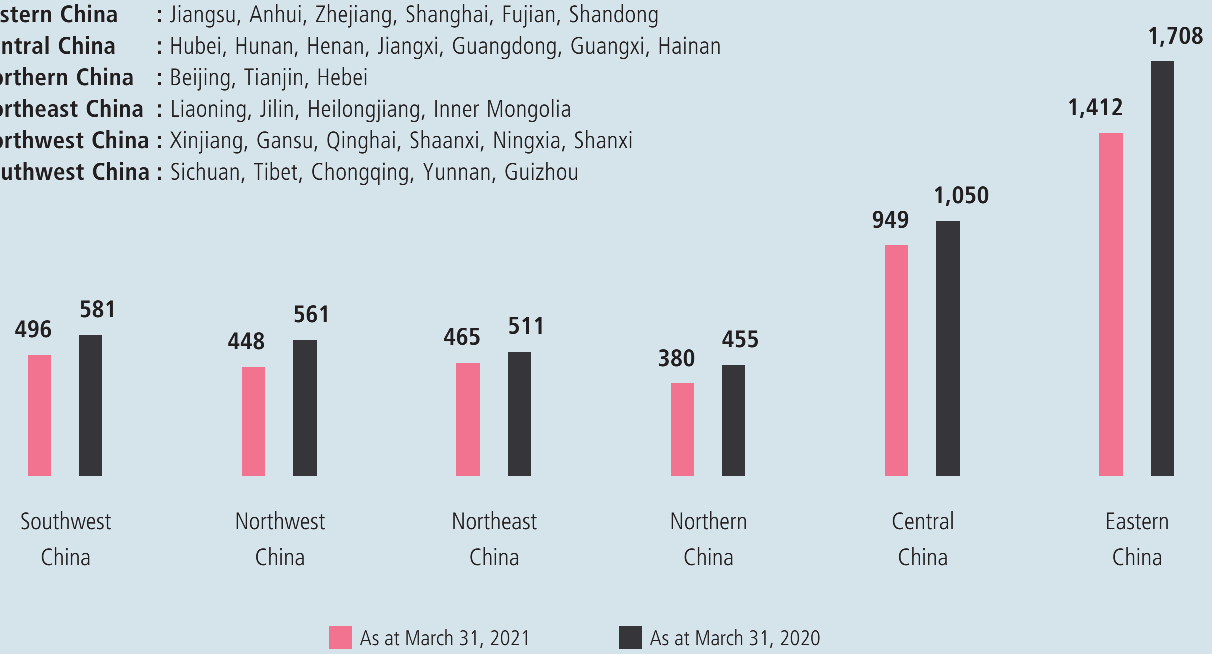


Retail network of branded down apparel business by region

	As at March 31, 2021	As at March 31, 2020	Change
Eastern China	**1,412**	1,708	-296
Central China	**949**	1,050	-101
Northern China	**380**	455	-75
Northeast China	**465**	511	-46
Northwest China	**448**	561	-113
Southwest China	**496**	581	-85
Total	**4,150**	**4,866**	**-716**

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



OEM Management Business:

During FY2020/21, revenue from the Group's OEM management business amounted to approximately RMB1,536.1 million, representing 11.4% of the Group's revenue and slightly decreasing by 4.7% as compared to that of the corresponding period of last year. The percentage of revenue for the OEM management business from the top five customers accounted for approximately 86.5% of its total revenue.

At the beginning of 2020, affected by the COVID-19 pandemic in Europe and the United States, major apparel brand stores have closed and some customers had to cancel or delay their orders in batches, coupled with the influence of Sino-US trade war frictions and various uncertain factors, the development of the OEM management business faced unprecedented challenges. In the face of dilemma, the OEM management business team endeavored to maintain the stickiness of core customers, rapidly expanded new customer resources and increased some orders correspondingly. At the same time, we seized the opportunity arising from the pandemic and exported some anti-pandemic supplies. Therefore, the overall decline in the OEM management business was much better as compared to the overall decline in the industry. Through various measures to strictly control costs and expenses, the gross profit margin of the OEM management business increased by 1.1 percentage points to approximately 19.6%.

Meanwhile, in order to meet customers' demand for product mix, the OEM management business team continued to expand the production capacity in Vietnam and other Southeast Asian regions, leveraging on the Group's production management experience as the "down apparel expert", the quality management of the newly added production capacity and the control of the production process of orders were rapidly enhanced to effectively cope with the impact of uncertainties brought about by future policy changes, and to ensure the sustainable growth of the OEM management business in the future.

Ladieswear Business:

The Group operates four mid- to high-end ladieswear brands to cater to customers' dressing needs on different occasions. After 15 to 30 years of brand accumulation, the four brands present a rich product hierarchy and unique differentiated style positioning. *JESSIE* features simple and smooth products, highlighting the self-confidence and independence of intellectual women; *BUOU BUOU* features elegant, romantic and detail-oriented products, showing feminine charm, while each of *KOREANO* and *KLOVA* features artistic and understated-luxury products, bringing characteristic and ultimate wearing experience to customers. In the highly competitive and relatively low-concentration ladieswear market in the PRC, the Group's ladieswear business, relying on deep brand accumulation, mature marketing strategies and continuous optimization of design and development, has a large loyal and high-quality customer base.

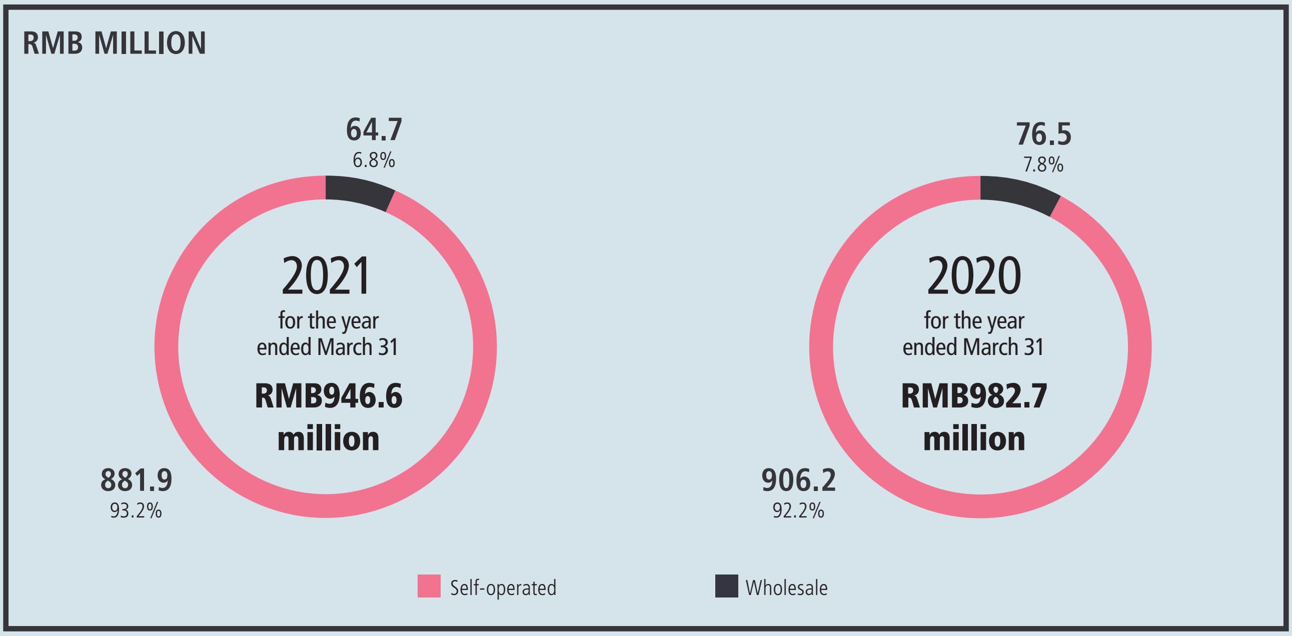
During FY2020/21, revenue from the Group's ladieswear business was approximately RMB946.6 million, representing a decrease of 3.7% as compared to that of the corresponding period of last year. The contribution from the ladieswear business to the Group's total revenue was 7.0%. Revenue from the ladieswear brands were as follows:

Revenue from ladieswear business by brand

	For the year ended March 31,				
	2021		2020		
Brands	**RMB million**	**% of ladieswear revenue**	RMB million	% of ladieswear revenue	Change
JESSIE	**302.8**	**32.0%**	333.5	33.9%	-9.2%
BUOU BUOU	**257.7**	**27.2%**	315.9	32.2%	-18.4%
KOREANO and KLOVA	**386.1**	**40.8%**	333.3	33.9%	15.8%
Total revenue from ladieswear business	**946.6**	**100.0%**	982.7	100.0%	-3.7%

Revenue from ladieswear business by sales category

	For the year ended March 31,				
	2021		2020		
Sales categories	**RMB million**	**% of ladieswear revenue**	RMB million	% of ladieswear revenue	Change
Self-operated	**881.9**	**93.2%**	906.2	92.2%	-2.7%
Wholesale	**64.7**	**6.8%**	76.5	7.8%	-15.4%
Total revenue from ladieswear business	**946.6**	**100.0%**	982.7	100.0%	-3.7%



Ladieswear – *JESSIE*

In FY2020/21, *JESSIE* actively responded to the impact of the COVID-19 pandemic. The brand promoted the effective connection with core consumer groups by strengthening new marketing and digital marketing layout, establishing community marketing and micro-mall platforms, so as to gradually increase brand-specific private domain traffic; meanwhile, it precisely guided customers experience in-store by strengthening online and offline interaction, and continued to increase the conversion rate of live broadcasts, thereby alleviating the adverse effects of the epidemic.

In terms of product marketing, *JESSIE* focused on key categories in autumn and winter, and actively carried out themed marketing activities of "Coat Festival, Fur/Nic Clothing Special", to create a good sales atmosphere with important nodes. In terms of terminal construction, through the close linkage of multiple operating departments such as direct operation, training, planning and promotion and display, the operation management system is optimized from the aspects of terminal picking and landing, product reorganization and integration, product value shaping and brand promotion, and precise member maintenance to form a joint force and further promote terminal implementation conversion. In terms of product innovation, by strengthening the close coordination between the design, merchandise, and marketing departments, the internal review of the design department and the joint review mechanism of marketing, merchandise, procurement and other departments were further improved. The frequency of version evaluation was increased to set up a quick response team, and achieve precise research and development, timely supplement, timely optimization and adjustments in response to the defects of product launches in the current season and the needs of some key stores.

In the face of the COVID-19 pandemic, the *JESSIE* brand established the "Enablement and Growth" project team, direct sales, training, planning and promotion, display and other departments were linked to further promote the implementation and conversion of terminals. At the same time, *JESSIE* also promoted close collaboration between the design department and marketing department to improve product innovation and marketability. However, in light of the huge impact of COVID-19 on the consumption industry, the annual revenue from *JESSIE* ladieswear business fell by 9.2% to approximately RMB302.8 million, among which, the revenue from self-operated and wholesale business decreased by 7.3% and 17.5%, to approximately RMB251.1 million and RMB51.7 million, respectively.

Ladieswear – *BUOU BUOU*

In FY2020/21, *BUOU BUOU* was also severely affected by the COVID-19 pandemic. On this basis, *BUOU BUOU* actively responded by means of refined management of existing online and offline sales platforms and sales outlets, increasing online sales channels and strengthening the designer team.

At the sales expansion front, the *BUOU BUOU* team has continuously strengthened online and offline interactive management in a timely manner to cater to customers. It has expanded its sales breadth by implementing measures such as shopping guide mobile WeChat, online sales in store live broadcasts, and delivery of goods to home; at the same time, the online "WeChat Mall" platform built through its own brand guided offline customers who do not go out to online consumption for precision marketing. For existing offline stores, it has effectively increased customer stickiness, especially the favorability of similar brands with overlapping customers, by improving the quality of terminal services and launching after-sales services such as apparel adjustment and laundry. For offline sales channel, *BUOU BUOU* readily responded by negotiating with shopping malls in terms of reduction in concessionaire fees, minimum guarantees and rental expenses to reduce operating costs, while for online sales channel, the recovery of the overall operating capabilities was promoted by expanding new platforms, enhancing existing customer stickness and the interaction between online and offline sales. On the product R&D front, the *BUOU BUOU* team was actively looking for breakthroughs in design inspiration by recruiting new design directors and introducing excellent talents to enhance product competitiveness and explicitly designed products which are exclusively offered online to cater to mainstream online customers through online big data analysis.

However, due to the impact of the COVID-19 pandemic, the sales of *BUOU BUOU* in the Year were affected to a certain extent. *BUOU BUOU's* revenue during FY2020/21 was approximately RMB257.7 million, representing a decrease of 18.4% from the previous year, among which, the revenue from self-operated and wholesale business decreased by 19.0% and 5.6%, to approximately RMB244.7 million and RMB13.0 million, respectively.

Ladieswear – *KOREANO* and *KLOVA*

By virtue of over 30 years of brand accumulation, the stable and mature channel operation capabilities, the loyalty and recognition of a wide range of membership customer base and good product design and development capabilities and other advantages, the results of *KOREANO* and *KLOVA* showed a sound momentum of rapid recovery in performance after the outbreak of COVID-19. In FY2020/21, the performance of these two brands was relatively outstanding, and the overall growth rate was much better than the overall performance of ladieswear industry. Revenue from *KOREANO* and *KLOVA* during the FY2020/21 was approximately RMB386.1 million, representing an increase of 15.8% from the previous year.

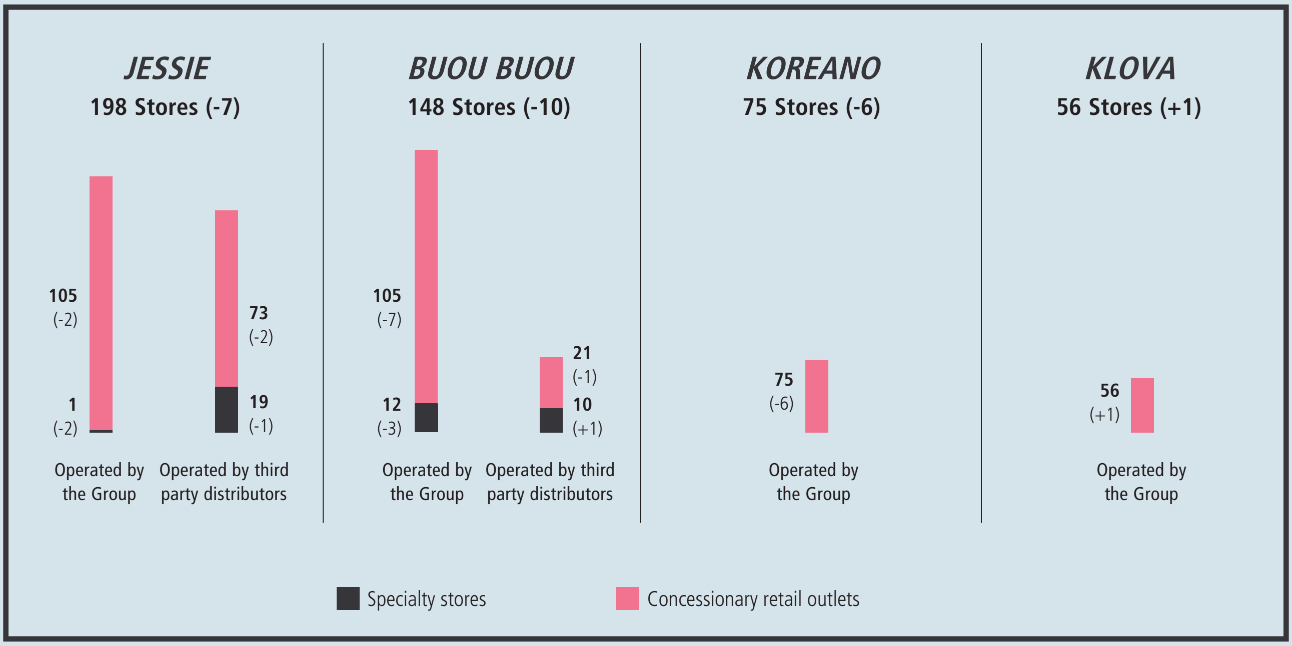
KOREANO and *KLOVA* mainly supported the growth of annual performance by maintaining stable pricing, optimizing channels, controlling expenses, strengthening member interaction and improving the efficiency of single stores. In terms of maintaining stable pricing, the brands controlled discounts at regular-priced stores with a focus on buying discount and redemption of points for cash and gifts. At the same time, high-quality bonus products that conform to the concept of "health and beauty" were launched to continuously enhance customer experience and maintain brand image. In terms of channel construction, channel structures were further optimized, inefficient and loss-making stores were closed, and effective stores were opened as appropriate based on the actual condition of the epidemic, thereby consolidating the quality of existing channels. In terms of cost control, negotiations were organized with various guaranteed malls during the epidemic to exempt some stores from guarantees. In terms of strengthening member interaction, online and offline new retail and live broadcast interactive models were promoted vigorously to conduct broadcast live and display of new products on a per-session basis with the help of live broadcast accounts in various shopping malls, so as to attract VIPs in key shopping malls, increase the number of members, and invite new and old VIPs to experience and successfully bind effective customers. In terms of improving the efficiency of a single store, the "track" battle incentive scheme was optimized to promote healthy competition among regions, groups and stores, therefore, the sales of regular-priced stores have been comprehensively improved.

As of March 31, 2021, the total number of retail outlets of the Group's ladieswear business decreased by 22 to 477, self-operated retail outlets decreased by 19 to 354 and net retail outlets operated by third party distributors decreased by 3 to 123 as compared to the same period of last year, respectively. Self-operated retail outlets and those operated by third party distributors accounted for 74.2% and 25.8% of the entire retail network, respectively. Of the total retail outlets of the Group's ladieswear business, approximately 60.8% are located in first- and second-tier cities (i.e. Beijing, Shanghai, Guangzhou, Shenzhen and provincial capital cities in China) and approximately 39.2% are located in third-tier cities or below.

Retail network breakdown by ladieswear brand

As at March 31, 2021	***JESSIE***		***BUOU BUOU***		***KOREANO***		***KLOVA***		**Total**	
	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	-2	12	-3	–	–	–	–	13	-5
Operated by third party distributors	19	-1	10	1	–	–	–	–	29	–
Subtotal	20	-3	22	-2	–	–	–	–	42	-5
Concessionary retail outlets										
Operated by the Group	105	-2	105	-7	75	-6	56	1	341	-14
Operated by third party distributors	73	-2	21	-1	–	–	–	–	94	-3
Subtotal	178	-4	126	-8	75	-6	56	1	435	-17
Total	**198**	**-7**	**148**	**-10**	**75**	**-6**	**56**	**1**	**477**	**-22**

Change: Compared with those as at March 31, 2020

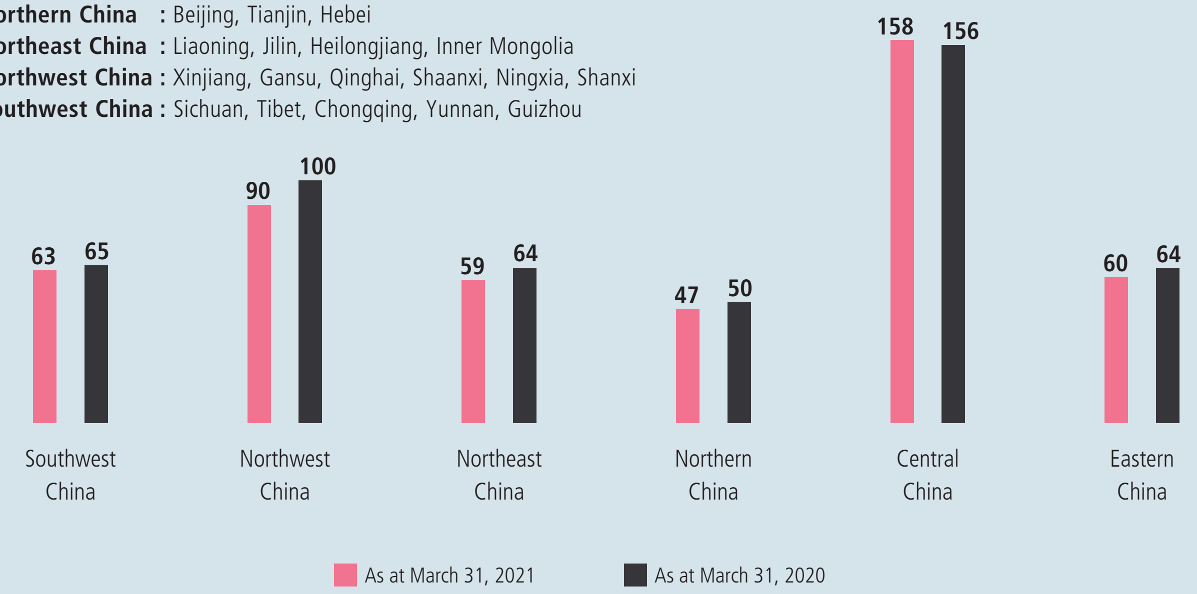


Retail network of ladieswear business by region

	As at March 31, 2021	As at March 31, 2020	Change
Eastern China	**60**	64	-4
Central China	**158**	156	2
Northern China	**47**	50	-3
Northeast China	**59**	64	-5
Northwest China	**90**	100	-10
Southwest China	**63**	65	-2
Total	**477**	**499**	**-22**

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

During FY2020/21, revenue from our diversified apparels business was approximately RMB144.7 million, representing an increase of 72.7% as compared to that of the corresponding period of last year. As the Group adhered to the overall strategy of "focusing on our principal business and shrinking diversification", the contribution from the diversified apparels business such as *Bosideng MAN* and *Bosideng HOME* brands to the Group's total revenue further dropped. However, the school uniform business developed by the Group in 2016 recorded significant growth in the Year. Therefore, the proportion of the overall diversified apparels business in the Group's total revenue increased slightly to 1.1% from the previous financial year. Revenue from diversified apparels brands during the Year were as follows:

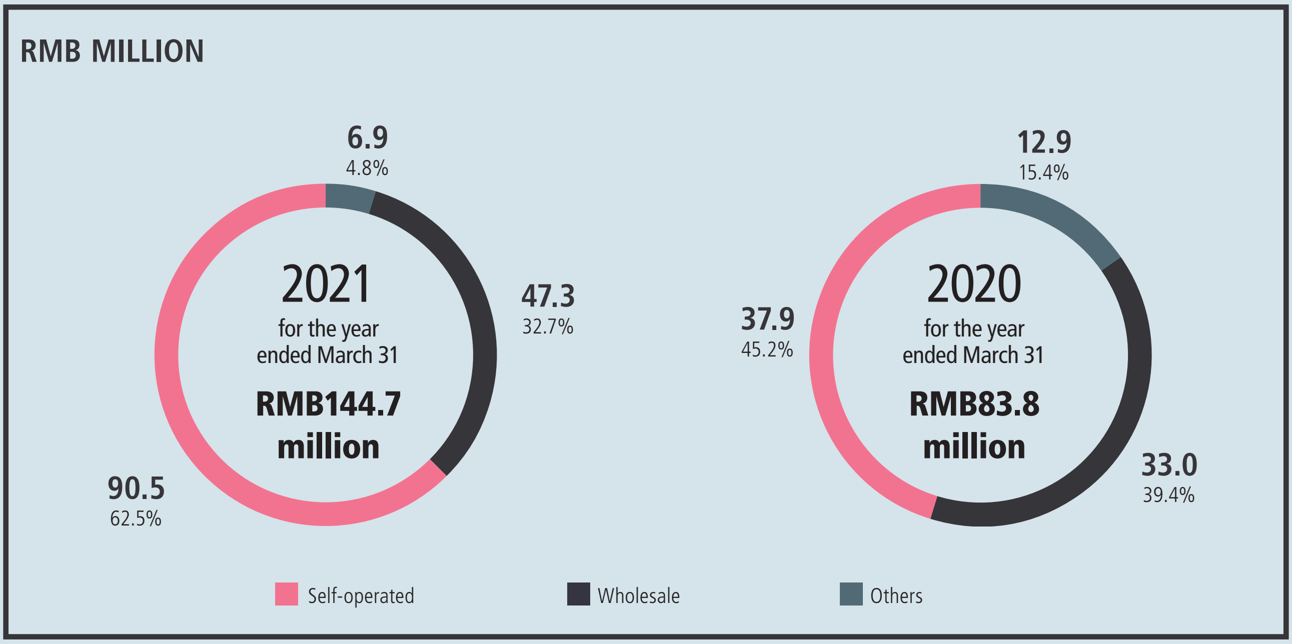
Revenue from diversified apparels business by brands

	For the year ended March 31,				
	2021		2020		
Brands	**RMB million**	**% of diversified apparels business revenue**	RMB million	% of diversified apparels business revenue	Change
Sameite	**88.8**	**61.4%**	36.5	43.6%	143.3%
Other brands and others	**55.9**	**38.6%**	47.3	56.4%	18.2%
Total revenue from diversified apparels business	**144.7**	**100.0%**	83.8	100.0%	72.7%

Revenue from diversified apparels business by sales category

	For the year ended March 31,				
	2021		2020		
Sales categories	**RMB million**	**% of diversified apparels business revenue**	RMB million	% of diversified apparels business revenue	Change
Self-operated	**90.5**	**62.5%**	37.9	45.2%	138.8%
Wholesale	**47.3**	**32.7%**	33.0	39.4%	43.3%
Others*	**6.9**	**4.8%**	12.9	15.4%	-46.5%
Total revenue from diversified apparels business	**144.7**	**100.0%**	83.8	100.0%	72.7%

* Represents rental income



School uniform business – *Sameite*

During FY2020/21, the school uniform business under the diversified business segment remained in operation under *Sameite*. Adhering to the clothing design concept of "carrying education with clothes and inheriting culture with clothes", *Sameite* brand insists on providing students with safe, comfortable, fashionable and functional school uniform products, and expects to dress every child in the uniform of his or her dream as its mission. Currently, *Sameite* serves more than 300 schools, with an annual supply of over one million pieces.

During the epidemic, *Sameite* brand adopted project integration to increase revenue and expand market coverage, increase brand influence with education groups so as to gain external market depth, and increase the market share of benchmark schools with synergistic franchise to increase the depth of the regional market. The innovative independent digital system, online retail and cross-regional distribution, and the launch of the independent campus apparel have received unanimous praise. At the same time, *Sameite* brand appeared at the Shanghai School Uniform Exhibition (上海校服展) during the COVID-19 pandemic to showcase future school uniform styles with high-tech attributes.

In FY2020/21, *Sameite* brand won the title of National Quality Leading Brand of School Uniform Industry (全國校服行業質量領先品牌), China's Top Ten Popular School Uniform Brand Awards (中國十佳人氣校服品牌獎), and won the first prize of the 2020 China School Uniform Design Competition High School Student Standard Series (2020 中國校服設計大賽高中生制式系列一等獎), the 2020 China School Uniform Design Competition Primary School Student Standard Series Special Award (2020中國校服設計大賽小學生制式系列特等獎) and the 2021 China School Uniform Design Competition High School Student Sports Series First Prize (2021中國校服設計大賽高中生運動系列一等獎) and other awards.

During FY2020/21, contract orders for school uniform business of *Sameite* represented an increase of 146.0% as compared to that of the corresponding period of last year, and revenue amounted to approximately RMB88.8 million, representing an increase of 143.3% as compared to that of the corresponding period of last year.

Children's wear business

During FY2020/21, the Group mainly cooperated with the Japanese brand of *Petit main* and conducted business expansion with a focus on prioritizing the development of online platforms. *Petit main* has achieved a certain industry ranking since its residence in the Tmall flagship store in August 2018, and has received widespread attention.

Bosideng MAN and *Bosideng HOME*

Since FY2018/19, the Group started to downsize the *Bosideng MAN* and *Bosideng HOME* brands under the diversified apparels business segment comprehensively. This resulted in the significant reduction in size of these two business divisions during the past three financial years.

Retail network of diversified apparels business by region

	As at March 31, 2021	As at March 31, 2020	Change
Eastern China	**–**	7	-7
Central China	**–**	–	–
Northern China	**–**	–	–
Northeast China	**–**	–	–
Northwest China	**–**	–	–
Southwest China	**–**	26	-26
Total	**–**	**33**	**-33**

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

ONLINE SALES

During the Year, the Group's online sales business continued to develop vigorously and achieved outstanding results. In particular, the online direct sales channels performed well, and the sales on Tmall and Vipshop continued to show rapid growth.

Meanwhile, during the first half of FY2020/21, the Group strengthened its strategic cooperation with Alibaba. Through cooperation, in terms of consumer development, the high-quality products of the brand had more opportunities to be exhibited to the platforms' high-quality consumers. In terms of data support, through access to multi-dimensional data support and market trend analysis, we could provide more timely and reliable data support for sales decisions. In terms of priority application of innovative tools, through the Tmall brand innovation and marketing centers and live-streaming virtual hosts, the Group's online business development was further diversified and enriched by such application of innovative tools. Meanwhile, the data platform established together with Alibaba also provided assistance and support for precise marketing of online business team.

The expansion of live broadcast channels is one of the innovative breakthroughs in online sales this Year. First, through the omni-channel live broadcast layout, we established a Tmall-based live broadcast matrix covering multiple platforms; second, through live broadcast content upgrades, we innovated dissemination content, integrated platform resources, and amplified brand dissemination; thirdly, we achieved rapid new products procurement and promotion through cooperation with major live broadcast KOL.

The Group also attached significant emphasis on online brand building, integration between online and offline new retail and the maintenance and expansion of members. In terms of brand building, the Group jointly made online and offline announcements through the brand's significant public relations events. In terms of member maintenance and expansion, the flagship store at Tmall attracted more than 3 million new members, with more than 5 million members in total, and had more than 11 million fans as of March 31, 2021, and the proportion of young and new consumer groups under the age of 30 had steadily increased.

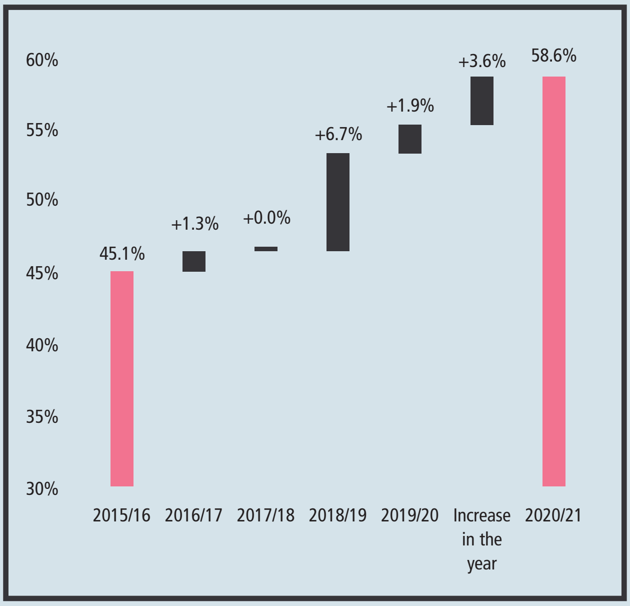
During FY2020/21, revenue from the total online sales of the Group's brands was RMB3,582.9 million, representing a year-on-year increase of 52.8%. Revenue from the online sales of branded down apparels business and ladieswear business for the Year was approximately RMB3,488.9 million and RMB77.2 million, accounting for 32.0% and 8.2% of the revenue of each business, respectively. By sales categories, revenue from the self-operated and wholesale businesses through the Group's online sales amounted to approximately RMB2,836.8 million and RMB746.1 million, respectively.

In particular for *Bosideng*, the Group's major brand, during the past three consecutive financial years, online sales revenue continuously shifted to middle and high price ranges according to the proportion of the transaction amount of various price ranges. For the unit price exceeding RMB1,000 and RMB1,800, their proportions of online sales revenue continued to increase. In FY2020/21, amid the online sales revenue of the *Bosideng* branded down apparel, the proportion of sales revenue whose unit price exceeds RMB1,800 amounted to 31.8%, representing a year-on-year increase of 4.3 percentage points.

GROSS PROFIT

During FY2020/21, gross profit of the Group increased by 18.1% as compared to that of the corresponding period of last year, from approximately RMB6,708.6 million to approximately RMB7,924.3 million. With the successful brand reshaping and product expansion, the gross profit margin increased by 3.6 percentage points as compared to that of the corresponding period of last year, from 55.0% to 58.6%.

THE GROUP'S GROSS PROFIT MARGIN



The gross profit margin of the Group has continued to increase steadily year by year, surpassing the highest level in history.

Gross profit margin of the branded down apparel business increased by 3.9 percentage points to 63.7%, mainly because after the pandemic, the Group enhanced the cost control of raw materials; on the other hand, with the continuous improvement of *Bosideng's* brand potential in the past year, consumers are more inclined to purchase high-unit price products, resulting in a corresponding increase in the average selling price of branded down apparel products; at the same time, the significantly increased proportion of sales from *Bosideng* brand self-operated retail stores made a relatively significant contribution to the improvement of gross profit margin of the branded down apparel business. These achievements are inseparable from the Group's continued strategic policy of "focusing on its principal business and key brands", adherence to the reshaping and upgrading of *Bosideng* brand, and adherence to the strategic line of building "the world's leading down apparel expert". The gross profit margin of the OEM management business recorded an increase of 1.1 percentage points to 19.6% through various measures to strictly control costs and expenses. The gross profit margin of the ladieswear business slightly decreased by 1.8 percentage points to 72.6% as compared to that of the corresponding period of last year, which was mainly due to product sales for destocking during the post-epidemic period.

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

	For the year ended March 31,		
Brands	**2021**	2020	Change percentage points
Bosideng	**66.2%**	63.4%	+2.8
Snow Flying	**38.9%**	40.8%	-1.9
Bengen	**35.2%**	34.2%	+1.0
Branded down apparel business	**63.7%**	59.8%	+3.9
OEM management business	**19.6%**	18.5%	+1.1
JESSIE	**68.5%**	71.3%	-2.8
BUOU BUOU	**70.1%**	70.3%	-0.2
KOREANO AND KLOVA	**77.4%**	81.6%	-4.2
Ladieswear business	**72.6%**	74.4%	-1.8
Diversified apparels business	**0.1%**	-16.4%	+16.5
The Group	**58.6%**	55.0%	+3.6

OPERATING PROFIT

During FY2020/21, the Group's operating profit increased by 39.2% to approximately RMB2,224.6 million. Operating profit margin was 16.5%, representing an increase of 3.4 percentage points as compared to 13.1% of the corresponding period of last year, mainly due to the contribution from the branded down apparel business and the OEM management business.

DISTRIBUTION EXPENSES

During FY2020/21, 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 RMB4,807.4 million, representing an increase of 12.4% as compared to approximately RMB4,276.4 million of the corresponding period of last year. The Group's distribution expenses accounted for 35.6% of its total revenue, representing a slight increase of 0.5 percentage point as compared to 35.1% of the corresponding period of last year. The increase in distribution expenses was mainly due to the Group's efforts in the construction of direct sales channels for the branded down apparel business, as well as the rise in wages due to the increase in headcounts of sales personnel for direct sales channels during the Year.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses, mainly comprising of salary and welfare, amortization of equity settled share-based payments expenses, depreciation and consultancy expenses, amounted to approximately RMB1,026.2 million for the Year, representing an increase of 20.3% as compared to approximately RMB853.0 million of last year, mainly due to the share-based payments incurred from the options newly granted to the employees and a third party during the Year. The proportion of administrative expenses to the Group's total revenue increased by 0.6 percentage points to 7.6% as compared to 7.0% of last year. Excluding the cost of employee option incentives and the cost of granting third-party share options, the proportion of administrative expenses to the total revenue of the Group this Year was basically the same as the corresponding period of last year.

FINANCE INCOME

During FY2020/21, the Group's finance income increased by 10.7% to approximately RMB213.5 million from approximately RMB192.8 million. The increase was mainly due to the increase in the Group's financial asset interest income.

FINANCE COST

During FY2020/21, the Group's finance cost was approximately RMB195.8 million, representing an increase of approximately 2.2% as compared to that of the corresponding period of last year. The increase was mainly due to the impact of the exchange losses on the OEM management business due to the appreciation of RMB in the Year.

TAXATION

During FY2020/21, income tax expenses increased from approximately RMB404.6 million to approximately RMB537.3 million. The effective tax rate was approximately 24.0%, which was approximated to the standard PRC income tax rate of 25%.

DIVIDENDS

The Board recommended the payment of a final dividend of HKD10.0 cents (equivalent to approximately RMB8.3 cents) per share for the Year. The proposed dividend shall be subject to approval at the AGM to be held on or about August 20, 2021. Upon approval, the proposed dividend will be paid on or around September 15, 2021 to shareholders whose names appear on the register of members of the Company on August 25, 2021.

LIQUIDITY AND FINANCIAL RESOURCES

In the Year, the Group's net cash generated from operating activities amounted to approximately RMB3,133.1 million. Cash and cash equivalents as at March 31, 2021 amounted to approximately RMB1,771.3 million.

As at March 31, 2021, the distribution of cash and cash equivalents by currency was as follows:

	RMB'000
Renminbi	**1,225,417**
US dollar	**317,908**
Pound sterling	**7,549**
Hong Kong dollar	**216,791**
Japanese yen	**92**
European dollar	**3,573**
Total	**1,771,330**

In order to obtain higher returns on the Group's available cash reserves, the Group has invested in the other financial assets, including capital protected short-term investments with banks in China and other financial securities.

As at March 31, 2021, the fair value of short-term investments with banks was RMB3,850,898,000 (March 31, 2020: RMB559,598,000). During FY2020/21, the net realized/unrealized gain through profit or loss of the short-term investments with banks was RMB65,670,000 (for the year ended March 31, 2020: RMB42,195,000), and the interest income of investments with banks was RMB97,798,000 (for the year ended March 31, 2020: RMB78,410,000). Neither the single short-term investment nor short-term investment made with the same bank on an aggregate basis accounted for over 5% of the Group's total assets.

The other financial securities mainly referred to the investment in the 17,057,922 non-public shares, representing approximately 6.76% of the total shares of Jinhong Fashion Group Co., Ltd. (a company listed on Shanghai Stock Exchange; SSE Stock Code: 603518) held by Shuo Ming De Investment Co., Ltd. (an indirect wholly-owned subsidiary of the Company) (the "Investment"). For the year ended March 31, 2021, the gross losses at fair value through other comprehensive income of the Investment amounted to approximately RMB18.1 million (for the year ended March 31, 2020: approximately RMB89.3 million). As at March 31, 2021, the fair value of the Investment amounted to approximately RMB100.1 million (March 31, 2020: approximately RMB118.2 million), which amounted to approximately 0.9% of the net assets of the Group (March 31, 2020: approximately 1.1%). Further details of the Investment are set out in Note 24 to the Financial Statements.

As at March 31, 2021, the bank borrowings of the Group amounted to approximately RMB670.9 million (March 31, 2020: approximately RMB817.8 million) and the carrying amount of liability component of the convertible bonds was approximately RMB1,609.5 million (March 31, 2020: approximately RMB1,676.5 million). The gearing ratio (being total borrowings/total equity) of the Group was 20.3% (March 31, 2020: 24.0%). As at March 31, 2021, the distribution of borrowings by currency unit and types of interest rate adopted were as follows:

Types of interest rate	US dollars RMB million	HK dollars RMB million	Japanese yen RMB million	Renminbi RMB million	Total RMB million
Floating interest rate	230.0	169.0	270.9	–	**669.9**
Fixed interest rate	–	–	–	1.0	**1.0**
Total	**230.0**	**169.0**	**270.9**	**1.0**	**670.9**

The Group anticipates that it will be able to arrange with its lenders to obtain new loans to replace the existing borrowings as they will 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.

SIGNIFICANT ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS ACQUISITION

During the Year, save as disclosed below, the Group had no material investment, nor significant acquisitions or disposals of subsidiaries. As at March 31, 2021, the Group had no future plans for significant investments or capital assets acquisition.

Acquisition of Entire Equity Interests of Suzhou Bosideng Logistics

On October 23, 2020, Bosideng Down Wear Limited (a wholly-owned subsidiary of the Company), as the purchaser (the "Purchaser"), and Bosideng Corporation Limited (a company ultimately beneficially and solely owned by Mr. Gao Dekang, the chairman of the Board, CEO and controlling shareholder of the Company), as the vendor (the "Vendor"), entered into the equity transfer agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the entire equity interest in Suzhou Bosideng Logistics at the consideration of RMB559,817,100 (the "Acquisition").

For further details of the Acquisition, please refer to the announcements of the Company dated October 23, 2020 and November 2, 2020, respectively.

CONTINGENT LIABILITIES

As at March 31, 2021, the Group had no material contingent liabilities (March 31, 2020: Nil).

CAPITAL COMMITMENTS

As at March 31, 2021, the Group had outstanding capital commitments in respect of plant, property and equipment amounting to approximately RMB12.9 million (March 31, 2020: approximately RMB32.3 million).

PLEDGE OF ASSETS

As at March 31, 2021, bank deposits amounting to approximately RMB657.3 million had been pledged to banks for the purpose of standby letter of credit, bank borrowings and bills payable and letter of credit financing (March 31, 2020: approximately RMB414.4 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 in the Year was primarily raised by cash generated from operating activities, bank borrowings and/or bond issuance. The major objectives 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.

In face of the 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 March 31, 2021, the Group had 9,028 full-time employees (March 31, 2020: 7,801 full-time employees), representing a year-on-year increase of 1,227 employees. Staff costs for the year ended March 31, 2021 (including Directors' remuneration in the form of salaries, other allowances and equity-settled share-based transaction expenses) were approximately RMB1,613.7 million (for the year ended March 31, 2020: approximately RMB1,308.4 million).

Despite the challenges posed by COVID-19, based on long-term strategic goals set and social responsibility in the future, in the Year, the Group recruited diversified and professional talents and new generation forces. Regarding the campus recruitment project carried out every year, the Group has been iteratively upgraded in recent years to mainly focus on domestic 985 and 211 colleges and universities. The design of talent selection tends to be graduate students and reserve forces with high-quality overseas study backgrounds, with a view to gradually cultivate a group of outstanding reserve forces through large-scale training and personalized teaching.

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

CORPORATE CULTURE

The Group attaches great importance to the construction and inheritance of corporate culture. We firmly believe that corporate culture is the foundation for the Group to realize the "100-year brand, 100 billion dream". It is the gene and essence of the corporate and brand in the entrepreneurial process, the soul and bloodline that runs through the development of the corporate, and the driving force, spiritual 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 condensed, and a large number of outstanding backbones with Bosideng genes have emerged. It is precisely because of the strong cultural traction that the Group has successfully completed the strategic transformation of the past three years and laid the foundation for future strategy implementation. The Group advocates the practice of corporate culture, and unites the team's efforts with excellent corporate culture, to form highly consistent team ideas and concepts and highly consistent goals and actions and ensure efficient achievement of strategic goals.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TALENT DEVELOPMENT

In order to better support the achievement of the Group's talent training goals and undertake the strategic implementation of the next three years, the Group also attaches great importance to the cultivation of talents. The competence standards, evaluation standards, evaluation process and other aspects involved in the talent training process are further clarified. On the one hand, the Group insists on introducing leading talents from the outside. On the other hand, the Group will continue to develop outstanding cadres, experts and strategic reserve talents internally.

For the training of the designer team, the Group believes that talents are the cornerstone of brand development, and designers are the creators of core competitive products. Focusing on the brand positioning of "the world's leading down apparel expert", the product design team always takes the long-term goal of the talent strategy to create a leading, diversified and professional organization. While actively introducing outstanding talents, the Group also focuses on helping the core team grow, establishing leading indicators in the process, using motivational scores to inspire team passion, and adopting a regular accountability system to allow the continuous innovation and creation of the team.

For the training of the store staff team, the Group has gradually established a retail model with stores as the core force in the strategic deployment and development of the past three years, and a younger store team with strong learning ability is the priority for achieving the strategy. In the past three years, the average age of *Bosideng* employees has been decreasing year by year, gradually achieving the goal of youthfulness.

AVERAGE AGE OF SHOP MANAGERS

AVERAGE AGE OF SHOP ASSISTANTS

FUTURE OUTLOOK

The year 2021 marks the 45th anniversary of Bosideng's business, and it is also the beginning of a new three-year struggle to become the "world's leading down apparel expert". The world today is undergoing major changes unseen in a century. A new round of technological revolution, especially the development of digital technology, is bringing about the reconstruction of the global economic and social order. In the post-epidemic era, with the strong recovery of China's economy, China's international voice and the influence of Chinese brands in the world are increasing day by day, and Chinese brands have ushered in unprecedented development opportunities. From the perspective of the transformation of the apparel industry, China's apparel industry is advancing the high-end development of the industry supported by technological innovation, shaping a new ecosystem for industrial development guiding by collaborative innovation, and enhancing the value and creativity of the industry leading by cultural innovation. It is striding forward from the "manufacturing hero" to the "brand era". From the perspective of the development of the down industry, with the accelerated pace of consumption upgrading, the scale of China's down apparel market has grown significantly, the brand concentration is getting higher and higher, the trend of high-end down apparel is obvious, and the siphon effect of head brands has become more apparent. Bosideng will assess and take advantage of the environment, see the future from the perspective of passing through the times, apply future resources and methods to the current operation and management, continue to build the core competitiveness of the corporate, and strive to enhance its global leading position.

Down apparel business:

By focusing on positioning itself as the "the world's leading down apparel expert", the Group took its customer-value-oriented approach and the "brand-led" development model, and used its brand power to lead the products, channels, retail, supply chain and other aspects to work together, which gained favor by mainstream consumers. At the same time, we deployed out mid-end *Snow Flying* and cost-effective and affordable brand *Bengen* down apparel, and took the initiative to strive for online channels through model innovation to stabilize and expand market share.

Channel Synergy

By sorting out the direction and goals of channel construction, targeting core cities and mainstream business districts, the Group achieved structural upgrades in channel quality and efficiency focusing on core stores. The Group continuously upgraded store image, enhanced professional shopping guide capabilities, and improved store sales efficiency. At the same time, we innovated digital retail operations, strengthened precise customer expansion and membership operations, and built omni-channel operating capabilities.

Product Leadership

In terms of product development, the Group attached importance to product structure upgrading taking a customer-value-oriented approach, and established an end-to-end product development model centered on user value. It integrated global superior resources, with a focus on innovative R&D and fashion design, and delivered brand genes with original designs to enhanced product value with leading technology. In terms of product operation, based on the profiles of different store types, the products are accurately delivered to customers. Besides, digital operation is strengthened, and the integrated operation mode of goods and the high-quality quick response supply mode are innovated and optimized, so as to maximize sales and rationalize inventory.

Spread Innovation

The Group explored in-depth the brand connotation to well interpret the brand story and establish a deeper emotional resonance with consumers. The Group continuously enhances its brands potential and influence in consumer and the industry by focusing on the target group, optimizing the brand communication structure and upgrading the communication content and visual image.

OEM management business:

Deepening the strategic partnership with core customers, the Group improved its service capabilities by integrating overseas production resources, while further expanding the share of down products taking use of its advantages in down apparel production, and expanded related functional apparel business cooperation, in order to strengthen the long-term and stable strategic cooperation relationship with core customers.

Ladieswear business:

The Group will actively encourage various ladieswear brands to take advantage of their unique advantages to expand their businesses. The Group also intends to expand synergy among brands through resource sharing among the ladieswear brands. Through the gradual improvement of the product, channel and brand power and other aspects of the ladieswear brands, the operational and management efficiency of the ladieswear business unit will be boosted, thereby achieving the healthy growth of the ladieswear business.

CORPORATE GOVERNANCE CODE

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

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

BOARD OF DIRECTORS

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

As at July 16, 2021 (being the Latest Practicable Date), the Board consisted of eight Directors, of whom five are executive Directors and three are independent non-executive Directors. The executive Directors are responsible for implementing business strategies and managing the business of the Group in accordance with all applicable rules and regulations, including but not limited to, the Listing Rules. All Directors (including the independent non-executive Directors) have been consulted on all major and material matters of the Group. The Company maintains appropriate Directors' and officers' liabilities insurance.

The role of the Board includes convening shareholders' meetings and reporting their work to shareholders in shareholders' meetings, implementing the resolutions of the shareholders' meetings, determining the Group's business plans and investment plans, preparing the Group's annual budget and final accounts, putting forward proposals for dividend and bonus distributions and for the increase or reduction of registered or issued share capital, formulating proposals for share repurchase in accordance with any repurchase mandate granted by the shareholders as well as exercising other powers, functions and duties as conferred by the Articles. The Board is also responsible for performing the corporate governance duties set out in code provision D.3.1 of the Code. The Directors are continually embraced with the most up-to-date regulatory requirements, business activities and development of the Company to facilitate the discharge of their responsibilities through regular Board meetings and acting in good faith and with due diligence and care. During the Year, the following was discussed during the Board meetings: (i) developing and reviewing the Group's policies and practices on corporate governance and make recommendations; (ii) reviewing and monitoring the training and continuous professional development of the Directors and senior management of the Group; (iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the Directors and employees of the Group; and (v) reviewing the Group's compliance with the Code and disclosure in this annual report.

During the Year, the Board convened a total of four Board meetings based on the needs of the operation and business development of the Group. The composition of the Board and their respective attendance at the Board meetings and Board committee meetings convened during the Year, as well as at the annual general meeting held on August 21, 2020, respectively, are as follows:

	No. of meetings attended/held				
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Executive Directors					
Mr. Gao Dekang *(Chairman of the Board and CEO)*	4/4	N/A	1/1	1/1	1/1
Ms. Mei Dong	4/4	N/A	N/A	N/A	0/1
Ms. Huang Qiaolian	4/4	N/A	N/A	N/A	0/1
Mr. Rui Jinsong	4/4	N/A	N/A	N/A	0/1
Mr. Gao Xiaodong	4/4	N/A	N/A	N/A	0/1
Independent non-executive Directors					
Mr. Dong Binggen	4/4	2/2	1/1	1/1	0/1
Mr. Wang Yao	4/4	2/2	1/1	1/1	0/1
Dr. Ngai Wai Fung	4/4	2/2	N/A	N/A	1/1

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

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

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

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

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

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

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

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

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

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

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

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

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

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

The Audit Committee was established by the Company on September 15, 2007, whose primary duties are to review and supervise the financial reporting process and internal control procedures of the Group, nominate and monitor the external auditor, and perform other duties and responsibilities as assigned by the Board. Please refer to the terms of reference published on the websites of the Company and the Stock Exchange for the principal roles and functions of the Audit Committee. The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee and audited by KPMG, the Company's external auditor. As at July 16, 2021 (being the Latest Practicable Date), the Audit Committee comprised three independent non-executive Directors (i.e. Dr. Ngai Wai Fung (Chairman), Mr. Dong Binggen and Mr. Wang Yao).

Major works performed by the Audit Committee during the Year are summarized as follows:

- review of and recommendation for the Board's approval of the 2019/20 annual report and 2020/21 interim report and the financial information contained therein with a focus on compliance with accounting and auditing standards, the Listing Rules and other requirements in relation to financial reporting;
- review of the continuing connected transactions of the Group;
- review of the accounting policies adopted by the Group and matters related to common accounting practices;
- review of the nature and scope of audit;
- discussion with the external auditor and the management on possible accounting risks;
- assisting the Board with the evaluation of the efficiency of the financial reporting procedures, and the systems of internal control and risk management;
- approval of the audit fees and terms of engagement of the external auditor; and
- review of the external auditor's qualifications, independence and performance, and making recommendation for the Board's re-appointment of the external auditor.

In the two meetings held during the Year, the Audit Committee had considered the 2019/20 annual results and 2020/21 interim results of the Group as well as the report prepared by the external auditor relating to accounting matters and other major findings identified during the course of the interim review and annual audit. During the Year, the Board had no disagreement with the Audit Committee's view on the re-appointment of the Company's external auditor.

REMUNERATION COMMITTEE

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

As at July 16, 2021 (being the Latest Practicable Date), the Remuneration Committee consisted of three members, comprising one executive Director and two independent non-executive Directors (i.e. Mr. Wang Yao (Chairman), Mr. Gao Dekang and Mr. Dong Binggen).

During the Year, the Remuneration Committee held one meeting and reviewed the Group's policy on remuneration of all the Directors and senior management of the Group. During the Year, the Remuneration Committee had determined the remuneration packages of all executive Directors and senior management of the Group (i.e. the model disclosed in code provision B.1.2(c)(i) of the Code was adopted) and made recommendation to the Board of the remuneration of the independent non-executive Directors (i.e. required under code provision B.1.2(d) of the Code). The Remuneration Committee noted that the Board has not resolved to approve any remuneration or cooperation arrangements with which the Remuneration Committee has disagreed with.

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

Remuneration band	Number of persons
RMB500,001 to RMB1,000,000	4
RMB1,000,001 to RMB1,500,000	1
RMB2,000,001 to RMB2,500,000	1
RMB7,500,001 to RMB8,000,000	1

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

NOMINATION COMMITTEE

The Nomination Committee was established by the Company on September 15, 2007, whose primary functions are to 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. The Board is ultimately responsible for the selection and appointment of new Directors. Please refer to the terms of reference of the Nomination Committee published on the websites of the Company and the Stock Exchange for the principal roles and functions of the Nomination Committee.

As at July 16, 2021 (being the Latest Practicable Date), the Nomination Committee consisted of three members, comprising one executive Director and two independent non-executive Directors (i.e. Mr. Gao Dekang (Chairman), Mr. Dong Binggen and Mr. Wang Yao).

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

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

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

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has an overall responsibility for maintaining sound and effective internal control and risk management systems of the Group. The Board has conducted reviews of its systems of internal control and risk management periodically to ensure the effectiveness and adequacy of the systems. The Board convened meetings with the Audit Committee periodically to discuss financial, operational and risk management control. The Directors are of the view that the existing systems of internal control and risk management are effective and adequate to the Group.

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

MANAGEMENT FUNCTION

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

DIRECTORS AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

The statement of the auditor of the Group about their reporting responsibilities on the Financial Statements is set out in the section headed "Independent Auditor's Report" on page 97 to page 102 of this annual report.

AUDITOR'S REMUNERATION

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

	RMB'000
Audit services (including interim financial report review)	5,300
Non-audit services (including advisory for tax and compliance services)	1,746
Total	7,046

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

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

COMPANY SECRETARY

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

DIVIDEND POLICY

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

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

In light of the good faith principle, the Company strictly complies with and implements the provisions of the Listing Rules to disclose information on a true, accurate, complete and timely basis and all other information that might have a significant impact on the decisions of shareholders and other relevant parties in an active and timely manner. Also, the Company makes an effort in ensuring that all shareholders have equal access to such information. As such, the Company has duly performed its statutory obligations in respect of information disclosure.

The management of the Group believes that effective communication with the investment community is essential. Since the listing of the Company in October 2007, the executive Directors (including the CEO) and the senior management of the Group held regular briefings and results presentations, attended investors' forums and responded to investors' call-in enquiries, arranged store visits and participated in roadshows to communicate with institutional investors and financial analysts in the PRC, Hong Kong and overseas countries to keep them abreast of the latest updates on the Company's business and development as well as its operating strategies and prospects. In delivering information to its investors, the Company also listens to their advice and collects feedback from them, in the interests of developing an interactive and mutually beneficial relationship with the Company's investors.

Shareholders may send written enquiries, either by post, by facsimile or by email, addressing to the Company's principal place of business in Hong Kong at the following address or facsimile number or email address:

Address:	Unit 5709, 57/F., The Center 99 Queen's Road Central Central, Hong Kong
Email:	bosideng_ir@bosideng.com
Tel:	(852) 2866 6918
Fax:	(852) 2866 6930

SHAREHOLDERS' RIGHTS

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

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

MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

During the Year, no amendment was made by the Company to the memorandum of association and the Articles of the Company.

EXECUTIVE DIRECTORS

Mr. Gao Dekang, aged 69, is the Chairman and the CEO and a director of certain subsidiaries of the Group. He is a representative of the 10th to 12th National Congress and a National Model Worker (全國勞動模範). He is the founder of the Group and was appointed as an executive Director in July 2006. He is responsible for the overall strategic development of the Group and has over 40 years of experience in the apparel industry. He is a senior economist and a senior engineer. He received an EMBA degree (majoring in Business Administration) from Phoenix International University in New Zealand in 2002, and obtained a Master's degree in business management from Victoria University in Switzerland in 2012.

Mr. Gao has held the following public offices:

Year	Public Offices
2013	Vice President of the 6th Council of China National Garment Association
2015	Director of the 6th Down Apparel and Related Products Committee of China National Garment Association
2016	President of Textile & Garment Chamber of Commerce, All-China Federation of Industry & Commerce
2016	The 4th Invited Vice Chairman of China National Textile and Apparel Council
2016	Invited Vice President of the 4th Council of China National Light Industry Council
2017	Member of the Executive Committee of China Federation of Industry and Commerce
2018	Honorary Chairman of the 7th Council of China National Garment Association
2019	Vice President of the 8th Council of China Commerce Association for General Merchandise
2019	Vice Chairman and President of the Chairmen Board of the 6th Council of China Federation of Industrial Economics

Mr. Gao has been widely recognized throughout the years:

Year	Award
1993	Special Contributor to the Development of China's Apparel Industry
1997	Special Contribution Award by Chinese Young Volunteers Association
1998	Outstanding factory manager (manager and chairman) of China
2000	Merit in the Apparel Industry in the PRC
2001	Special Contribution Award for the Mother River Protection Operation
2005	Palmery Contribution and Exploit Award in China Feather and Down Garments Industry
2005	Down apparel expert in China
2005	Outstanding Persons of the Textile Brand Culture Development of the PRC
2006	National Title of "Outstanding Staff Caring Private Entrepreneur"
2006	2006 Brand China Person of the Year
2006	2006 CCTV China Economic Person of the Year
2007	Top ten business leaders in China
2008	Global Leader of Chinese Entrepreneurs
2009	Excellent Contributor of Chinese Socialism
2009	Outstanding Administrator of the 30th Anniversary for Total Quality Control in the PRC
2011	Leader of Textile and Apparel Industry in China
2011	2011 Forbes 25 Influential Chinese in Global Fashion
2012	The 7th China Charity Award
2012	China's Outstanding Quality People

Year	Award
2013	Special Contributor to the Textile Enterprises Culture Construction in the PRC
2015	2014-2015 Outstanding Persons in the Enterprises Culture Construction in the PRC
2015	Most Respected Entrepreneur of China in 2015 by Hurun Report
2017	Person of the Year in Innovation for Textile Industry in the PRC
2017	CCTV's Charitable Person of the Year
2018	The Pioneer of China Feather and Down industry
2018	Outstanding Persons in Textile Industry of 40 years of Reform and Opening up
2018	Craftsman of the Nation in Light Industry
2019	Commemorative Medal Celebrating the 70th Anniversary of the Founding of the People's Republic of China
2020	Role Model in the PRC Textile Industry's Fight Against COVID-19
2020	Person of the 13th Five-year Plan in Innovation for Textile Industry in the PRC

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

Ms. Mei Dong, aged 53, is an executive Director and the Executive President of the Company. Ms. Mei was appointed as an executive Director in July 2006 and is responsible for the overall operational management of the Group. Ms. Mei is a director and/or legal representative of certain subsidiaries of the Group. She has over 20 years' experience in the down apparel industry. Ms. Mei obtained various awards and honours such as the recognition of "Successful Female Entrepreneur" (巾幗建功) in China and the National Model Worker (全國勞動模範). Ms. Mei joined Bosideng Corporation Limited ("Bosideng Corporation") in June 1994, and remained with the Group after the reorganisation of the businesses of the Group prior to its listing. She received an EMBA degree (majoring in Business Administration) from Phoenix International University in New Zealand in 2002. She is the spouse of Mr. Gao Dekang (the Chairman, CEO, a controlling shareholder of the Company and an executive Director) and the mother of Mr. Gao Xiaodong (an executive Director and a Vice President of the Company).

Ms. Huang Qiaolian, aged 56, is an executive Director and a Vice President of the Company. She is also the General Manager of Shanghai Bosideng Fashion Design and Development Centre Co., Ltd. and Shenzhen Buoubuou Fashion Co., Ltd (both are subsidiaries of the Company). Ms. Huang was appointed as an executive Director in June 2007. Ms. Huang is responsible for conducting the monographic studies on the fashion trends of down apparel, unveiling the fashion trends and designing apparel products. Her works have been displayed in numerous exhibitions in countries such as Korea, Canada and Russia, and in special releases held during the New York Fashion Week and the Milan Fashion Week in 2018 and 2019, respectively. She received various honours such as contemporary renowned designer, one of the top ten fashion designers in China and the contributing designer in publishing the research on the garment trends in China. She has over 20 years of experience in the fashion industry. She serves various positions in different associations and organizations, such as the chairperson of the Fashion Art Committee of China Fashion Association (中國服裝設計師協會時裝藝術委員會) and the special researcher for the fashion trends of China Fashion etc.. Ms. Huang joined Bosideng Corporation in March 1997 and had remained with the Group since the reorganization of the businesses of the Group prior to its listing. She graduated from the School of Fashion Design in Jiangsu (江蘇服裝設計學校) in 1987 and further studied in Donghua University majoring in High Fashion in 1994 and the Public School of High Fashion in Paris, France (法國巴黎高級時裝公學院) in 1999. She studied in East China Normal University in Shanghai majoring in Business Administration in 2004.

Mr. Rui Jinsong, aged 48, is an executive Director and the Senior Vice President of the Company. He is the President of *Bosideng* brand division and a director of certain other subsidiaries of the Group. He was appointed as an executive Director with effect from May 2013. Mr. Rui is fully responsible for the overall management of the operational management business of the Group's core *Bosideng* brand. Mr. Rui graduated from Wuxi Light Industry College majoring in Textile Engineering in 1994. He joined Bosideng Corporation in May 2004 and had remained with the Group since the reorganization of the businesses of the Group prior to its listing, from which he acquired practical experience in brand positioning strategy, core competitiveness building and brand operating management.

Mr. Gao Xiaodong, aged 45, is a Vice President of the Company and was appointed as an executive Director in March 2017. Mr. Gao is fully in charge of the Group's diversified businesses. He is a qualified senior economist and has obtained a master's degree in business administration from Centenary College in 2009. He joined Bosideng Corporation in 2002 and is its Senior Vice President. Mr. Gao joined the Group in 2013, from which he accumulated tremendous experience in apparel, highway, real estate and hotel segments. Mr. Gao is the son of Mr. Gao Dekang (the Chairman, CEO, an executive Director and a controlling shareholder of the Company) and Ms. Mei Dong (an executive Director and the Executive President of the Company).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Dong Binggen, aged 71, a senior engineer, was appointed as an independent non-executive Director in September 2007. He graduated from Eastern China Textile Institute (currently known as Donghua University) in 1977. Since February 1997, he has worked with Hualian Development Group Co., Ltd. as the Chairman and President, Secretary of the Communist Party Committee. Mr. Dong was the Chairman of a PRC company listed on the Shenzhen Stock Exchange ("SZSE"), namely China Union Holdings Ltd. (SZSE, Stock Code: 000036) from June 2004 to June 2019. He had also been the Chairman of the Shenzhen Textile Industry Association and the President of the Shenzhen Textile Engineering Association. He is currently the member of the Standing Committee and the Invited Vice Chairman of China Textile Industry Association.

Mr. Wang Yao, aged 62, was appointed as an independent non-executive Director in September 2007. Mr. Wang is a member of the National Development and Reform Commission, the Vice President of the Commerce Economy Association of China and the Vice President of the National Statistical Society of China. In the past, he had served as the director of the China National Commercial Information Center and Vice President of the China General Chamber of Commerce. He received a Ph.D. in Engineering from Harbin Institute of Technology in 1989. He also obtained the qualification as a professor-grade senior engineer.

Dr. Ngai Wai Fung, aged 59, was appointed as an independent non-executive Director in September 2007. He is currently the director and group chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited (formerly known as "SW Corporate Services Group Limited"), a specialty company secretarial, corporate governance and compliance services provider to companies in pre-IPO and post-IPO stages. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider. Dr. Ngai has over 30 years of professional practice and senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control, regulatory compliance, corporate governance and company secretarial work for listed issuers including major red chips companies. He had led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities. Dr. Ngai is currently a member of the General Committee of the Chamber of Hong Kong Listed Companies and the Chairman of its Membership Services Sub-Committee, and was also appointed by Ministry of Finance of the People's Republic of China as Finance Expert Consultant in 2016. He had been the President of the Hong Kong Institute of Chartered Secretaries (2014-2015) and a member of Qualification and Examination Board of the Hong Kong Institute of Certified Public Accountants (2013-2018), and a non-official member of Working Group on Professional Services under the Economic Development Commission of the Hong Kong Special Administrative Region (2013-2018). He is a fellow of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators), a fellow of the Hong Kong Institute of Chartered Secretaries, a fellow of the Hong Kong

Institute of Directors, a member of Hong Kong Securities and Investment Institute and a member of The Chartered Institute of Arbitrators. Dr. Ngai obtained a Doctoral degree in Finance at Shanghai University of Finance and Economics in 2011 and received a Master's degree in Corporate Finance from Hong Kong Polytechnic University in 2002 and a Master's degree in Business Administration from Andrews University of Michigan in 1992 and a Bachelor's degree in Law at University of Wolverhampton in 1994.

Dr. Ngai is currently an independent non-executive director of a dual-listing company whose shares are listed on the Stock Exchange and Shanghai Stock Exchange ("SSE"), namely China Communications Construction Company Limited (SEHK, Stock Code: 01800; SSE, Stock Code: 601800). In addition, Dr. Ngai is the independent non-executive director of the following companies, namely BaWang International (Group) Holding Limited (SEHK, Stock Code: 01338), Beijing Capital Grand Limited (SEHK, Stock Code: 01329), Powerlong Real Estate Holdings Limited (SEHK, Stock Code: 01238), and TravelSky Technology Limited (SEHK, Stock Code: 00696) and China Energy Engineering Corporation Limited (SEHK, Stock Code: 03996). Dr. Ngai is also an independent director of SPI Energy Co., Ltd. (listed on the Nasdaq Stock Market, Stock Code: SPI). He was the independent non-executive director of Renco Holdings Group Limited (formerly known as "China HKBridge Holdings Limited") (SEHK, Stock Code: 02323) from March 2016 to April 2018, the independent non-executive director of Yangtze Optical Fibre and Cable Joint Stock Limited Company (SEHK, Stock Code: 06869; SSE, Stock Code: 601869) from September 2014 to January 2020, the independent non-executive director of Health and Happiness (H&H) International Holdings Limited (SEHK, Stock Code: 01112) from July 2010 to May 2020, the independent director of LDK Solar Co., Ltd. (OTC Pink Limited Information, Stock Code: LDKYQ) from July 2011 to April 2020, the independent non-executive director of SITC International Holdings Company Limited (SEHK, Stock Code: 01308) from September 2010 to October 2020 and the independent non-executive director of BBMG Corporation (SEHK, Stock Code: 02009; SSE, Stock Code: 601992) from November 2015 to May 2021.

SENIOR MANAGEMENT

Mr. Zhu Gaofeng, aged 46, is the Chief Financial Officer and Vice President of the Group and is responsible for the financial management, funds management and investor relations of the Group. Mr. Zhu is qualified as an internationally certified internal auditor and a China certified public accountant. He graduated from Yancheng Commerce School (鹽城商業學校) in Jiangsu Province in 1993, obtained a professional degree in finance and accounting from Anhui College of Finance and Trading (安徽財貿學院) in 1998 and obtained a Bachelor's degree in accounting from Yancheng Teachers University (鹽城師範學院) in 2008. Mr. Zhu joined Bosideng Corporation in 2005. Prior to joining the Group, he had worked in management positions relating to finance in Jiangsu Yueda Investment Co., Ltd. (SSE, Stock Code: 600805) for 12 years. Mr. Zhu has previously served as the auditing manager, vice-financial officer, financial controller and assistant to the president of the Group, and has extensive experience in financial management, funds management and investor relations, etc.

Mr. Wang Lijun, aged 42, is the General Manager of the Foreign Trade Division of the Group. Mr. Wang graduated from Changshu College (常熟高等專科學校) (currently known as "Changshu Institute of Technology") majoring in Foreign Trade English in June 2000 and graduated from Nanjing University of Science and Technology with a Master's degree in business administration in June 2014. Mr. Wang joined Bosideng Corporation in July 2000 and successively served as the business supervisor, business manager, business director and Deputy General Manager of the Foreign Trade Division. In April 2017, he was appointed as the General Manager of the Foreign Trade Division, responsible for the overall foreign trade business of the Group. Mr. Wang has extensive experience in apparel development, technological management, production management and international expansion.

Mr. Zhou Daming, aged 37, is the Vice President of Retail of Bosideng Down Wear Limited, (a subsidiary of the Company). Mr. Zhou graduated from Shanghai Urban Engineering College (上海城市工程學院) majoring in municipal administration in 2005. He joined Bosideng Corporation in April 2006 and successively served as the retail supervisor of Chongqing Branch, General Manager of retail companies in Liaoning and General Manager of North China region. In April 2017, he was appointed as the Deputy General Manager of the *Bosideng* Brand Division. Mr. Zhou is currently responsible for the offline sales of the *Bosideng* brand of the Group and has many years of practical experience in channel transformation, retail promotion and team building.

Mr. Zhao Xiang, aged 36, is the Vice President of the E-Commerce Center of Bosideng Down Wear Limited (a subsidiary of the Company). Mr. Zhao graduated from Tianjin Foreign Studies University in 2007 with a major in information management. He joined Bosideng Corporation in 2010 and successively served as the Marketing Director of the Central China region, Assistant General Manager of Changsha Retail Company, Brand Manager of the East China region, General Manager of Changsha Retail Company and other retail companies as well as the director of the retail support center, and was appointed as the General Manager of the E-Commerce Center under the *Bosideng* Brand Division in April 2020. He is currently responsible for the online platform operation and sales management of the *Bosideng* brand. Mr. Zhao has many years of practical experience in comprehensive resource allocation, team talents cultivation and retail business operation.

Mr. He Maosheng, aged 43, is an assistant to the Executive President of the Company and the General Manager of the Supply Chain Management Center of the Group. Mr. He graduated from Jiangxi Institute of Fashion Technology majoring in design and engineering in 1998. He joined Bosideng Corporation in December 2010 and successively served as the assistant to the director and director of the supply chain of the Group. He was appointed as the assistant to the Executive President of the Company and the general manager of the Supply Chain Management Center of the Group in 2017. He is currently responsible for the strategy and operation of the supply chain business of the Group and responsible for the management of technology, quality, resources, procurement, manufacturing, cost and factory modules. Mr. He has been dedicated to apparel management for 22 years and has solid theoretical and rich practical experience in strategic resource planning, flexible and quick-response supply, premier quality control, innovative technology application, leading comprehensive cost control and talents building, making the supply chain one of the core competitive edges of the Group.

Mr. Dai Jianguo, aged 51, is an assistant to the Executive President of the Company, the director of the Logistics Management Center and the director of the Digital Operation Center of the Group. He also possesses the qualification of Professional (Recognized) Senior Economist Specialized in Economic Field of Jiangsu Province (江蘇省經濟專業(認定)高級經濟師) and the title of Engineer (Apparel Profession) approved by Suzhou Textile and Silk Intermediate Professional Technical Qualification Evaluation Committee (蘇州市紡織絲綢中級專業技術資格評審委員會). Mr. Dai graduated from Wuhan Polytechnic University with a Bachelor's degree in engineering in 1991. He joined Bosideng Corporation in February 2002 as an assistant to the factory director and was appointed as an assistant to the Executive President, the director of the Logistics Management Center and the director of the Digital Operation Center in April 2021. Mr. Dai has long been committed to apparel technique, production and manufacturing, procurement and supply, foreign trade management, logistics management as well as the planning, research, design and development of manufacturing, retail, commodity, logistics and supply chain information systems. He is currently responsible for the intelligent construction and daily operational management of distribution centers, the planning, research, design and development of the information system of the Group, the management of digital operations, as well as the persistent improvement in the intelligent manufacturing capacity of garment factories of the Group through the promotion and application of Internet platforms in the apparel industry.

Mr. Wu Xiaoming, aged 36, is the Director of the Human Resources Center of the Group. Mr. Wu graduated from Hefei University of Technology in 2008 with a major in information management and information system. He joined the Group in December 2018 and is currently responsible for the full module management of the Group's human resources affairs, he has driven multiple substantial human resources reforms in the recent years, such as organizational change, improvement in talent structure, and the encouragement of reforms, which brought about the improvements in the brand and business strategy. Prior to joining the Group, Mr. Wu mainly worked in Midea Group's human resources management department for 10 years. He has solid theoretical knowledge and practical experience in strategic human resource management, organizational design, talent development, performance-based incentives and other fields.

COMPANY SECRETARY

Ms. Liang Shuang, aged 32, joined the Group in December 2018 and was appointed as the Company Secretary in May 2019. She graduated from Hong Kong Baptist University with a Bachelor of Business Administration (Honours) in Accounting in 2011 and from The University of Warwick in the United Kingdom with a Master of Science in Accounting and Finance in 2012. Ms. Liang is a member of each of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the 2nd Accounting Professional Committee under the Council for the Promotion of Guangdong-Hong Kong-Macao Cooperation. Prior to joining the Company, she worked at KPMG Hong Kong, responsible for the audit of several Hong Kong listed companies, and worked at China Everbright Limited (SEHK, Stock Code: 00165), managing private equity funds regulated under the Securities and Futures Commission of Hong Kong.

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

Below is the information relating to the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2020/21 interim report:

- Dr. Ngai Wai Fung, an independent non-executive Director, had resigned as an independent non-executive director of BBMG Corporation (SEHK, Stock Code: 02009; SSE, Stock Code: 601992) with effect from May 2021, and has been appointed as an independent non-executive director of China Energy Engineering Corporation Limited (SEHK, Stock Code: 03996) with effect from February 2021.

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

REPORT OF DIRECTORS

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

PRINCIPAL ACTIVITIES

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

The Group's revenue and net profits attributable to the shareholders during the Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 103 to 105 and Note 6 to the Financial Statements.

BUSINESS REVIEW

A fair review of the business of the Group, a discussion and analysis of the Group's performance during the Year, the material factors underlying its results and financial position, the future development of the Group's business, and principal business risks and uncertainties are provided in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" and "Subsequent Events" on pages 12 to 15 and on pages 16 to 64 and page 96 of this annual report, respectively. Additionally, the financial risk management objectives and policies of the Company can be found in Note 37 to the Financial Statements. These discussions form part of this Report of Directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has always encouraged environmental protection, strictly complied with environmental regulations and promoted environmental protection awareness among employees. The Group implements strict monitoring through the establishment of an ever-improving environmental management system. During the Year, the Group was in compliance, in all material respects, with the relevant laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

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

DEPENDENCE OF EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 10 of this annual report.

RESULTS AND DISTRIBUTION

The results of the Group for the Year are set out in the Financial Statements. The Board has resolved to recommend the payment of a final dividend of HKD10.0 cents (equivalent to approximately RMB8.3 cents) per Share in respect of the Year.

NON-CURRENT ASSETS

Details of acquisition and other movements of the non-current assets during the Year are set out in Notes 15 to 20 and Notes 24 to 26 to the Financial Statements.

SHARE CAPITAL

Details of the movement in the Group's share capital during the Year are set out in Note 35 to the Financial Statements.

RESERVES

Details of the movements in the reserves of the Group during the Year are set out in Note 35 to the Financial Statements.

BANK BORROWINGS

Details of bank borrowings of the Group as at March 31, 2021 are set out in Note 28 to the Financial Statements.

DONATIONS

The Group's charitable and other donations during the Year amounted to approximately RMB23,870,000 (2020: approximately RMB69,215,000).

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the Year and up to July 16, 2021 (being the Latest Practicable Date) are as follows:

Executive Directors:

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

Independent non-executive Directors:

Mr. Dong Binggen
Mr. Wang Yao
Dr. Ngai Wai Fung

All of the Directors were appointed for a fixed term of three years under their respective service contracts or appointment letters entered into with the Company, renewable automatically for successive terms of one year, until terminated by either party by giving a three-month notice. In accordance with Article 87 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation and these retiring Directors shall be eligible for re-election at that annual general meeting. Accordingly, Ms. Huang Qiaolian, Mr. Rui Jinsong and Mr. Wang Yao shall retire by rotation at the AGM.

Pursuant to code provision A.4.3 of the Code, if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Wang Yao was appointed as an independent non-executive Director in September 2007 and therefore would have served for more than nine years as at the date of the AGM. Mr. Wang Yao has confirmed his independence with reference to the factors as set out in Rule 3.13 of the Listing Rules. Notwithstanding his years of service as an independent non-executive Director, (i) the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Mr. Wang Yao remains independent; (ii) the Nomination Committee has assessed and is satisfied of the independence of Mr. Wang Yao; and (iii) the Board is satisfied that through exercising scrutinising and monitoring functions as an independent non-executive Director, Mr. Wang Yao has continued to provide independent and objective judgement and advice to the Board to safeguard the interests of the Group and the shareholders. As such, the Board believes that Mr. Wang Yao has the character, integrity, independence and expertise to continue to fulfill his role as an independent non-executive Director effectively and will continue to bring valuable experience, knowledge and professionalism to the Board and would recommend Mr. Wang Yao for re-election as an independent non-executive Director at the AGM.

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

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

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

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

As at March 31, 2021, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Long position in shares of the Company

Name of Director	Nature of interest	Number of Shares	Approximate percentage of interest in the Company *(Note 1)*
Mr. Gao Dekang	Controlled corporation *(Note 2)*	3,198,791,201	29.62%
	Deemed interest *(Note 3)*	2,763,697	0.03%
	Founder of discretionary trust *(Note 4)*	3,844,862,385	35.61%
	Founder of discretionary trust *(Note 5)*	611,656,857	5.66%
Ms. Mei Dong	Deemed interest *(Note 2)*	3,198,791,201	29.62%
	Beneficial owner *(Note 3)*	2,763,697	0.03%
	Beneficiary of discretionary trust *(Note 4)*	3,844,862,385	35.61%
	Beneficiary of discretionary trust *(Note 5)*	611,656,857	5.66%
Ms. Huang Qiaolian	Beneficial owner *(Note 6)*	27,763,697	0.26%
Mr. Rui Jinsong	Beneficial owner *(Note 6)*	145,840,242	1.35%
Mr. Gao Xiaodong	Beneficiary of discretionary trust *(Note 4)*	3,844,862,385	35.61%
	Beneficiary of discretionary trust *(Note 5)*	611,656,857	5.66%

Notes:

1. The percentage represents the number of Shares interested divided by the total number of the issued Shares as at March 31, 2021 of 10,798,192,385.

2. These Shares were directly held by Kong Bo Investment Limited (as to 3,146,219,202 Shares) and Kong Bo Development Limited (as to 52,571,999 Shares). Each of Kong Bo Investment Limited and Kong Bo Development Limited is wholly owned by Bo Flying Limited. Bo Flying Limited is wholly owned by Bosideng Corporation Limited which in turn is owned as to 67.54% by Bosideng Holdings Group Co., Ltd. and 24.46% by Jiangsu Kangbo Investment Co., Ltd. (a company wholly owned by Mr. Gao Dekang). Bosideng Holdings Group Co., Ltd. is owned as to 81.56% by Jiangsu Kangbo Investment Co., Ltd. and 18.44% by Mr. Gao Dekang, who is deemed to be interested in such Shares under the SFO. As Ms. Mei Dong is the spouse of Mr. Gao Dekang, Ms. Mei Dong is deemed to be interested in the 3,198,791,201 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, the ordinary shares of which are wholly owned by Topping Wealth Limited and the non-voting preference shares of which are wholly owned by ITC SPC. Topping Wealth Limited is wholly owned by Kova Group Limited, which is wholly owned by a trust, the trustee of which is Cititrust Private Trust (Cayman) Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO. Further, Topping Wealth Limited had conferred and assigned all its voting rights in New Surplus to Bo Flying Limited, which is wholly owned by Bosideng Corporation Limited which in turn is controlled by Bosideng Holdings Group Co., Ltd. Bosideng Holdings Group Co., Ltd. is controlled by Mr. Gao Dekang. Accordingly, each of Kova Group Limited, Topping Wealth Limited, Bo Flying Limited, Bosideng Corporation Limited and Bosideng Holdings Group Co., Ltd. is deemed to be interested in the 3,844,862,385 Shares held by New Surplus under the SFO. Mr. Gao Dekang is a director of each of New Surplus, Topping Wealth Limited, Bo Flying Limited, Kong Bo Investment Limited, Jiangsu Kangbo Investment Co., Ltd., Honway Enterprises Limited (as mentioned in note 5 below), Bosideng Corporation Limited and Bosideng Holdings Group Co., Ltd. Mr. Gao Xiaodong is a director of Bosideng Corporation Limited and a general manager of Jiangsu Kangbo Investment Co., Ltd.

5. These Shares were directly held by Honway Enterprises Limited, which is wholly owned by First-Win Enterprises Limited, which is in turn wholly owned by a trust, the trustee of which is Cititrust Private Trust (Cayman) Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO.

6. Details of the Options and awarded Shares are set out in the section headed "Share Option Schemes" and "Share Award Scheme" of this annual report, respectively.

(ii) Long position in debentures of the Company

Name of Director	Nature of interest	Number of debentures held (USD) *(Note 2)*
Mr. Gao Dekang	Founder of discretionary trust *(Note 1)*	40,500,000
Ms. Mei Dong	Beneficiary of discretionary trust *(Note 1)*	40,500,000
Mr. Gao Xiaodong	Beneficiary of discretionary trust *(Note 1)*	40,500,000

Notes:

1. These debentures of the Company represent the purchase of the Convertible Bonds in an aggregate principal amount of USD40,500,000 (representing approximately 14.73% of the total outstanding Convertible Bonds) by New Surplus, which is indirectly held under a discretionary trust as disclosed in note (4) in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures – (i) Long position in Shares of the Company" above. Mr. Gao Dekang, as founder, had undertaken to the Company not to, and will not procure New Surplus to exercise the conversion rights attached to the Convertible Bonds.

2. The total outstanding amount of Convertible Bonds as at March 31, 2021 was USD275,000,000.

Save as disclosed above, as at March 31, 2021, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

As at March 31, 2021, according to the register of interests kept by the Company under section 336 of the SFO, and so far as was known to the Directors or chief executive of the Company, the following persons, other than Directors or chief executive of the Company, had an interest or short position in the Shares which would require to be disclosed by the Company under the provisions of Divisions 2 and 3 of Party XV of the SFO, or who was directly or indirectly interested in 5% or more of the number of the issued Shares carrying rights to vote in all circumstances at general meeting of the Company:

Name of shareholder	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Company *(Note 9)*
Jiangsu Kangbo Investment Co., Ltd. *(Note 8)*	Interest of controlled corporation *(Note 1)*	3,198,791,201	29.62%
	Interest of controlled corporation *(Note 2)*	3,844,862,385	35.61%
Bosideng Holdings Group Co., Ltd. *(Note 8)*	Interest of controlled corporation *(Note 1)*	3,198,791,201	29.62%
	Interest of controlled corporation *(Note 2)*	3,844,862,385	35.61%
Bosideng Corporation Limited *(Note 8)*	Interest of controlled corporation *(Note 1)*	3,198,791,201	29.62%
	Interest of controlled corporation *(Note 2)*	3,844,862,385	35.61%
Bo Flying Limited *(Note 8)*	Interest of controlled corporation *(Note 1)*	3,198,791,201	29.62%
	Interest of controlled corporation *(Note 2)*	3,844,862,385	35.61%
Kong Bo Investment Limited *(Note 8)*	Beneficial interest *(Note 1)*	3,146,219,202	29.14%
Cititrust Private Trust (Cayman) Limited	Trustee *(Note 3)*	611,656,857	5.66%
	Trustee *(Note 2)*	3,844,862,385	35.61%
Kova Group Limited	Interest of controlled corporation *(Note 2)*	3,844,862,385	35.61%
Topping Wealth Limited *(Note 8)*	Interest of controlled corporation *(Note 2)*	3,844,862,385	35.61%
	Party to section 317 agreement *(Note 4)*	3,813,211,755	35.31%
New Surplus *(Note 8)*	Beneficial interest *(Note 2)*	3,844,862,385	35.61%
	Party to section 317 agreement *(Note 4)*	3,813,211,755	35.31%
First-Win Enterprises Limited	Interest of controlled corporation *(Note 3)*	611,656,857	5.66%
Honway Enterprises Limited *(Note 8)*	Beneficial interest *(Note 3)*	611,656,857	5.66%
ITC SPC	Party to section 317 agreement *(Note 5)*	7,658,074,140	70.92%

Name of shareholder	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Company *(Note 9)*
ITOCHU Corporation	Interest of controlled corporation *(Note 5)*	7,658,074,140	70.92%
	Party to section 317 agreement *(Note 5)*	7,658,074,140	70.92%
ITOCHU Hong Kong Limited	Interest of controlled corporation *(Note 5)*	7,658,074,140	70.92%
	Party to section 317 agreement *(Note 5)*	7,658,074,140	70.92%
CITIC Group Corporation	Interest of controlled corporation *(Notes 6 & 7)*	7,658,074,140	70.92%
CITIC Limited	Interest of controlled corporation *(Notes 6 & 7)*	7,658,074,140	70.92%
CITIC International Financial Holdings Limited	Interest of controlled corporation *(Notes 6 & 7)*	7,658,074,140	70.92%
China CITIC Bank Corporation Limited	Interest of controlled corporation *(Notes 6 & 7)*	7,658,074,140	70.92%
CIAM	Party to section 317 agreement *(Notes 6 & 7)*	7,658,074,140	70.92%

Notes:

1. Same as the interests as disclosed in note (2) 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 (4) 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 note (5) in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

4. New Surplus and Topping Wealth Limited were parties acting in concert with Mr. Gao Dekang and ITC SPC under section 317(a) of the SFO. By virtue of the SFO, New Surplus and Topping Wealth Limited were deemed to be interested in 3,813,211,755 Shares, in addition to the 3,844,862,385 Shares interested by them.

5. ITOCHU Corporation was deemed to be interested in a total of the 7,658,074,140 Shares by virtue of its control over ITOCHU Hong Kong Limited, which controlled ITC SPC, a party acting in concert with Mr. Gao Dekang, Topping Wealth Limited and New Surplus under section 317(a) of the SFO. By virtue of the SFO, each of ITOCHU Corporation, ITOCHU Hong Kong Limited and ITC SPC was deemed to be interested in the 7,658,074,140 Shares.

6. CIAM and Feather Shade Limited are parties acting in concert with ITOCHU Corporation, ITOCHU Hong Kong Limited and ITC SPC under section 317(a) of the SFO. By virtue of the SFO, CIAM and Feather Shade Limited were deemed to be interested in the 7,658,074,140 Shares.

7. Each of CITIC Group Corporation, CITIC Limited, CITIC International Financial Holdings Limited, China CITIC Bank Corporation Limited and CIAM was deemed to be interested in a total of the 7,658,074,140 Shares by virtue of its control over several corporations, according to the disclosure forms filed by them on December 28, 2020, as the case maybe, the details of which are as follows:

Name of controlled corporation	Name of controlling shareholder	% control	Direct interest	Number of shares
CITIC Polaris Limited	CITIC Group Corporation	100.00	Nil	7,658,074,140
CITIC Limited	CITIC Polaris Limited	32.53	Nil	7,658,074,140
CITIC Glory Limited	CITIC Group Corporation	100.00	Nil	7,658,074,140
CITIC Limited	CITIC Glory Limited	25.60	Nil	7,658,074,140
CITIC Corporation Limited	CITIC Limited	100.00	Nil	7,658,074,140
China CITIC Bank Corporation Limited	CITIC Corporation Limited	65.37	Nil	7,658,074,140
CITIC Investment (HK) Limited	CITIC Corporation Limited	100.00	Nil	7,658,074,140
Fortune Class Investments Limited	CITIC Investment (HK) Limited	100.00	Nil	7,658,074,140
China CITIC Bank Corporation Limited	Fortune Class Investments Limited	0.02	Nil	7,658,074,140
Metal Link Limited	CITIC Limited	100.00	Nil	7,658,074,140
China CITIC Bank Corporation Limited	Metal Link Limited	0.58	Nil	7,658,074,140
CITIC International Financial Holdings Limited	China CITIC Bank Corporation Limited	100.00	Nil	7,658,074,140
CIAM	CITIC International Financial Holdings Limited	46.00	Nil	7,658,074,140
Feather Shade Limited	CIAM	100.00	Nil	7,658,074,140

8. Same as the directorships and/or positions 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.

9. The percentage represents the number of Shares interested divided by the total number of the issued Shares as at March 31, 2021 of 10,798,192,385.

Save as disclosed above, as at March 31, 2021, no person had an interest or short position in the Shares which would require to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 5% or more of the issued Shares carrying rights to vote in all circumstances at general meeting of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

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

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

The Parent Group has entered into certain transactions as further described below under the heading "Connected Transactions" and Note 39 to the Financial Statements under the section "Related Party Transactions". Ms. Mei Dong is the spouse of Mr. Gao Dekang and Mr. Gao Xiaodong is the son of Mr. Gao Dekang and Ms. Mei Dong. Save as disclosed, no Director or an entity connected with a Director had a material interest in any transaction, arrangement or contract of significance to the Group's business for the Year in which the Group was a party.

REMUNERATION POLICY

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

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

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

PROVIDENT AND RETIREMENT BENEFIT SCHEMES

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

The Group has arranged for its Hong Kong employees to join the MPF Scheme. Under the MPF Scheme, each member of the Group in Hong Kong (the employer) and its employees make monthly contributions to the scheme generally at 5% of the employees' earnings as defined under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The monthly contributions of each of the employer and the employee are subject to a maximum contribution of HKD1,500 per month (for periods from June 1, 2014) and thereafter contributions are voluntary.

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

The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

The Group's contributions to the retirement benefit schemes charged to the consolidated statement of comprehensive income for the Year were approximately RMB79,071,000 (2020: approximately RMB139,028,000). As at March 31, 2021, the Group had no forfeited contributions available to reduce its contributions in future years (2020: nil).

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

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTIONS

The Group has entered into certain non-exempt continuing connected transactions and connected transactions with the Parent Group, which are subject to the reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Certain related party transactions as disclosed in Note 39 to the Financial Statements also constituted non-exempt continuing connected transactions which were required to be disclosed in accordance with Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules in respect of the above-mentioned connected transactions.

Further details of these transactions are set out below, in the chapter headed "Relationship with Controlling Shareholders and Connected Transactions" of the Prospectus and in the Company's announcements dated March 11, 2010, January 9, 2012, April 22, 2013, June 26, 2014, December 23, 2014, March 23, 2016, March 28, 2017, March 22, 2019, May 27, 2019, August 26, 2019, October 23, 2020 and November 2, 2020, respectively, and circulars dated March 31, 2010, February 7, 2012, July 25, 2014, January 21, 2015, May 12, 2017 and July 26, 2019, respectively.

ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SUZHOU BOSIDENG LOGISTICS CO., LIMITED

On October 23, 2020, Bosideng Down Wear Limited (a wholly-owned subsidiary of the Company), as the purchaser (the "Purchaser"), and Bosideng Corporation Limited (a company solely ultimately beneficially owned by Mr. Gao Dekang (the Chairman of the Board, the CEO and controlling shareholder of the Company)), as the vendor (the "Vendor"), entered into an equity transfer agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the entire equity interest in Suzhou Bosideng Logistics Co., Limited* (蘇州波司登物流有限公司) (the "Target Company") at the consideration of RMB559,817,100 (the "Acquisition"). As disclosed in the announcement of the Company dated March 22, 2019, the Group has leased the newly built smart delivery centre in Jiangsu from the Vendor during the year ended March 31, 2020 to meet the Group's increasing demand for logistics and warehouse capacity and to enhance the operational and management efficiency by consolidating some of its logistics centres located throughout the PRC to the said newly built smart delivery centre in Jiangsu. The Group intends to formulate a future logistics park system through the properties held by the Target Company, and believes that the Acquisition will therefore provide benefits to the future development of the Group. As at the date of this report, the Acquisition has been completed and the Target Company is wholly-owned by the Group.

For further details of the Acquisition, please refer to the Company's announcements dated October 23, 2020 and November 2, 2020, respectively.

FRAMEWORK MANUFACTURING OUTSOURCING AND AGENCY AGREEMENT

The Group outsourced the manufacturing process of down apparel, OEM products and/or its down related materials to third party manufacturers and the Parent Group on a non-exclusive basis. Under the Framework Manufacturing Outsourcing and Agency Agreement and together with a supplemental agreement dated May 27, 2019, the Parent Group shall provide labour, factory, premises, necessary equipment, water and electricity for the processing of the down apparel products and/or down related materials of the Group. The processing fee is to be charged at the costs to be incurred for the processing services estimated by the Group and the applicable mark-up rate ranging from 5% to 10% (depending on location, quantity and the turnaround time of the processing services required) (the "Estimated Cost"), the Company will then invite independent third parties to consider if they are able to provide the processing services on similar terms (i.e. quality, turnaround time, payment terms) at a fixed price (being the Estimated Cost) or any lower price they can offer. Should the terms offered by independent manufacturers be lower than the Estimated Cost with other terms better than or similar to those offered by the Parent Group, the Group will then appoint the other outsourcing manufacturers for the processing of down apparel products and/or its down related materials.

The Framework Manufacturing Outsourcing and Agency Agreement has an initial term of three years from September 15, 2007 to September 14, 2010 and has been renewed and further extended to September 14, 2022. Subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, the Framework Manufacturing Outsourcing Agreement is renewable for another term of three years by giving at least three months' notice prior to the expiry of the term.

The annual caps of the Framework Manufacturing Outsourcing and Agency Agreement for the three financial years ending March 31, 2022, were RMB1,770,000,000, RMB2,470,000,000 and RMB3,270,000,000, respectively.

The actual amount of fees paid or payable by the Group to the Parent Group for the Year was approximately RMB1,028,219,000 (2020: RMB1,331,849,000).

LEASE AGREEMENTS

As at March 31, 2021, the Parent Group leased 10 properties with a total area of approximately 54,996 square metres to the Group, which were mainly used as the Group's regional offices, warehouses and showrooms, pursuant to the property lease agreement dated September 15, 2007 and agreements supplemental to the property lease agreement entered into between the Company and Mr. Gao Dekang.

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

On April 22, 2013, the Company and Mr. Gao Dekang entered into the supplemental lease agreement, pursuant to which the Parent Group agreed to lease additional premises in the PRC to the Group from time to time for a term not more than three years from April 22, 2013 and has been renewed and further extended to April 21, 2022. The new leases to be entered into under the supplemental lease agreement shall, subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, be renewable at the option of the Company for another term of three years by giving at least three months' notice prior to the expiry of the term. Under the property lease agreement and its supplemental agreements, the annual rental paid and expected to be paid by the Group to the Parent Group for the leasing of properties have been determined on an arm's length basis by reference to the prevailing market condition in the PRC and the market rates of comparable properties, which in any event are not higher than the rent applicable to a third party tenant at the relevant time.

The Board has approved the annual caps of RMB40,000,000, RMB50,000,000 and RMB60,000,000 for the three financial years ending March 31, 2022, respectively, on March 22, 2019.

The actual amount of rental payable by the Group to the Parent Group for the Year was approximately RMB23,114,000 (2020: RMB31,602,000).

FRAMEWORK INTEGRATED SERVICE AGREEMENT

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

The Framework Integrated Service Agreement has an initial term of three years from September 15, 2007 to September 14, 2010 and has been renewed and further extended to September 14, 2022. Subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, the Framework Integrated Service Agreement is renewable at the option of the Company for another term of three years or such other term as agreed by the parties by giving at least three months' notice prior to the expiry of the term.

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

The Board has approved the annual caps of RMB18,000,000, RMB20,000,000 and RMB22,000,000 for the three financial years ending March 31, 2022, respectively, on March 22, 2019.

The actual amount of service fees payable by the Group to the Parent Group for the Year was approximately RMB11,789,000 (2020: RMB15,814,000).

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have confirmed that the continuing connected transactions set out above and in Note 39 to the Financial Statements were entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or on better terms to the Group than terms available to or from independent third parties; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

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

EQUITY-LINKED AGREEMENT

Save as disclosed in the sections headed "Share Option Schemes", "Share Award Schemes" and "Convertible Bonds" below, no equity-linked agreement was entered into or renewed by the Company during the Year or subsisted as at March 31, 2021.

SHARE OPTION SCHEMES

2007 Share Option Scheme

The 2007 Share Option Scheme was conditionally approved by a resolution of the shareholders passed on September 10, 2007 and adopted by a resolution of the Board on September 15, 2007, which was expired in October 2017.

The purpose of the 2007 Share Option Scheme was to attract skilled and experienced personnel, to incentivise them to remain with the Group, to give effect to the Group's customer-focused corporate culture, and to motivate them to strive for the Group's future development and expansion, by providing them with the opportunity to acquire equity interests in the Company. The Board may, at its absolute discretion, offer any employee, management member or Director of the Company, or any of the Group's subsidiaries and third-party service providers Options to subscribe for Shares on the terms set out in the 2007 Share Option Scheme. The amount payable on acceptance of an Option was HKD1.00. Details of the 2007 Share Option Scheme were provided in the Prospectus.

As the 2007 Share Option Scheme had expired in October 2017, the adoption of the Share Option Scheme was proposed by the Board on July 26, 2017 and approved by the shareholders on August 25, 2017.

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The purpose of the Share Option Scheme is to replace the 2007 Share Option Scheme and to attract skilled and experienced personnel, to incentivise them to remain with the Company and to give effect to the customer-focused corporate culture of the Company, and to motivate them to strive for the future development and expansion of the Company, by providing them with the opportunity to acquire equity interests in the Company. The Board may, at its absolute discretion, offer any director (including independent non-executive director), employee (whether full-time or part-time), consultant or advisor of the Group (who in the sole discretion of the Board has contributed or will contribute to the Group) Options to subscribe for Shares on the terms set out in the Share Option Scheme. The amount payable on acceptance of an Option is HKD1.00. Details of the Share Option Scheme were provided in the Company's circular dated July 26, 2017.

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

The maximum number of Shares in respect of which Options may be granted under the Share Option Scheme when aggregated with the maximum number of Shares in respect of which Options may be granted under any other scheme shall not exceed 10% of the Company's issued share capital on the Adoption Date (being 1,068,256,038 Shares) without prior approval from the Company's shareholders. The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other Options granted and yet to be exercised under any other scheme shall not exceed 30% of the Company's issued share capital from time to time. No Option may be granted to any person such that the total number of Shares issued and to be issued upon the exercise of Options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time, unless the approval of the Company's shareholders is obtained.

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

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

According to the scheme mandate limit of the Share Option Scheme, the Company may further grant 297,656,038 Options, representing approximately 2.75% of the issued share capital of the Company as at July 16, 2021, being the Latest Practicable Date.

Further information of the Options is set out in Note 36 to the Financial Statements and details of the movement of the Options during the Year are included in the table as follows:

	Number of Options							
Category of participants	**As at March 31, 2020**	**Granted during the Year**	**Exercised during the Year *(Note 1)***	**Cancelled during the Year**	**Lapsed during the Year**	**As at March 31, 2021**	**Date of grant of Options *(Note 2)***	**Exercise price of share options per Share *(Note 3)***
Directors								
Rui Jinsong	*77,320,000*	–	*2,680,000*	–	–	*74,640,000*	*26/10/2018*	*HKD1.07*
	–	*30,000,000*	–	–	–	*30,000,000*	*23/04/2020*	*HKD1.94*
	77,320,000	**30,000,000**	**2,680,000**	**–**	**–**	**104,640,000**		
Huang Qiaolian	*2,300,000*	–	*2,300,000*	–	–	–	*05/08/2016*	*HKD0.71*
	3,000,000	–	*3,000,000*	–	–	–	*05/03/2018*	*HKD0.69*
	–	*8,000,000*	–	–	–	*8,000,000*	*23/04/2020*	*HKD1.94*
	5,300,000	**8,000,000**	**5,300,000**	**–**	**–**	**8,000,000**		
Others								
Others	*27,288,000*	–	*27,288,000*	–	–	–	*05/08/2016*	*HKD0.71*
	43,832,000	–	*27,152,000*	*2,712,000*	*300,000*	*13,668,000*	*05/03/2018*	*HKD0.69*
	169,250,000	–	*5,252,000*	–	*8,700,000*	*155,298,000*	*26/10/2018*	*HKD1.07*
	–	*292,000,000*	–	–	–	*292,000,000*	*23/04/2020*	*HKD1.94*
	–	*100,000,000*	–	–	–	*100,000,000*	*23/10/2020*	*HKD3.41*
	240,370,000	**392,000,000**	**59,692,000**	**2,712,000**	**9,000,000**	**560,966,000**		
Total	**322,990,000**	**430,000,000**	**67,672,000**	**2,712,000**	**9,000,000**	**673,606,000**		

Notes:

1. The weighted average closing price of the Shares immediately before the dates on which the Options were exercised was approximately HKD3.13 (for Options exercised by Huang Qiaolian (an executive Director)), approximately HKD4.27 (for Options exercised by Rui Jinsong (an executive Director)) and approximately HKD2.84 (for Options exercised by others), respectively.

2. As at March 31, 2021, the Company had a total of 673,606,000 outstanding Options, of which:

    2.1. 13,668,000 Options were granted on March 5, 2018 under the Share Option Scheme and had been fully vested.

    2.2. 229,938,000 Options were granted on October 26, 2018 under the Share Option Scheme, of which:

        2.2.1. 4,874,666 Options had been vested;

        2.2.2. 39,903,333 Options shall be vested during the period commencing from October 26, 2021 and ending on October 25, 2022;

        2.2.3. Each 30,863,333 Options shall be vested during each of the year ending on October 25, 2023, 2024, 2025, 2026 and 2027, respectively; and

        2.2.4. 30,843,336 Options shall be vested during the period commencing from October 26, 2027 and ending on October 25, 2028.

2.3 330,000,000 Options were granted on April 23, 2020 under the Share Option Scheme, of which:

2.3.1 99,000,000 Options shall be vested during the period commencing from July 23, 2021 and ending on July 22, 2024;

2.3.2 99,000,000 Options shall be vested during the period commencing from July 23, 2022 and ending on July 22, 2024; and

2.3.3 132,000,000 Options shall be vested during the period commencing from July 23, 2023 and ending on July 22, 2024.

2.4 100,000,000 Options were granted on October 23, 2020 under the Share Option Scheme, of which:

2.4.1 30,000,000 Options shall be vested during the period commencing from October 23, 2021 and ending on October 22, 2024;

2.4.2 30,000,000 Options shall be vested during the period commencing from October 23, 2022 and ending on October 22, 2024; and

2.4.3 40,000,000 Options shall be vested during the period commencing from October 23, 2023 and ending on October 22, 2024.

3. The closing price of the Shares immediately before the respective dates of grant (being August 5, 2016, March 5, 2018, October 26, 2018, April 23, 2020, and October 23, 2020) was HKD0.69, HKD0.68, HKD1.08, HKD1.97 and HKD3.44 per Share, respectively.

SHARE AWARD SCHEMES

On September 23, 2011, the Company adopted the 2011 Share Award Scheme to recognize and reward the contribution of certain eligible employees to the growth and development of the Group through an award of the Shares. The 2011 Share Award Scheme expired on March 31, 2018, after which no further awarded Share was granted pursuant to the 2011 Share Award Scheme, but the provisions of the 2011 Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any outstanding awarded Shares granted prior to its expiry or otherwise as may be required in accordance with the provisions of the 2011 Share Award Scheme.

As the 2011 Share Award Scheme had expired, the Company adopted the Share Award Scheme on April 23, 2020 to recognise and reward the contribution of certain eligible persons (including the directors and core management team of the Group) and to incentivise them for the growth and development of the Group through an award of Shares.

Each of the 2011 Share Award Scheme and the Share Award Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

Further information of the awarded Shares granted pursuant to the 2011 Share Award Scheme is set out in Note 36 to the Financial Statements and the details of the movement of the awarded Shares during the Year are included in the table as follows:

	Number of awarded Shares				
Category of participants	**Outstanding as at March 31, 2020**	**Granted during the Year**	**Vested during the Year**	**Lapsed during the Year**	**Outstanding as at March 31, 2021**
Directors					
Rui Jinsong	–	30,000,000	–	–	30,000,000
Huang Qiaolian	–	8,000,000	–	–	8,000,000
Others					
Others	16,740,000	49,000,000	13,728,000	3,012,000	49,000,000
Total	**16,740,000**	**87,000,000**	**13,728,000**	**3,012,000**	**87,000,000**

CONVERTIBLE BONDS

On December 4, 2019, the Company, as issuer, and Citigroup Global Markets Limited and China International Capital Corporation Hong Kong Securities Limited, as managers, entered into the Subscription Agreement in relation to the Subscription, which was completed on December 17, 2019. The aggregate issuance amount of the Convertible Bonds was USD275,000,000, and the net proceeds from the Subscription was approximately USD271,000,000.

The Convertible Bonds bear simple coupon interest at 1% per annum, and the interest shall be payable semi-annually. The Convertible Bonds may be converted into shares of the Company pursuant to the terms and conditions of the Subscription Agreement. The rights of the bondholders to convert the Convertible Bonds into Conversion Shares are as follows:

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

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

- since the issue of the Convertible Bonds on December 17, 2019 up to July 16, 2021 (being the latest practicable date), the conversion price has been adjusted twice as follows (please also refer to the announcements of the Company dated August 21, 2020 and December 3, 2020, respectively, for details).

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

As at March 31, 2021, no Convertible Bonds had been converted into new Conversion Shares.

For further details of the Convertible Bonds, please refer to Note 32 to the Financial Statements and the Company's announcements dated December 5, 2019, December 17, 2019, August 21, 2020 and December 3, 2020, respectively.

The proceeds had been fully utilized as intended as disclosed in the Company's announcement dated December 5, 2019 and the actual use of proceeds from the Subscription up to March 31, 2021 are set out as follows:

Net proceeds raised	Proposed use of proceeds	Actual use of proceeds up to March 31, 2021	Unutilised proceeds	Expected timeline for use of unutilised proceeds
Approximately USD271.00 million	(i) Repayment of existing debt	Approximately USD164.41 million had been applied towards repayment of existing debt	N/A	N/A
	(ii) Funding general corporate and business purposes	Approximately USD106.59 million had been applied towards funding general corporate and business purposes, such as payment of dividends to shareholders of the Company	N/A	N/A

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

During the Year, pursuant to the terms of the rules and deed of settlement of the Share Award Scheme, the trustee of the Share Award Scheme purchased on the Stock Exchange a total of 52,900,000 Shares at an aggregate consideration of approximately HKD158.9 million.

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

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the total issued Shares were held by the public as at July 16, 2021 (being the Latest Practicable Date).

MAJOR SUPPLIERS AND CUSTOMERS

For the Year, the Group's five largest suppliers (comprising suppliers of down, fabric and ancillary materials) together accounted for less than 30% of the Group's total raw material purchases and none of the Directors, their associates or any shareholder of the Company (who or which, to the knowledge of the Directors, owns more than 5% of the Shares) had any equity interest in any of the Group's major suppliers.

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

COMMITMENTS AND CONTINGENT LIABILITIES

Details of the commitments and contingent liabilities of the Group are set out in Note 38 to the Financial Statements.

INDEMNITY OF DIRECTORS

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

SUBSEQUENT EVENTS

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

AUDITOR

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

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

Hong Kong, June 23, 2021

Independent auditor's report to the shareholders of
Bosideng International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Bosideng International Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 103 to 210, which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (continued)

Assessment of impairment of goodwill	
Refer to note 17 to the consolidated financial statements and the accounting policies on page 116.	
The Key Audit Matter	**How the matter was addressed in our audit**
For the purpose of impairment testing, goodwill in the consolidated statement of financial position is allocated to three cash-generating units ("CGUs") which are derived from the Group's acquisitions of three ladieswear businesses (including JESSIE brand, BUOU BUOU brand and Tianjin ladieswear). An assessment of impairment of goodwill is performed by management annually. Management assessed impairment of goodwill as at March 31, 2021 with reference to a valuation report prepared by an external valuer appointed by management and the recoverable amount of each CGU is determined by management by preparing discounted cash flow forecasts for each CGU to which goodwill has been allocated and comparing the net present value of the forecast cash flows with the carrying values of the related assets. The preparation of discounted cash flow forecasts involves the exercise of significant management judgement, in particular in estimating future sales growth rates and the discount rates applied. We identified assessing impairment of goodwill as a key audit matter because assessing impairment involves forecasting future cash flows which is complex and inherently uncertain and could be subject to management bias.	Our audit procedures to assess the valuation of goodwill included the following: • assessing management's identification of CGUs and the allocation of assets and liabilities to each CGU with reference to the requirements of the prevailing accounting standards; • assessing the qualifications, experience and expertise of the external valuer appointed by management in assessing the impairment of goodwill and considering their objectivity and independence; • involving our internal valuation specialists to assist us in evaluating the methodology adopted by management in its impairment assessments with reference to the requirements of the prevailing accounting standards; • comparing the most significant inputs in the discounted cash flow forecasts, including growth rates of future revenue, future margins and cost, with the latest financial budgets approved by the board of directors, historical performance, management's forecasts, industry reports and business developments subsequent to the reporting date and assessing the discount rates applied in the discounted cash flow forecasts by benchmarking against the discount rates of similar retailers; • obtaining sensitivity analyses of both the discount rates and future cash flows and considering the resulting impact of changes in the key assumptions to the conclusions reached in the impairment assessments and whether there is any indication of management bias; and • assessing the reasonableness of the disclosures in the consolidated financial statements in respect of assessing impairment of goodwill with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS (continued)

Valuation of inventories

Refer to note 21 to the consolidated financial statements and the accounting policies on page 127.

The Key Audit Matter	How the matter was addressed in our audit
Sales of inventories in the apparel industry can be volatile with consumer demand changing according to current fashion trends. The Group typically sells or disposes of off-season inventories at a markdown from the original price to make room for new season inventories. Accordingly, the actual future selling prices of some items of inventories may fall below their purchase costs. Management calculates the inventory provision based on the forecast net realizable value of sales of inventories. The forecast quantities to be sold and the corresponding selling prices are prepared based on the Group's sales and marketing strategies, the current market conditions and the historical experience of distributing and selling products of a similar nature. Management also compares the subsequent sales quantities and selling prices with the forecast in each of the subsequent periods. We identified the valuation of inventories as a key audit matter because of the significant management judgement exercised by the management in determining the appropriate level of inventory provisions which involves predicting the amounts of inventories which will be unsold at the end of each season and the markdowns necessary to sell such off-season inventories on a discounted basis in future years. Both of these factors can be inherently uncertain and could be subject to management bias.	Our audit procedures to assess the valuation of inventories included the following: • assessing whether the inventory provisions at the reporting date were consistent with the Group's inventory provision policy by recalculating the inventory provisions based on the mechanisms and other parameters in the Group's inventory provision policy and considering the application of the Group's inventory provision policy with reference to the requirements of the prevailing accounting standards; • attending the Group's inventory counts at the year end to assess, on a sample basis, the quantity and condition of inventories at that date; • assessing, on a sample basis, whether items in the inventory ageing report were classified within the appropriate ageing bracket by comparing the ageing of the sampled items with information relating to production dates on the labels of garments or receipt dates on the receipt notes of raw materials we inspected during our attendance at the Group's inventory counts; • assessing the Group's inventory provision policy by comparing management's forecasts of the quantities of inventories which are unlikely to be sold in the foreseeable future at current selling price and the corresponding forecast markdowns with the historical sales amounts and markdown data for the current and the prior years; • comparing inventory balances by season with respective balances in prior years and the movement by season with historical movements to identify inventories which were relatively slow moving; • comparing the carrying amounts of a sample of inventory items at the reporting date with the selling prices actually achieved subsequent to the reporting date; and • enquiring of the management about any expected changes in plans for markdowns or disposals of off-season inventories and comparing their representations with actual sales transactions subsequent to the reporting date.

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

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Kim Tak.

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

June 23, 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended March 31, 2021 (Expressed in Renminbi)

	Note	For the year ended March 31, 2021 RMB'000	2020 RMB'000
Revenue	6	**13,516,513**	12,190,535
Cost of sales		**(5,592,247)**	(5,481,889)
Gross profit		**7,924,266**	6,708,646
Other income	7	**203,817**	186,651
Selling and distribution expenses		**(4,807,361)**	(4,276,444)
Administrative expenses		**(1,026,246)**	(852,960)
Impairment losses on goodwill and intangible assets	17	**(46,000)**	(98,000)
Other expenses		**(23,870)**	(69,215)
Profit from operations		**2,224,606**	1,598,678
Finance income		**213,455**	192,790
Finance costs		**(195,753)**	(191,555)
Net finance income	10	**17,702**	1,235
Profit before taxation		**2,242,308**	1,599,913
Income tax	11	**(537,342)**	(404,637)
Profit for the year		**1,704,966**	1,195,276

The notes on pages 113 to 210 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 35(b).

for the year ended March 31, 2021 (Expressed in Renminbi)

	For the year ended March 31, 2021 RMB'000	2020 RMB'000
Other comprehensive income for the year:		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income (after tax)		
– net movement in fair value reserve (non-recycling)	**(13,561)**	(66,964)
	(13,561)	(66,964)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences		
– foreign operations	**62,491**	(37,899)
Other financial assets: net movement in fair value reserve (recycling)	**–**	11,332
	62,491	(26,567)
Other comprehensive income for the year	**48,930**	(93,531)
Total comprehensive income for the year	**1,753,896**	1,101,745

The notes on pages 113 to 210 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended March 31, 2021 (Expressed in Renminbi)

		For the year ended March 31,	
		2021	2020
		RMB'000	RMB'000
	Note		
Profit attributable to:			
Equity shareholders of the Company		**1,709,566**	1,203,184
Non-controlling interests		**(4,600)**	(7,908)
Profit for the year		**1,704,966**	1,195,276
Total comprehensive income attributable to:			
Equity shareholders of the Company		**1,758,496**	1,109,653
Non-controlling interests		**(4,600)**	(7,908)
Total comprehensive income for the year		**1,753,896**	1,101,745
Earnings per share	14		
– basic (RMB cents)		**15.98**	11.27
– diluted (RMB cents)		**15.77**	11.06

The notes on pages 113 to 210 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at March 31, 2021 (Expressed in Renminbi)

		At March 31,	
		2021	2020
		RMB'000	RMB'000
	Note		
Non-current assets			
Property, plant and equipment	15	**1,761,804**	1,390,404
Right-of-use assets	16	**850,558**	782,686
Intangible assets and goodwill	17	**1,572,040**	1,654,290
Investment properties	18	**265,479**	271,203
Prepayments	19	**22,343**	99,152
Other financial assets	24	**150,901**	148,868
Deferred tax assets	20	**566,540**	562,512
Pledged bank deposits	25	**450,000**	–
Time deposits	26	**440,000**	–
		6,079,665	4,909,115
Current assets			
Inventories	21	**2,645,940**	2,725,914
Trade and bills receivables	22	**875,915**	1,196,743
Deposits, prepayments and other receivables	23	**1,168,152**	970,827
Receivables due from related parties	39	**156,511**	96,824
Other financial assets	24	**5,952,169**	3,272,759
Pledged bank deposits	25	**207,253**	414,391
Time deposits	26	**99,301**	153,500
Cash and cash equivalents	27	**1,771,330**	3,638,680
		12,876,571	12,469,638

The notes on pages 113 to 210 form part of these financial statements.

at March 31, 2021 (Expressed in Renminbi)

		At March 31,	
		2021	2020
		RMB'000	RMB'000
	Note		
Current liabilities			
Current income tax liabilities	11(d)	**519,664**	364,803
Interest-bearing borrowings	28	**670,923**	817,841
Lease liabilities	29	**223,388**	260,825
Trade and other payables	30	**4,012,075**	3,241,306
Payables due to related parties	39	**6,679**	4,831
Derivative financial liabilities	31	**9,344**	533
		5,442,073	4,690,139
Net current assets		**7,434,498**	7,779,499
Total assets less current liabilities		**13,514,163**	12,688,614
Non-current liabilities			
Deferred tax liabilities	20	**174,147**	139,807
Lease liabilities	29	**415,311**	475,287
Convertible bonds	32	**1,604,288**	1,670,895
Other non-current liabilities	33	**69,687**	–
		2,263,433	2,285,989
Net assets		**11,250,730**	10,402,625

The notes on pages 113 to 210 form part of these financial statements.

at March 31, 2021 (Expressed in Renminbi)

		At March 31,	
		2021	2020
		RMB'000	RMB'000
	Note		
Capital and reserves			
Share capital	35(c)	**811**	806
Reserves		**11,068,303**	10,212,707
Equity attributable to equity shareholders of the Company		**11,069,114**	10,213,513
Non-controlling interests		**181,616**	189,112
Total equity		**11,250,730**	10,402,625

Approved and authorized for issue by the board of directors on June 23, 2021.

Gao Dekang
Chairman of the Board of Directors

Gao Xiaodong
Director

The notes on pages 113 to 210 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021 (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
	(note 35(c))		(note 34(b))	(note 35(d))	(note 35(d))	(note 35(d))					
Balance at April 1, 2020	806	1,665,495	(62,200)	61,483	857,610	(588,685)	127,564	8,151,440	10,213,513	189,112	10,402,625
Total comprehensive income for the year:											
Profit for the year	–	–	–	–	–	–	–	1,709,566	1,709,566	(4,600)	1,704,966
Foreign currency translation differences – foreign operations	–	–	–	–	–	62,491	–	–	62,491	–	62,491
Net change in fair value of equity investment at fair value through other comprehensive income, net of tax (non-recycling)	–	–	–	–	–	–	(13,561)	–	(13,561)	–	(13,561)
Total comprehensive income for the year	–	–	–	–	–	62,491	(13,561)	1,709,566	1,758,496	(4,600)	1,753,896
Transactions with owners, recorded directly in equity											
Equity settled share-based transactions (note 36)	5	60,450	–	80,631	–	–	–	–	141,086	–	141,086
Disposal of subsidiaries	–	–	–	–	(1,297)	–	–	1,297	–	–	–
Treasury shares held for Share Award Scheme	–	–	(109,295)	(3,297)	–	–	–	(19,014)	(131,606)	–	(131,606)
Capital contribution to a subsidiary from a non-controlling interest	–	–	–	–	–	–	–	–	–	10,000	10,000
Changes in ownership interests in subsidiaries without change in control	–	–	–	–	–	–	–	(623)	(623)	623	–
Written put option to non-controlling interests (note 31)	–	–	–	–	–	–	(7,732)	–	(7,732)	–	(7,732)
Dividends (note 35(b))	–	–	–	–	–	–	–	(904,020)	(904,020)	(13,519)	(917,539)
	5	60,450	(109,295)	77,334	(1,297)	–	(7,732)	(922,360)	(902,895)	(2,896)	(905,791)
Balance at March 31, 2021	811	1,725,945	(171,495)	138,817	856,313	(526,194)	106,271	8,938,646	11,069,114	181,616	11,250,730

The notes on pages 113 to 210 form part of these financial statements.

for the year ended March 31, 2021 (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
	(note 35(c))		(note 34(b))	(note 35(d))	(note 35(d))	(note 35(d))					
Balance at April 1, 2019	803	1,532,813	(76,863)	102,143	853,073	(550,786)	(87,256)	8,118,642	9,892,569	209,661	10,102,230
Total comprehensive income for the year:											
Profit for the year	–	–	–	–	–	–	–	1,203,184	1,203,184	(7,908)	1,195,276
Foreign currency translation differences – foreign operations	–	–	–	–	–	(37,899)	–	–	(37,899)	–	(37,899)
Net change in fair value of debt instruments at FVOCI, net of tax (recycling)	–	–	–	–	–	–	11,332	–	11,332	–	11,332
Net change in fair value of equity investment at fair value through other comprehensive income, net of tax (non-recycling)	–	–	–	–	–	–	(66,964)	–	(66,964)	–	(66,964)
Total comprehensive income for the year	–	–	–	–	–	(37,899)	(55,632)	1,203,184	1,109,653	(7,908)	1,101,745
Transactions with owners, recorded directly in equity											
Equity settled share-based transactions (note 36)	12	132,682	–	(21,041)	–	–	–	–	111,653	–	111,653
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	757	757
Treasury shares held for Share Award Scheme	–	–	14,663	(19,619)	–	–	–	(53,685)	(58,641)	–	(58,641)
Appropriation to statutory reserves	–	–	–	–	4,537	–	–	(4,537)	–	–	–
Written put option to non-controlling interests (note 31)	–	–	–	–	–	–	9,876	–	9,876	–	9,876
Issuance of convertible bonds	–	–	–	–	–	–	260,576	–	260,576	–	260,576
Purchase of own shares	(9)	–	–	–	–	–	–	(262,304)	(262,313)	–	(262,313)
Dividends (note 35(b))	–	–	–	–	–	–	–	(849,860)	(849,860)	(13,398)	(863,258)
	3	132,682	14,663	(40,660)	4,537	–	270,452	(1,170,386)	(788,709)	(12,641)	(801,350)
Balance at March 31, 2020	806	1,665,495	(62,200)	61,483	857,610	(588,685)	127,564	8,151,440	10,213,513	189,112	10,402,625

The notes on pages 113 to 210 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021 (Expressed in Renminbi)

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Operating activities		
Profit for the year	**1,704,966**	1,195,276
Adjustments for:		
Income tax	**537,342**	404,637
Depreciation	**772,865**	558,413
Amortization	**36,250**	47,969
Impairment losses	**46,000**	98,000
Equity-settled share-based transactions	**98,663**	11,343
Change in fair value of derivative financial liabilities	**8,811**	(1,756)
Dividend income from other financial assets	**–**	(2,766)
Net loss on disposal of property, plant and equipment and right of use assets	**7,852**	6,915
Net interest income	**(1,095)**	(1,750)
Realised/unrealised fair value change of other financial assets	**(66,304)**	(65,383)
Loss on disposal of debt instruments classified as FVOCI (recycling)	**–**	57,471
Operating profit before changes in working capital	**3,145,350**	2,308,369
Decrease/(increase) in inventories	**76,095**	(794,784)
Decrease/(increase) in trade and bills receivables and deposits, prepayments and other receivables	**90,391**	(318,265)
(Increase)/decrease in receivables due from related parties	**(59,687)**	82,019
Increase in pledged bank deposit for bills payable and letter of credit facilities	**(497,862)**	(44,730)
Increase in trade and other payables	**814,095**	591,400
Increase in payables due to related parties	**1,848**	1,193
Cash generated from operations	**3,570,230**	1,825,202
Interest paid	**(89,493)**	(102,760)
Income tax paid	**(347,649)**	(497,436)
Net cash generated from operating activities	**3,133,088**	1,225,006

The notes on pages 113 to 210 form part of these financial statements.

for the year ended March 31, 2021 (Expressed in Renminbi)

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Investing activities		
Payments in relation to acquisition of property, plant and equipment through acquisition of a subsidiary, net of cash acquired	**(559,609)**	–
Payments in relation to equity investment	**–**	(6,976)
Acquisition of property, plant and equipment and lease prepayments	**(436,619)**	(713,628)
Acquisition of other financial assets	**(13,073,142)**	(11,820,878)
Proceeds from disposal of other financial assets	**10,439,922**	12,965,325
(Increase)/decrease in time deposits	**(385,801)**	69,402
Dividend income from other financial assets	**–**	2,766
Interest received	**145,697**	116,921
Proceeds from disposal of investment properties	**7,000**	7,000
Net cash (used in)/generated from investing activities	**(3,862,552)**	619,932
Financing activities		
Proceeds from interest-bearing borrowings	**400,032**	862,345
Repayment of interest-bearing borrowings	**(506,648)**	(1,724,445)
Decrease in bank deposits pledged for bank loans	**92,997**	125,812
Decrease in bank deposits pledged for issuing standby letters of credit used for bank loans guarantees	**162,003**	183,863
Payments for purchase of shares in connection with the Share Award Scheme	**(135,450)**	(80,363)
Proceeds from exercise of share options	**42,423**	100,310
Proceeds of upfront payment received from employees in connection with Share Award Scheme	**77,430**	–
Purchase of own shares	**–**	(262,313)
Capital element of lease liabilities paid	**(355,174)**	(248,135)
Dividends paid	**(879,890)**	(862,968)
Proceeds from capital contribution to a subsidiary from a non-controlling interest	**10,000**	–
Proceeds from issuance of convertible bonds	**–**	1,898,262
Net cash used in financing activities	**(1,092,277)**	(7,632)
Net (decrease)/increase in cash and cash equivalents	**(1,821,741)**	1,837,306
Cash and cash equivalents at the beginning of the year	**3,638,680**	1,754,267
Effect of foreign currency exchange rate changes	**(45,609)**	47,107
Cash and cash equivalents at the end of the year	**1,771,330**	3,638,680

The notes on pages 113 to 210 form part of these financial statements.

1 GENERAL INFORMATION OF THE REPORTING ENTITY

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

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

2 BASIS OF PREPARATION

(a) Statement of compliance

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

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

(b) Basis of measurement

The consolidated financial statements for the year ended March 31, 2021 comprise the Company and its subsidiaries.

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

— investments in equity securities (see note 4(c)); and

— derivative financial instruments (see note 4(d)).

2 BASIS OF PREPARATION (continued)

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

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

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

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

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 3, *Definition of a Business*
- Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

Impacts of the adoption of the amended IFRSs are discussed below:

(i) Amendments to IFRS 3, *Definition of a Business*

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

3 CHANGES IN ACCOUNTING POLICIES (continued)

(i) Amendments to IFRS 3, *Definition of a Business* (continued)

The Group has applied the amendments from the financial year beginning on April 1, 2020 prospectively to transactions for which the acquisition date is on or after April 1, 2020. In particular, the Group has elected to apply the concentration test to an acquisition during the year (see note 15 and note 16).

(ii) Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("COVID-19-related rent concessions") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognized in profit or loss in the period in which the event or condition that triggers those payments occurred (see note 16). There is no impact on the opening balance of equity at April 1, 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Subsidiaries and non-controlling interests (continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 4(n) or (o) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment losses (see note 4(i)(ii)).

(b) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 4(i)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Other investments in equity securities

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

Investments in equity securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 37(f). These investments are subsequently accounted for as follows, depending on their classification:

(i) Investments other than equity investments

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

— amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 4(x)).

— fair value through other comprehensive income ("FVOCI") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

— FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Other investments in equity securities (continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income in accordance with the accounting policy set out in note 4(u)(v).

(d) Derivative financial instruments

Derivative financial instruments are recognized at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on the remeasurement to fair value is recognized immediately in profit or loss.

(e) Investment properties

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

(ii) Reclassification to investment property

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

(iii) Subsequent costs

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

(iv) Depreciation

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

(iv) Depreciation (continued)

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

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

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

(g) Intangible assets (other than goodwill)

(i) Customer relationships

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

(ii) Trademarks

Separately acquired trademarks are carried at cost less accumulated amortization and accumulated impairment losses (see note 4(i)(ii)). Trademarks acquired in a business combination are recognized initially at fair value at the acquisition date and subsequently carried at the amount initially recognized less accumulated amortization and accumulated impairment losses. Amortization of trademarks that have definite useful lives is calculated using the straight-line method to allocate the costs of acquired trademarks over their estimated useful lives of 10 to 20 years. The amortization method and useful lives are reviewed at the end of each reporting period.

(iii) Subsequent expenditure

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

(iv) Amortization

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leased assets

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

(i) As a lessee

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

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group, are primarily properties. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

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

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 4(i)(ii)).

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leased assets (continued)

(i) As a lessee (continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the Group took advantage of the practical expedient set out in paragraph 46A of IFRS 16 and recognized the change in consideration as if it were not a lease modification.

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

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

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

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses ("ECLs") on the following items:

- financial assets measured at amortized cost (including cash and cash equivalents, pledged bank deposits, time deposits with maturity over 3 months, trade and bills receivables and deposits, prepayments and other receivables).

Other financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECLs assessment.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using effective interest rate determined at initial recognition or an approximation thereof for fixed-rate financial assets, trade and bills receivables and deposits, prepayments and other receivables where the effect of discounting is material.

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

— lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECLs model applies.

For trade and bills receivables, the Group has measured the loss allowance as an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For deposits, prepayments and other receivables, cash and cash equivalents, pledged bank deposits, time deposits with maturity over 3 months and debt securities measured at FVOCI (recycling), the Group recognized a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or (ii) the financial asset is 180 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

— failure to make payments of principal or interest on their contractually due dates;

— an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

— an actual or expected significant deterioration in the operating results of the debtor; and

— existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECLs amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in other comprehensive income and accumulated in the fair value reserve (recycling).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Basis of calculation of interest income

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

— property, plant and equipment;

— right-of-use assets;

— investment properties;

— intangible assets;

— goodwill; and

— investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

(iii) Interim financial reporting and impairment

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

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

(j) Inventories

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

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

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

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Contract liabilities

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

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

(l) Trade, bills and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortized cost using the effective interest method less allowance for credit losses (see note 4(i)(i)).

Bills receivable are derecognized if substantially all the risks and rewards of ownership of the bills receivable are transferred. If substantially all the risks and rewards of ownership of bills receivable are retained, the bills receivable are continued to be recognized in the statement of financial position.

(m) Cash and cash equivalents

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

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between the amount initially recognized and redemption value being recognized in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) Trade and other payables

Trade and other payables are initially recognized at fair value and are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Convertible bonds that contain an equity component

Convertible bonds that can be converted into ordinary shares at the option of the holder, where the number of shares to be issued is fixed, are accounted for as compound financial instruments, i.e. they contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured at fair value based on the future interest and principal payments, discounted at the prevailing market rate of interest for similar non-convertible instruments. The equity component is the difference between the initial fair value of the convertible bonds as a whole and the initial fair value of the liability component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortized cost. Interest expense recognized in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognized in the other reserve until either the bonds are converted or redeemed.

If the bonds are converted, the other reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bonds are redeemed, the other reserve is released directly to retained profits.

(q) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(iii) Termination benefits

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Share-based payment transactions

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

The fair values of the selected current employee services received in exchange for the grant of the restricted share is recognized as an expense. The fair value is measured at grant date using the Asian option model, taking into account the terms and conditions upon which the restricted share is granted. The total amount to be expensed is determined by reference to the fair value of the granted share measured as of the grant date less the proceeds received from the employees, and records in the capital reserve until each unlocking date. The proceeds received from the employees is firstly recorded as other payables.

The fair value of share option granted to employees is recognized as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the option is granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the option, the total estimated fair value of the option is spread over the vesting period, taking into account the probability that the option will vest.

During the vesting period, the number of restricted share and share option that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of share option and restricted share that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's share. The equity amount is recognized in the capital reserve until either the share option or restricted share is exercised or released (when it is included in the amount recognized in share capital for the share issued) or the share option or restricted share expires or is forfeited or cancelled (when it is released directly to retained earnings) after the end of vesting period.

Share-based payment transactions in which the Company grants share to its subsidiaries' employees are accounted for as an increase in value of investment in subsidiaries in the Company's statement of financial position which is eliminated on consolidation.

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax

Income tax expense for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilized.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax assets and settle the current tax liabilities on a net basis or realize and settle simultaneously.

(t) Provisions and contingent liabilities

(i) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognized at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognized at the higher of the amount initially recognized, less accumulated amortization where appropriate, and the amount that would be determined in accordance with note 4(t)(ii).

(ii) Other provisions and contingent liabilities

Provisions are recognized for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue and other income

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

Revenue is recognized when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer or more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

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

(i) Sale of goods

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

(ii) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(iii) Royalty income

Royalties arising from the use by others of the Group's brands are recognized in profit or loss as other income on an accrual basis in accordance with the substance of the relevant agreements.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognized in profit or loss in equal installments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognized as income in the accounting period in which they are earned.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue and other income (continued)

(v) Dividends

- Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is established.

- Dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated to the respective functional currencies of Group entities at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognized in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognizes such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the foreign currency translation reserve ("translation reserve").

On disposed of a foreign operation, the cumulative amount in the translation reserve relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized directly in other comprehensive income, and presented in the translation reserve in equity.

(w) Borrowing costs

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

The capitalization of borrowing costs as part of the costs of the qualifying assets commences when expenditures for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying assets ready for their intended use or sale are interrupted or complete.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Finance income and finance costs

The Group's finance income and finance costs include:

— interest income;

— interest expense;

— the net gain or loss on the disposal of investments in debt securities measured at FVOCI (recycling);

— the net gain or loss on financial assets at FVPL;

— the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

— the gross carrying amount of the financial asset; or

— the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

(z) Segment reporting

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

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

5 ACCOUNTING JUDGMENT AND ESTIMATES

Sources of estimation uncertainty

Notes 11, 17, 22, 23, 24, 31 and 36 contain information about the assumptions and their risk factors relating to income tax, goodwill impairment, impairment for bad and doubtful debts, fair value of financial instruments and fair value of share options and restricted shares granted. Other key sources of estimation uncertainty are as follows:

(i) Net realizable value of inventories

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

(ii) Impairment for non-current assets

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

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

(iii) Determining the lease term

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

6 REVENUE AND SEGMENT REPORTING

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

- Down apparels – The down apparel segment carries on the business of sourcing and distributing branded down apparels.
- 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 menswear, school uniform and children's wear.

(a) Disaggregation of revenue

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

	For the year ended March 31,	
	2021	2020
	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	**13,509,569**	12,177,606
Revenue from other sources		
Gross rentals from investment properties	**6,944**	12,929
Consolidated revenue	**13,516,513**	12,190,535

All consolidated revenue was recognized at point in time.

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

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts as above that had an original expected duration of one year or less.

6 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment results

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

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

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

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

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

Disaggregation of revenue from contracts with customers by the information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended March 31, 2021 and 2020 is set out below.

	For the year ended March 31, 2021				
	Down apparels RMB'000	OEM management RMB'000	Ladieswear apparels RMB'000	Diversified apparels RMB'000	Group RMB'000
Revenue from external customers	10,889,106	1,536,083	946,627	144,697	13,516,513
Inter-segment revenue	27,966	19,639	–	16,995	64,600
Reportable segment revenue	**10,917,072**	**1,555,722**	**946,627**	**161,692**	**13,581,113**
Reportable segment profit	**2,131,414**	**187,092**	**113,168**	**(49,997)**	**2,381,677**
Amortization of intangible assets	–	–	(36,250)	–	(36,250)
Impairment losses on goodwill	–	–	(46,000)	–	(46,000)

6 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment results (continued)

	For the year ended March 31, 2020				
	Down apparels RMB'000	OEM management RMB'000	Ladieswear apparels RMB'000	Diversified apparels RMB'000	Group RMB'000
Revenue from external customers	9,512,730	1,611,354	982,661	83,790	12,190,535
Inter-segment revenue	–	42,056	–	151,211	193,267
Reportable segment revenue	9,512,730	1,653,410	982,661	235,001	12,383,802
Reportable segment profit	1,523,714	206,835	81,523	33,563	1,845,635
Amortization of intangible assets	–	–	(47,969)	–	(47,969)
Impairment losses on goodwill	–	–	(98,000)	–	(98,000)

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

	For the year ended March 31,	
	2021 RMB'000	2020 RMB'000
Revenue		
Reportable segment revenue	**13,581,113**	12,383,802
Elimination of inter-segment revenue	**(64,600)**	(193,267)
Consolidated revenue	**13,516,513**	12,190,535

	For the year ended March 31,	
	2021 RMB'000	2020 RMB'000
Profit before taxation		
Reportable segment profit	**2,381,677**	1,845,635
Amortization expenses	**(36,250)**	(47,969)
Government grants	**131,520**	157,074
Impairment losses	**(46,000)**	(98,000)
Finance income	**213,455**	192,790
Finance costs	**(195,753)**	(191,555)
Unallocated expenses	**(206,341)**	(258,062)
Consolidated profit before taxation	**2,242,308**	1,599,913

6 REVENUE AND SEGMENT REPORTING (continued)

(d) Geographic information

Except for land and buildings and investment properties with the aggregate carrying amount of RMB255,748,000 (March 31, 2020: RMB251,615,000) located in the United Kingdom, all of the Group's property, plant and equipment and investment properties are located in mainland China at March 31, 2021.

The geographical location of an asset is based on the physical location of the asset, in the case of property, plant and equipment and investment property, and the location of the operation to which they are allocated, in the case of intangible assets.

For the year ended March 31, 2021, except for revenue of RMB6,085,000 derived from the Group's European operations (year ended March 31, 2020: RMB9,230,000), all revenue is derived from the People's Republic of China ("PRC").

7 OTHER INCOME

		For the year ended March 31,	
		2021	2020
		RMB'000	RMB'000
	Note		
Royalty income	(i)	**72,297**	26,811
Government grants	(ii)	**131,520**	157,074
Dividend income	(iii)	**–**	2,766
Other income		**203,817**	186,651

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

(ii) The Group received unconditional discretionary grants amounting to RMB131,520,000 for the year ended March 31, 2021 (2020: RMB157,074,000) from various local PRC government authorities in recognition of the Group's contribution to the development of the local economies.

(iii) Dividend income for the year ended March 31, 2020 arose from the Group's equity investment in Jinhong Fashion Group Co., Ltd. (formerly known as V-GRASS Fashion Co., Ltd.) (Shanghai Stock Exchange, stock code: 603518) ("Jinhong Group") (note 24(b)).

8 PERSONNEL EXPENSES

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Salaries, wages and other benefits	**1,453,893**	1,157,988
Equity-settled share-based payments (note 36)	**80,762**	11,343
Contributions to defined contribution plans	**79,071**	139,028
	1,613,726	1,308,359

Contributions made by the Group to pension funds are dealt with in profit or loss when incurred. The Group contributes to pension funds based on certain percentages of the average salary level according to the pension fund requirements of the various provinces in the PRC in which its operations are located. 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 under the jurisdiction of the Hong Kong 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 30,000 Hong Kong Dollars ("HKD"). Contributions to the plan vest immediately.

Due to the impact of an outbreak of COVID-19, a number of policies including the relief of social insurance have been promulgated by the government since February 2020 to expedite resumption of economic activities, which contributed to the relief of certain defined contribution plans during the year.

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

9 EXPENSE BY NATURE

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

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Cost of inventories recognized as expenses included in cost of sales	**5,592,247**	5,481,889
Depreciation		
– assets leased out	**5,718**	5,658
– owned property, plant and equipment	**451,179**	286,974
– right-of-use assets	**315,968**	265,781
Amortization charge		
– intangible assets	**36,250**	47,969
Impairment losses of goodwill	**46,000**	98,000
Lease charge of short-term leases exempt from capitalization under IFRS16	**81,334**	60,147
Variable lease payments	**1,407,050**	1,091,798
Auditors' remuneration	**5,300**	5,300

10 NET FINANCE INCOME

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Recognized in profit or loss:		
Interest income on bank deposits	**49,353**	30,731
Interest income on financial assets measured at amortized cost	**97,798**	78,410
Interest income on debt instruments classified as FVOCI (recycling)	**–**	11,869
Changes in fair value of derivative financial liabilities (note 31)	**–**	1,756
Total interest income on financial assets not at fair value through profit or loss	**147,151**	122,766
Realized/unrealized net gain in financial assets classified as FVPL	**66,304**	65,383
Net foreign exchange gain	**–**	4,641
Finance income	**213,455**	192,790
Interest on interest-bearing borrowings and discounted bills	**(40,136)**	(65,544)
Interest on convertible bonds (note 32)	**(70,086)**	(19,919)
Disposal loss of debt instruments classified as FVOCI (recycling)	**–**	(57,471)
Bank charges	**(16,389)**	(14,824)
Interest expenses on lease liabilities	**(35,834)**	(33,797)
Changes in fair value of derivative financial liabilities (note 31)	**(8,811)**	–
Net foreign exchange loss	**(24,497)**	–
Finance costs	**(195,753)**	(191,555)
Net finance income recognized in profit or loss	**17,702**	1,235

11 INCOME TAX

(a) Income tax in profit or loss represents:

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Current tax		
Provision for income tax for the year	**502,510**	399,688
Deferred tax		
Origination and reversal of temporary differences (note 20(a))	**34,832**	4,949
	537,342	404,637

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

(ii) No tax provision has been made for Bosideng UK Limited and Bosideng Retail Limited, as they do not have assessable profits subject to any income tax in the United Kingdom during the years ended March 31, 2021 and 2020.

(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 HK income tax is calculated at Hong Kong Profits Tax rate 16.5% on the estimated assessable Hong Kong profits for the years ended March 31, 2021 and 2020.

For the year ended March 31, 2021, 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, Jiangsu Bosideng Supply Chain Co., Ltd., an enterprise in the PRC, which provide services for procurement, production planning, order management, storage and logistics management and services to the companies of the Group, and You Nuo (Tianjin) Clothing Limited ("You Nuo"), a clothing enterprise in the PRC. Shanghai Bosideng Information Technology Co., Ltd. and Jiangsu Bosideng Supply Chain Co., Ltd. were granted a preferential rate of 15% for high-tech enterprises for three years starting from 2019, and You Nuo was granted a preferential rate of 15% for high-tech enterprises for three years starting from 2020.

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 the Hong Kong Special Administrative Region, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest of a PRC resident enterprise is entitled to a reduced dividend withholding tax rate of 5%.

During the year ended March 31, 2021, the PRC dividend withholding tax of RMB40,500,000 (2020: RMB3,068,000) was provided against the dividend distributed during the year and to be distributed in the foreseeable future out of earnings of PRC subsidiaries of RMB810,000,000 (2020: RMB61,360,000).

(v) The equity settled share-based payments expenses recognized in profit or loss could not be tax-deducted until the relevant share options are actually exercised or relevant restricted shares are vested and the individual income tax has been paid. Tax benefit from intrinsic value of share options exercised and restricted shares vested represents the difference between the actual costs offered by the Group to the employees in relation to equity settled share-based payments, i.e. the total consideration obtained by the employees via trading the shares in capital market minus the proceeds received by the Group from the employees, and the corresponding expenses previously recognized in profit or loss being deducted in annual tax filing by relevant subsidiaries within the Group.

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

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Profit before taxation	**2,242,308**	1,599,913
Income tax at the applicable PRC income tax rate of 25%	**560,577**	399,978
Tax effect of unused tax losses and temporary differences not recognized, net of utilization	**(4,937)**	(31,096)
Tax effect of non-deductible expenses	**32,284**	25,380
Effect of tax concessions of PRC operations	**(18,421)**	(18,281)
Effect of tax rate difference under different tax jurisdictions	**7,958**	21,776
Effect of tax benefit from intrinsic value of share options exercised and restricted shares vested (note 11(a)(v))	**(86,769)**	–
Effect of PRC dividend withholding tax (note 11(a)(iv))	**40,500**	3,068
Others	**6,150**	3,812
Income tax	**537,342**	404,637

11 INCOME TAX (continued)

(c) Income tax recognized in other comprehensive income:

	For the year ended March 31,					
	2021			2020		
	Before tax amount RMB'000	**Tax effect RMB'000**	**Net of tax amount RMB'000**	Before tax amount RMB'000	Tax effect RMB'000	Net of tax amount RMB'000
Net change in fair value of other financial assets	**(18,081)**	**4,520**	**(13,561)**	(77,954)	22,322	(55,632)

(d) Income tax payable in the consolidated statement of financial position represents:

	For the year ended March 31,	
	2021 RMB'000	2020 RMB'000
Balance at the beginning of the year	**364,803**	462,551
Provision for current income tax for the year	**502,510**	399,688
Payments during the year	**(347,649)**	(497,436)
Income tax payable at the end of the year	**519,664**	364,803

12 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	For the year ended March 31,2021					
	Directors' fees RMB'000	Salaries, allowances and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Equity-settled share-based payments RMB'000	Contributions to defined Contribution Schemes RMB'000	Total RMB'000
Executive directors						
Gao Dekang	330	3,625	–	–	–	3,955
Mei Dong	330	3,011	–	–	66	3,407
Huang Qiaolian	330	1,211	–	–	–	1,541
Rui Jinsong	330	2,031	–	5,421	66	7,848
Gao Xiaodong	330	1,308	–	–	66	1,704
Independent non-executive directors						
Dong Binggen	330	–	–	–	–	330
Wang Yao (ii)	–	–	–	–	–	–
Ngai Wai Fung	385	–	–	–	–	385
	2,365	11,186	–	5,421	198	19,170

12 DIRECTORS' EMOLUMENTS (continued)

	For the year ended March 31, 2020					
	Directors' fees RMB'000	Salaries, allowances and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Equity-settled share-based payments RMB'000	Contributions to defined Contribution Schemes RMB'000	Total RMB'000
Executive directors						
Gao Dekang	330	3,625	–	–	–	3,955
Mei Dong	330	3,010	–	–	102	3,442
Huang Qiaolian	330	1,210	–	11,695	–	13,235
Mak Yun Kuen (i)	28	192	–	12,065	1	12,286
Rui Jinsong	330	2,210	–	19,154	93	21,787
Gao Xiaodong	330	1,008	–	–	15	1,353
Independent non-executive directors						
Dong Binggen	330	–	–	–	–	330
Wang Yao (ii)	–	–	–	–	–	–
Ngai Wai Fung	385	–	–	–	–	385
	2,393	11,255	–	42,914	211	56,773

(i) On April 17, 2019, Mr. Mak Yun Kuen resigned as an executive director, vice president and company secretary of the Company, effective from May 1, 2019.

(ii) During the years ended March 31, 2021 and 2020, Mr. Wang Yao, an independent non-executive director, waived director's fee of RMB330,000.

During the years ended March 31, 2021 and 2020, no amount was paid or payable by the Group to the directors or any of the other five highest paid individuals set out in note 13 below as an inducement to join or upon joining the Group or as compensation for loss of office.

13 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (for the year ended March 31, 2020: three) are directors whose emoluments are disclosed in note 12. For the year ended March 31, 2021, the aggregate of the emoluments in respect of the other two (for the year ended March 31, 2020: two) individuals are listed as follows:

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Salaries and other emoluments	**1,112**	1,938
Equity-settled share-based payments	**8,837**	13,998
Contributions to defined contribution schemes	**125**	133
	10,074	16,069

For the year ended March 31, 2021, the other two (for the year ended March 31, 2020: two) individuals with the highest emoluments are within the following band:

	For the year ended March 31,	
	2021	2020
	Number of individuals	Number of individuals
RMB2,000,001 to RMB2,500,000	**1**	–
RMB7,000,001 to RMB7,500,000	**–**	1
RMB7,500,001 to RMB8,000,000	**1**	–
RMB8,500,001 to RMB9,000,000	**–**	1

14 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended March 31, 2021 is based on the profit attributable to equity shareholders of the Company of RMB1,709,566,000 for the year ended March 31, 2021 (2020: RMB1,203,184,000) and the weighted average number of ordinary shares in issue during the years ended March 31, 2021 and 2020, calculated as follows:

Weighted average number of ordinary shares:

	For the year ended March 31,	
	2021	2020
	’000	’000
Issued ordinary shares at the beginning of the year	**10,679,680**	10,585,146
Effect of treasury shares purchased for the Share Award Scheme (note 34(b))	**(19,380)**	(7,958)
Effect of restricted shares vested (note 36(a))	**978**	34,342
Effect of share options exercised (note 36(b))	**35,290**	84,043
Effect of repurchased shares	**–**	(16,617)
Weighted average number of ordinary shares	**10,696,568**	10,678,956
Basic earnings per share (RMB cents)	**15.98**	11.27

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB1,779,652,000 (2020: RMB1,203,184,000) after adjusting for the effective interest on the liability component of convertible bonds, and the weighted average number of ordinary shares of 11,288,116,000 (2020: 10,881,104,000 shares), after adjusting for the effect of the Company’s share-based payment arrangements (note 36) and the effect of conversion of convertible bonds, as follows:

Weighted average number of ordinary shares (diluted):

	For the year ended March 31,	
	2021	2020
	’000	’000
Weighted average number of ordinary shares (basic)	**10,696,568**	10,678,956
Effect of share-based payment arrangements	**130,543**	202,148
Effect of conversion of convertible bonds	**461,005**	–
Weighted average number of ordinary shares (diluted)	**11,288,116**	10,881,104
Diluted earnings per share (RMB cents)	**15.77**	11.06

The potential ordinary shares in respect of the written put option issued to the non-controlling equity shareholder of a subsidiary of the Group (note 31) was anti-dilutive.

15 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings RMB'000	Machinery RMB'000	Motor vehicles and others RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:						
At April 1, 2019	640,527	58,449	321,071	644,783	39,348	1,704,178
Additions	1,517	1,345	53,871	448,258	154,663	659,654
Transfer from construction in progress	–	–	4,459	1,259	(5,718)	–
Disposal	–	(297)	(12,407)	(9,540)	(57)	(22,301)
Movement of exchange rate	(127)	–	304	–	–	177
At March 31, 2020	641,917	59,497	367,298	1,084,760	188,236	2,341,708
Additions	308	9,209	54,058	218,229	151,626	433,430
Transfer from construction in progress	–	227,413	3,426	2,041	(232,880)	–
Transfer to investment property	(1,632)	–	–	–	–	(1,632)
Disposal	–	(2,670)	(24,974)	(16,739)	–	(44,383)
Addition through acquisition of subsidiary	397,911	–	–	–	–	397,911
Movement of exchange rate	2,156	–	(232)	–	–	1,924
At March 31, 2021	1,040,660	293,449	399,576	1,288,291	106,982	3,128,958
Accumulated depreciation:						
At April 1, 2019	(179,717)	(26,069)	(206,699)	(268,033)	–	(680,518)
Depreciation charged for the year	(34,912)	(4,818)	(32,645)	(214,599)	–	(286,974)
Disposal	–	147	6,730	9,540	–	16,417
Movement of exchange rate	68	–	(297)	–	–	(229)
At March 31, 2020	(214,561)	(30,740)	(232,911)	(473,092)	–	(951,304)
Depreciation charged for the year	(45,569)	(15,144)	(52,938)	(337,528)	–	(451,179)
Transfer to investment property	679	–	–	–	–	679
Disposal	–	2,337	16,165	16,739	–	35,241
Movement of exchange rate	(816)	–	225	–	–	(591)
At March 31, 2021	(260,267)	(43,547)	(269,459)	(793,881)	–	(1,367,154)
Net book value:						
At March 31, 2021	780,393	249,902	130,117	494,410	106,982	1,761,804
At March 31, 2020	427,356	28,757	134,387	611,668	188,236	1,390,404

Except for freehold land and buildings with the carrying amount of RMB41,886,000 (March 31, 2020: RMB45,455,000) which were located in the United Kingdom, all other buildings were located in mainland China at March 31, 2021. The properties located in the United Kingdom were acquired by the Group in June 2011.

15 PROPERTY, PLANT AND EQUIPMENT (continued)

As at March 31, 2021, no interest expense was capitalized as there were no material borrowing costs directly attributable to the acquisition of qualifying assets.

Acquisition of subsidiary

On October 23, 2020, Bosideng Down Wear Limited, a wholly-owned subsidiary of the Company, entered into an agreement with Bosideng Corporation Limited, a company solely and ultimately owned by Mr. Gao Dekang, to acquire 100% equity interest of Suzhou Bosideng Logistics Co., Ltd., which was established for the sole purpose of holding certain properties of the land use rights and the building erected thereon, at a total consideration of RMB559,817,000 (note 27(d)). The identifiable assets of Suzhou Bosideng Logistics Co., Ltd., are mainly land use rights and buildings. The transaction was completed in October 2020 and was recognized as an acquisition of assets, rather than a business combination, given that substantially all of the fair value of the gross assets is concentrated in a group of similar identifiable assets (the land use rights (note 16) and the buildings). Further details of the net assets acquired are set out in note 27(d).

16 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Properties leased for own use RMB'000	Land use rights RMB'000	Total RMB'000
Cost:			
At April 1, 2019	235,795	62,251	298,046
Additions	765,167	–	765,167
Disposals	(12,798)	–	(12,798)
At March 31, 2020 and April 1, 2020	988,164	62,251	1,050,415
Additions	290,140	–	290,140
Additions through acquisition of subsidiary (note 15)	–	124,374	124,374
Disposals	(84,073)	–	(84,073)
At March 31, 2021	1,194,231	186,625	1,380,856
Accumulated depreciation:			
At April 1, 2019	–	(10,967)	(10,967)
Charge for the year	(262,969)	(2,812)	(265,781)
Disposals	9,019	–	9,019
At March 31, 2020 and April 1, 2020	(253,950)	(13,779)	(267,729)
Charge for the year	(311,420)	(4,548)	(315,968)
Disposals	53,399	–	53,399
At March 31, 2021	(511,971)	(18,327)	(530,298)
Net book Value:			
At March 31, 2021	682,260	168,298	850,558
At March 31, 2020	734,214	48,472	782,686

16 RIGHT-OF-USE ASSETS (continued)

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

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Land use rights (i)	**4,548**	2,812
Properties leased for own use (ii)	**311,420**	262,969
	315,968	265,781
Interest on lease liabilities (note 10)	**35,834**	33,797
Lease charge of short-term leases exempt from capitalization under IFRS16	**81,334**	60,147
Variable lease payments (iii)	**1,462,314**	1,091,798
COVID-19-related rent concessions in the form of a discount on fixed lease payments	**(55,264)**	–

During the year ended March 31, 2021, additions to right-of-use assets were RMB290,140,000. This amount primarily related to the capitalized lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 27(c) and 29, respectively.

As disclosed in note 3, the Group has early adopted the Amendment to IFRS 16, Leases, Covid-19 Related Rent Concessions, and has applied the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the year.

(i) Land use rights

Land in respect of land use rights are all located in the PRC with a lease period of 50 years when granted.

16 RIGHT-OF-USE ASSETS (continued)

(ii) Properties leased for own use

The Group has obtained the right to use other properties as its warehouses and retail stores through tenancy agreements. The leases typically run for an initial period of 2 to 9 years.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. As the Group has been reasonably certain to exercise the extension options, future lease payments of leases with options to renew have been recorded as right-of-use assets and no potential exposure to these future lease payments is needed.

(iii) Variable lease payments

During the year ended March 31, 2021, the Group received rent concessions in the form of waiver of variable lease payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amount of rent concessions on variable lease payments was RMB135,929,000, which have been accounted for as a deduction from variable lease payments recognized in profit or loss.

17 INTANGIBLE ASSETS AND GOODWILL

	Goodwill RMB'000	Customer relationships RMB'000	Trademarks RMB'000	Total RMB'000
Cost:				
At March 31, 2019, 2020 and 2021	1,708,151	648,822	633,795	2,990,768
Amortization and impairment losses:				
At March 31, 2019	(456,741)	(609,821)	(123,947)	(1,190,509)
Amortization charge for the year	–	(16,280)	(31,689)	(47,969)
Impairment losses	(98,000)	–	–	(98,000)
At March 31, 2020	(554,741)	(626,101)	(155,636)	(1,336,478)
Amortization charge for the year	–	(4,560)	(31,690)	(36,250)
Impairment losses	(46,000)	–	–	(46,000)
At March 31, 2021	(600,741)	(630,661)	(187,326)	(1,418,728)
Net book value:				
At March 31, 2021	1,107,410	18,161	446,469	1,572,040
At March 31, 2020	1,153,410	22,721	478,159	1,654,290

The amortization of customer relationships and trademarks charge for the year is included in "selling and distribution expenses" in the consolidated statement of profit or loss and other comprehensive income.

17 INTANGIBLE ASSETS AND GOODWILL (continued)

Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions. The aggregate carrying amount of goodwill allocated to each cash generating unit (CGU) is as follows:

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Gross value		
Menswear	**292,741**	292,741
Ladieswear – JESSIE brand	**484,312**	484,312
Ladieswear – BUOU BUOU brand	**525,137**	525,137
Ladieswear – Tianjin Ladieswear	**405,961**	405,961
	1,708,151	1,708,151
Accumulated impairment losses		
Menswear	**(292,741)**	(292,741)
Ladieswear – JESSIE brand	**(141,000)**	(141,000)
Ladieswear – BUOU BUOU brand	**(152,000)**	(106,000)
Ladieswear – Tianjin Ladieswear	**(15,000)**	(15,000)
	(600,741)	(554,741)
Net value		
Menswear	**–**	–
Ladieswear – JESSIE brand	**343,312**	343,312
Ladieswear – BUOU BUOU brand	**373,137**	419,137
Ladieswear – Tianjin Ladieswear	**390,961**	390,961
	1,107,410	1,153,410

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 3%. 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 17.6% to 18.1%.

17 INTANGIBLE ASSETS AND GOODWILL (continued)

Based on assessments using the discounted cashflow forecast method, the recoverable amounts of JESSIE brand ladieswear CGU and Tianjin brand ladieswear CGU were higher than the carrying amounts. The business of BUOU BUOU brand ladieswear CGU was under-performed and the recoverable amount was RMB622,481,000 which was lower than the carrying amount by RMB46,000,000. Therefore, an impairment loss of RMB46,000,000 has been recognized in the profit or loss account for the year ended March 31, 2021. The impairment loss was fully allocated to goodwill.

18 INVESTMENT PROPERTIES

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Cost:		
At the beginning of the year	**313,644**	325,974
Transfer from property, plant and equipment	**1,632**	–
Disposal during the year	**(8,712)**	(11,551)
Effect of movement in exchange rates	**6,803**	(779)
At March 31	**313,367**	313,644
Accumulated depreciation:		
At the beginning of the year	**(42,441)**	(40,594)
Transfer from property, plant and equipment	**(679)**	–
Charge for the year	**(5,718)**	(5,658)
Disposal during the year	**1,296**	3,777
Effect of movement in exchange rates	**(346)**	34
At March 31	**(47,888)**	(42,441)
Net book value:		
At March 31	**265,479**	271,203

Investment properties comprise land and buildings that are leased to third parties. As at March 31, 2021, freehold investment properties of RMB213,861,000 (March 31, 2020: RMB209,079,000) represented land and buildings located in the United Kingdom and leasehold investment properties of RMB51,618,000 (March 31, 2020: RMB62,124,000) represented buildings located in mainland China. The Group leases out investment properties under operating leases. The leases carry rentals determined based on the lease contract with third parties for a period of typically five to eight years.

18 INVESTMENT PROPERTIES (continued)

As at March 31, 2021, the aggregate fair value of the investment properties located in the United Kingdom was approximately GBP27,425,000 (equivalent to approximately RMB247,686,000) (March 31, 2020: GBP29,475,000 (equivalent to approximately RMB258,193,000)), which was based on the valuation performed by an independent professionally qualified valuer, on an open market, existing use basis. The aggregate fair value of the investment properties located in mainland China was approximately RMB96,270,000 (2020: RMB104,950,000), which was based on the valuation performed by an independent professionally qualified valuer, on an open market, existing use basis.

During the year ended March 31, 2021, rental income of RMB6,944,000 (2020: RMB12,929,000) was recognized in profit or loss.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Within 1 year	**12,040**	10,502
After 1 year but within 5 years	**46,872**	46,043
After 5 years	**43,102**	49,742
	102,014	106,287

19 PREPAYMENTS

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Prepayments for investments (i)	**–**	6,976
Prepayments for right-of-use assets (ii)	**–**	80,840
Prepayments for expenses	**22,343**	11,336
	22,343	99,152

(i) On December 30, 2019, prepayment of USD1,000,000 (equivalent to RMB6,976,000) was made for acquiring 11.43% equity interest of BAC Giang BGG Garment Corporation (the "BAC Giang BGG"), for a total consideration of USD2,000,000. Pursuant to the amended agreement dated on April 28, 2021, the Group decided not to proceed with the investment and the original prepayments for investments of USD1,000,000 was then converted into prepayments for the Group's production order to BAC Giang BGG, which were expected to be settled gradually till November 2023.

(ii) Prepayments for right-of-use assets as at March 31, 2020 represented prepaid rental fees for a flagship store in Hangzhou for a five-year rental period from October 2020 to November 2025.

20 DEFERRED TAX ASSETS AND LIABILITIES

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

	Write down of inventory RMB'000	Provision for impairment loss for bad and doubtful debts RMB'000	Customer relationships and trademark RMB'000	Property, plant and equipment RMB'000	Withholding tax on dividends RMB'000	Unrealized profits arising from intra-group transactions RMB'000	Unused tax losses RMB'000	Depreciation charge of right-of-use assets RMB'000	Others RMB'000	Total RMB'000
At March 31, 2019	130,926	31,411	(137,208)	(6,800)	(18,500)	77,778	308,931	2,218	16,576	405,332
Credited/(charged) to profit or loss	3,748	9,607	11,992	841	–	6,091	(58,062)	3,665	(1,331)	(23,449)
Credited to OCI	–	–	–	–	–	–	–	–	22,322	22,322
Released upon distribution of dividends	–	–	–	–	18,500	–	–	–	–	18,500
At March 31, 2020 and April 1, 2020	134,674	41,018	(125,216)	(5,959)	–	83,869	250,869	5,883	37,567	422,705
(Charged)/credited to profit or loss	(19,885)	(9,570)	9,062	841	(40,500)	(76,154)	101,440	2,292	(4,858)	(37,332)
Credited to OCI	–	–	–	–	–	–	–	–	4,520	4,520
Released upon distribution of dividends	–	–	–	–	2,500	–	–	–	–	2,500
At March 31, 2021	114,789	31,448	(116,154)	(5,118)	(38,000)	7,715	352,309	8,175	37,229	392,393

Deferred tax assets in respect of unused tax losses are related to certain subsidiaries of the Group, which are expected to derive profits in the foreseeable future. Accordingly, it is considered probable that sufficient taxable profits will be available to utilize their unused tax losses before they expire.

(b) Reconciliation to the consolidated statement of financial position:

	At March 31, 2021 RMB'000	At March 31, 2020 RMB'000
Net deferred tax assets	**566,540**	562,512
Net deferred tax liabilities	**(174,147)**	(139,807)
	392,393	422,705

20 DEFERRED TAX ASSETS AND LIABILITIES (continued)

(c) Deferred tax assets and liabilities not recognized

Deferred tax assets/(liabilities) have not been recognized in respect of the following items:

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Accumulated tax losses of subsidiaries	**170,644**	161,883
Retained earnings from PRC subsidiaries not expected to be distributed outside of the PRC in the foreseeable future	**(5,717,109)**	(5,388,701)

No deferred tax assets have been recognized in respect of the cumulative tax losses of certain subsidiaries of the Group as at March 31, 2021, as management considered that it is not probable that future taxable profit against which the losses can be utilized will be available in the relevant tax jurisdictions and entities. The tax losses do not expire under current tax legislation.

Except for the dividend to be distributed out of earnings of PRC subsidiaries (note 11(a)(iv)), deferred tax liabilities in relation to withholding tax have not been recognized in respect of the above retained earnings from PRC subsidiaries as the Company controls the timing and amounts of distribution and does not expect to incur such liabilities in the foreseeable future.

21 INVENTORIES

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Raw materials	**795,137**	446,180
Work in progress	**11,851**	15,946
Finished goods	**1,838,952**	2,263,788
	2,645,940	2,725,914

The analysis of the amount of inventories recognized in cost of sales and included in profit or loss is as follows:

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Carrying amount of inventories sold	**5,488,701**	5,362,984
Write down of inventories	**103,546**	118,905
	5,592,247	5,481,889

22 TRADE AND BILLS RECEIVABLES

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Trade receivables	**803,329**	1,254,898
Bills receivable	**204,630**	114,589
Less: loss allowance for doubtful debts	**(132,044)**	(172,744)
	875,915	1,196,743

The gross carrying amount of trade and bills receivables from contract with customers amounted to RMB1,007,959,000 as at March 31, 2021.

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

As at March 31, 2021, the Group endorsed certain bank acceptance bills totaling RMB156,795,000 (March 31, 2020: RMB167,299,000) to suppliers for settling trade payables of the same amount on a full recourse basis. Among these, the Group has derecognized RMB64,840,000 (March 31, 2020: RMB87,927,000) bills receivable and the payables to suppliers in their entirety. These derecognized bank acceptance bills had a maturity date of less than twelve months from the end of the reporting period. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The maximum exposure arising from the Group's continuing involvement in the endorsed bills and the undiscounted cash flows to repurchase these endorsed bills equal to their carrying amounts. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable.

Ageing analysis

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

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Within credit terms	**680,160**	841,114
1 to 3 months past due	**152,243**	270,393
Over 3 months but less than 6 months past due	**13,407**	58,161
Over 6 months but less than 12 months past due	**18,989**	14,818
Over 1 year past due	**11,116**	12,257
	875,915	1,196,743

Trade receivables and bills receivable are generally due within 30 to 90 days from the date of billing. Further details on the Group's credit policy and exposure to credit and currency risk related to trade and bills receivables are disclosed in note 37(a).

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Deposits	**580,538**	597,210
Prepayments for materials and processing fee	**312,059**	208,840
Prepayments for other services	**28,654**	22,077
	340,713	230,917
Third party other receivables:		
– VAT recoverable	**185,842**	96,252
– Advances to employees	**40,774**	34,786
– Others	**20,285**	11,662
	246,901	142,700
Total	**1,168,152**	970,827

24 OTHER FINANCIAL ASSETS

		At March 31,	
		2021	2020
		RMB'000	RMB'000
	Note		
Non-current			
Equity securities designated at FVOCI (non-recycling)	(b)	**100,130**	118,211
Financial assets measured at amortized cost	(a)	**50,771**	30,657
		150,901	148,868
Current			
Financial assets measured at amortized cost	(a)	**2,093,664**	2,713,161
Financial assets classified at FVPL	(c)	**3,858,505**	559,598
		5,952,169	3,272,759
Total		**6,103,070**	3,421,627

24 OTHER FINANCIAL ASSETS (continued)

(a) Financial assets measured at amortized cost are principal guaranteed short-term or long-term investments with banks in the PRC. These investments have expected but not guaranteed returns, ranging from 1.00% to 5.44% (March 31, 2020: 1.3% to 6.12%) per annum.

During the year, the interest income of investments with banks of RMB97,798,000 (for the year ended March 31, 2020: RMB78,410,000) was recognized as finance income.

(b) On February 9, 2018, Shuo Ming De Investment Co., Ltd. ("Shuo Ming De"), a subsidiary of the Group, subscribed for 12,184,230 non-public issued shares of Jinhong 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. 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. No dividends were received on this investment during the year ended March 31, 2021 (for the year ended March 31, 2020: RMB2,766,000).

During the year, the changes in fair value of this investment, after tax effect of RMB13,561,000 was recognized as a loss in other comprehensive income (for the year ended March 31, 2020: RMB66,964,000).

(c) Financial assets classified as FVPL represent listed equity investments of RMB7,607,000 (March 31, 2020: Nil) and short-term investments with banks of RMB3,850,898,000 (March 31, 2020: RMB559,598,000).

(i) Listed equity investments

The listed equity investments held by the Group, other than the investments in Jinhong Group, were classified as FVPL, as the Group plans not to elect option to irrevocably designate as FVOCI (without recycling) under IFRS 9 and these investments have been classified as FVPL.

During the year, the unrealized gains of other equity investments held by the Group of RMB634,000 were recognized as a gain in finance income (for the year ended March 31, 2020: Nil).

(ii) Short-term investments with banks

Short-term investments with banks with no guarantee of principal and interest were classified as FVPL. During the year, the net realized/unrealized gain in these investments of RMB65,670,000 was recognized as a gain in finance income (for the year ended March 31, 2020: RMB42,195,000). Neither the single short-term investment nor short-term investment made with the same bank on an aggregate basis accounted for over 5% of the Group's total assets.

25 PLEDGED BANK DEPOSITS

Bank deposits are pledged to banks as security for the following activities:

	At March 31,	
	2021 **RMB'000**	2020 RMB'000
Non-current		
Bills payable and letter of credit facilities	**450,000**	–
Current		
Standby letters of credit (note 28)	**–**	162,003
Bank borrowings (note 28)	**47,641**	140,638
Bills payable and letter of credit facilities	**159,612**	111,750
	657,253	414,391

The pledged bank deposits as at March 31, 2021 will be released upon the settlement of the relevant bank borrowings, bills payable and letters of credit facilities.

26 TIME DEPOSITS

	At March 31, 2021 RMB'000	At March 31, 2020 RMB'000
Time deposits with maturity over three months but less than one year	**99,301**	153,500
Time deposits with maturity over one year	**440,000**	–
Time deposits	**539,301**	153,500

27 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	At March 31, 2021 RMB'000	At March 31, 2020 RMB'000
Cash at bank and on hand	**2,077,884**	4,206,571
Less: Pledged bank deposits	**(207,253)**	(414,391)
Time deposits with maturity over three months	**(99,301)**	(153,500)
Cash and cash equivalents	**1,771,330**	3,638,680

Cash at bank and on hand are denominated in:

	At March 31, 2021 RMB'000	At March 31, 2020 RMB'000
– RMB	**1,531,971**	3,055,857
– USD	**317,908**	1,064,141
– HKD	**216,791**	75,352
– GBP	**7,549**	9,912
– EUR	**3,573**	1,140
– JPY	**92**	169
	2,077,884	4,206,571

The Group's cash at bank balances denominated in RMB are deposited with banks in the PRC. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

27 CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans and other borrowings RMB'000 (note 28)	Convertible Bonds RMB'000 (note 32)	Lease liabilities RMB'000 (note 29)	Total RMB'000
At April 1, 2019	1,627,720	–	222,602	1,850,322
Changes from financing cash flows:				
Proceeds from new bank loans	862,345	–	–	862,345
Repayment of bank loans	(1,724,445)	–	–	(1,724,445)
Capital element of lease rentals paid	–	–	(248,135)	(248,135)
Proceeds from issuance of convertible bonds	–	1,898,262	–	1,898,262
Total changes from financing cash flows	(862,100)	1,898,262	(248,135)	788,027
Exchange adjustments	52,221	18,880	–	71,101
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	–	761,645	761,645
Interest expenses (note 10)	–	19,919	–	19,919
Transferred equity component to other reserves	–	(260,576)	–	(260,576)
Total other changes	–	(240,657)	761,645	520,988
At March 31 and April 1, 2020	817,841	1,676,485	736,112	3,230,438
Changes from financing cash flows:				
Proceeds from new bank loans	400,032	–	–	400,032
Repayment of bank loans	(506,648)	–	–	(506,648)
Capital element of lease rentals paid	–	–	(355,174)	(355,174)
Total changes from financing cash flows	(106,616)	–	(355,174)	(461,790)
Exchange adjustments	(40,302)	(118,367)	–	(158,669)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	–	257,761	257,761
Interest expenses (note 10)	–	70,086	–	70,086
Interest paid	–	(18,732)	–	(18,732)
Total other changes	–	51,354	257,761	309,115
At March 31, 2021	**670,923**	**1,609,472**	**638,699**	**2,919,094**

27 CASH AND CASH EQUIVALENTS (continued)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Within operating cash flows	**1,579,482**	1,178,482
Within financing cash flows	**355,174**	248,135
	1,934,656	1,426,617

(d) Net cash outflow arising from the acquisition of a subsidiary

The recognized amounts of assets acquired and liabilities at the date of acquisition of the subsidiary comprise the following:

	RMB'000
Buildings (note 15)	397,911
Land use rights (note 16)	124,374
Cash	208
Other receivables	37,464
Other payables	(140)
Total consideration paid in cash	559,817
Less: cash of subsidiary acquired	(208)
	559,609

28 INTEREST-BEARING BORROWINGS

At March 31, 2021, the interest-bearing borrowings were repayable as follows:

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Within 1 year or on demand	**670,923**	817,841

28 INTEREST-BEARING BORROWINGS (continued)

At March 31, 2021, the interest-bearing borrowings were secured as follows:

	At March 31, 2021 RMB'000	2020 RMB'000
Bank loans		
– Secured	**669,923**	817,841
– Unsecured	**1,000**	–
	670,923	817,841

Bank borrowings of RMB500,887,000 as at March 31, 2021 (March 31, 2020: RMB298,133,000) were partially secured by pledged bank deposits of RMB47,641,000 (March 31, 2020: RMB137,248,000) (note 25).

A bank borrowing of RMB169,036,000 as at March 31, 2021 was secured by intra-group guarantee arrangement (March 31, 2020: RMB198,383,000).

Bank borrowings of RMB321,325,000 as at March 31, 2020 were secured by stand by letters of credit, which are in turn partially secured by pledged deposits of RMB162,003,000 (note 25).

Further details of the Group's management of liquidity risk are set out in note 37(b).

29 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	At March 31, 2021 RMB'000	2020 RMB'000
Within 1 year	**223,388**	260,825
After 1 year but within 2 years	**189,721**	224,156
After 2 years but within 5 years	**206,434**	213,448
After 5 years	**19,156**	37,683
	415,311	475,287
	638,699	736,112

30 TRADE AND OTHER PAYABLES

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Trade payables	**722,128**	519,489
Bills payables	**1,746,505**	1,310,192
	2,468,633	1,829,681
Other payables and accrued expenses		
– Deposits from customers	**257,400**	234,898
– Contract liabilities	**286,944**	237,584
– Construction payables	**223,172**	170,015
– Accrued advertising expenses	**95,186**	122,981
– Accrued payroll, welfare and bonus	**358,224**	203,285
– Cash-settled written put option (note 31)	**50,530**	42,798
– VAT and other tax payable	**122,121**	195,914
– Dividends payable	**5,000**	5,000
– Current portion of dividends payable to the former controlling shareholder of a subsidiary, BuouBuou International Holdings Ltd.	**–**	41,840
– Dividends payable to the former controlling shareholder of the subsidiaries, Joy Smile Development Limited ("Joy Smile") and You Nuo	**–**	4,402
– Payables in relation to unvested restricted shares (note 36(a))	**7,743**	4,662
– Interest payable in relation to convertible bonds (note 32)	**5,184**	5,590
– Others	**131,938**	142,656
	4,012,075	3,241,306

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

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Within 1 month	**2,264,702**	1,677,174
1 to 3 months	**203,931**	152,507
	2,468,633	1,829,681

31 DERIVATIVE FINANCIAL LIABILITIES

On November 4, 2011, the Group obtained control of Talent Shine Limited and Sunny Bright Global Investments Limited (collectively known as "Jessie") by acquiring 70% of the shares and voting interests of the Jessie business. Pursuant to the relevant sale and purchase agreement, the Group granted a written put option to Talent Shine International Limited, the non-controlling shareholder of Jessie, giving it the right to sell its entire 30% interest in Jessie after March 31, 2015 at a consideration which comprises cash and a variable number of shares of Bosideng. The consideration for exercising the put option depends on Jessie's adjusted net profit for the previous financial year and in total shall not exceed RMB900,000,000. The put option was not yet exercised by Talent Shine International Limited as at March 31, 2021.

As at March 31, 2021, the present value of the redemption price of the cash settled portion of the written put option of RMB50,530,000 was recorded as a current payable (March 31,2020: RMB42,798,000). The increase of RMB7,732,000 during the year was recorded as a decrease of other reserves.

As at March 31, 2021, the fair value of the share settled portion of the written put option was RMB9,344,000 (March 31, 2020: RMB533,000), and loss on fair value change of RMB8,811,000 was recognized in profit or loss (2020: gain on fair value change of RMB1,756,000 (note 10)).

32 CONVERTIBLE BONDS

	Liability component RMB'000	**Equity component RMB'000**	**Total RMB'000**
At March 31, 2020	1,676,485	260,576	1,937,061
Effective interest expense for the year	70,086	–	70,086
Interest paid	(18,732)	–	(18,732)
Exchange adjustment	(118,367)	–	(118,367)
At March 31, 2021	1,609,472	260,576	1,870,048

Liability component

	At March 31,	
	2021 RMB'000	2020 RMB'000
Carrying amount of liability component	**1,609,472**	1,676,485
Less: interest payable due within 1 year (note 30)	**(5,184)**	(5,590)
Convertible bonds – non-current portion	**1,604,288**	1,670,895

32 CONVERTIBLE BONDS (continued)

Liability component (continued)

On December 17, 2019, pursuant to a subscription agreement dated December 4, 2019 (the "Subscription Agreement"), the Company issued convertible bonds with a principal amount of USD275 million due on December 17, 2024 (the "Convertible Bonds"). The Convertible Bonds bear simple coupon interest at 1% per annum, and the interest shall be payable semi-annually.

The Convertible Bonds may be converted into shares of the Company pursuant to the terms and conditions of the Subscription Agreement. The rights of the bondholders to convert the Convertible Bonds into ordinary shares are as follows:

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

- at the initial conversion price being HKD4.91 per share (subject to adjustments in the manner provided in the terms and conditions of the Subscription Agreement), with a fixed exchange rate of HKD7.8287 to USD1;

- since the issue of the Convertible Bonds on December 17, 2019 up to now, the conversion price has been adjusted twice, please refer to the announcements of the Company dated August 21, 2020 and December 3, 2020, respectively, for details; and

Effective date	Adjustment to conversion price
August 7, 2020	HKD4.91 per share adjusted to HKD4.73 per share
December 19, 2020	HKD4.73 per share adjusted to HKD4.67 per share

- the number of ordinary shares to be issued on exercise of a conversion right shall be determined by dividing the principal amount of the Convertible Bonds to be converted by the conversion price in effect on the relevant conversion date.

Unless previously redeemed, the Convertible Bonds, in respect of which conversion rights have not been exercised, will be redeemed at the outstanding principal amount together with accrued and unpaid interest on December 17, 2024.

33 OTHER NON-CURRENT LIABILITIES

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Payables in relation to equity-settled share-based transactions (note 36(a))	**69,687**	–

34 INVESTMENT IN SUBSIDIARIES

(a) Subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

			Proportion of ownership interest			
Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
1. Enterprises established outside the PRC						
1) Down segment and OEM management						
Bosideng International Fashion Limited 波司登國際服飾有限公司	BVI, July 11, 2006 Limited company	USD1	100%	100%	–	Retail sales of apparels and investment holding
Golden Progress Limited 金浩進有限公司	Hong Kong, October 12, 2015 Limited company	HKD1	100%	–	100%	Investment holding
Delight Kingdom Group Limited 景勵集團有限公司	BVI, January 3, 2017 Limited company	USD100	100%	–	100%	Investment holding
Bosideng UK Limited 波司登(英國)有限公司	United Kingdom, March 23, 2012 Limited company	GBP1	100%	–	100%	Sourcing and distribution of down apparels
Bosideng Retail Limited 波司登零售有限公司	United Kingdom, March 23, 2012 Limited company	GBP8,000,000	100%	–	100%	Sourcing and distribution of down apparels
Rocawear (China) Limited 洛卡(中國)有限公司	Hong Kong, July 2, 2009 Limited company	USD100	100%	–	100%	Investment holding

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
2) Ladieswear apparels						
Jessie International Holdings Limited 杰西國際控股有限公司	BVI, September 20, 2011 Limited company	USD1	100%	–	100%	Investment holding
Joy Smile Development Limited 欣悅發展有限公司	BVI, June 15, 2015 Limited company	USD2	100%	–	100%	Investment holding
Kandy E-Incorporation Limited 康德藝有限公司	Hong Kong, September 11, 2014 Limited company	HKD1	100%	–	100%	Investment holding
Hong Kong Bestmate Limited 香港美滿有限公司	Hong Kong, July 8, 2011 Limited company	HKD10,000	70%	–	100%	Provision of service for brand design and development
Sunny Bright Global Investments Limited 朗輝環球投資有限公司	BVI, August 8, 2011 Limited company	USD50,000	70%	–	70%	Investment holding
Talent Shine Limited 廸暉有限公司	Hong Kong, April 10, 2007 Limited company	HKD10,000	70%	–	70%	Investment holding
Union Techwell Development Limited 聯得發展有限公司	BVI, February 8, 2012 Limited company	USD50,000	91%	–	100%	Investment holding

34 INVESTMENT IN SUBSIDIARIES (continued)

(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
HeYuan (Hong Kong) Industrial Limited 和元(香港)實業有限公司	Hong Kong, January 18, 2013 Limited company	HKD10,000	91%	–	100%	Investment holding
HeYuan (Hong Kong) Fashion Design Limited 和元(香港)時裝設計有限公司	Hong Kong, January 18, 2013 Limited company	RMB39,500,000	91%	–	100%	Provision of service for brand design and development
New Prosperous Trading Development Limited 新富貿易發展有限公司	BVI, July 3, 2012 Limited company	USD50,000	91%	–	100%	Investment holding
BuouBuou International Holdings Limited 邦寶國際控股有限公司	BVI, March 13, 2014 Limited company	USD60,000	91%	–	100%	Investment holding
3) Diversified apparels						
Ying Fai Int'l Investment Limited 盈輝國際投資有限公司	BVI, June 2, 2008 Limited company	USD10,000	100%	–	100%	Investment holding
Long Pacific (H.K.) Ltd. 長隆(香港)有限公司	Hong Kong, May 22, 2008 Limited company	HKD1	100%	–	100%	Investment holding

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
2. Enterprises established in the PRC						
1) Down segment and OEM management						
Bosideng International Fashion (China) Limited 波司登國際服飾(中國)有限公司	PRC, June 23, 2005 Limited liability company	USD138,000,000	100%	–	100%	Sourcing and distribution of down apparels
Bosideng Down Wear Limited 波司登羽絨服裝有限公司	PRC, March 30, 2006 Limited liability company	USD80,000,000	100%	–	100%	Sourcing and distribution of down apparels
Gaoyou Bosideng Fashion Co., Ltd. 高郵波司登服飾有限公司	PRC, September 13, 2013 Limited liability company	RMB10,000,000	100%	–	100%	Sourcing and distribution of down apparels
Jiangsu Bosideng Supply Chain Co.Ltd. 江蘇波司登供應鏈管理有限公司	PRC, June 16, 2014 Limited liability company	RMB50,000,000	100%	–	100%	Providing of logistic and storage service
Suzhou Bosideng Logistics Co.,Ltd. 蘇州波司登物流有限公司	PRC, April 1, 2019 Limited liability company	RMB560,000,000	100%	–	100%	Providing of logistic and storage service

34 INVESTMENT IN SUBSIDIARIES (continued)

(a) Subsidiaries (continued)

			Proportion of ownership interest			
Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Shanghai Bosideng Information Technology Co., Ltd. 上海波司登信息科技有限公司	PRC, December 20, 2011 Limited liability Company	RMB50,000,000	100%	–	100%	Network consulting and e-business of down and non-down apparels
Shanghai Bosideng Clothing Design and Development Centre Co., Ltd. 上海波司登服裝設計開發中心有限公司	PRC, March 23, 2001 Limited liability Company	RMB2,000,000	100%	–	100%	Designing and distribution of down and non-down apparels
Xuezhongfei Enterprise Co., Ltd. 雪中飛實業有限公司	PRC, February 8, 2012 Limited liability Company	RMB500,000,000	70%	–	100%	Sourcing and distribution of down apparels
Bosideng Fashion (Shanghai) Limited 波司登服飾(上海)有限公司	PRC, April 21, 1999 Limited liability company	USD68,000,000	100%	–	100%	Sourcing and distribution of down apparels
Jiangsu Bingjie Fashion Limited 江蘇冰潔時尚服飾有限公司	PRC, February 24, 2016 Limited liability company	RMB9,000,000	70%	–	100%	Sourcing and distribution of down apparels
Kangbo Fashion Limited 康博服飾有限公司	PRC, September 18, 2006 Limited liability company	USD85,000,000	100%	–	100%	Sourcing and distribution of down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Shanghai Shuangyu Fashion Limited 上海雙羽服飾有限公司	PRC, June 28, 2006 Limited liability company	USD68,000,000	100%	–	100%	Sourcing and distribution of down apparels
Rocawear (Shanghai) Fashion Co., Ltd. 洛卡薇爾（上海）服飾有限公司	PRC, August 28, 2008 Limited liability company	USD10,000,000	100%	–	100%	Sourcing and distribution of down apparels
Shuo Ming De Investment Co., Ltd. 朔明德投資有限公司	PRC, January 17, 2017 Limited liability company	RMB500,000,000	100%	–	100%	Investment holding
Changshu Bosideng Import and Export Co., Ltd. 常熟市波司登進出口有限公司	PRC, April 11, 2002 Limited liability company	RMB5,000,000	100%	–	100%	Sourcing and distribution of OEM products
Jiangsu Bosideng Marketing Co., Ltd. 江蘇波司登營銷有限公司	PRC, April 13, 2009 Limited liability company	RMB200,000,000	100%	–	100%	Distribution of down apparels
Shanghai Bosideng Trade Development Co., Ltd. 上海波司登商貿發展有限公司	PRC, November 10, 2011 Limited liability company	RMB200,000,000	100%	–	100%	Distribution of down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)

(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Shanghai Bosideng Electronic Commerce Co., Ltd. 上海波司登電子商務有限公司	PRC, July 31, 2012 Limited liability company	RMB28,000,000	100%	–	100%	E-commerce of down and non-down apparels
Shanghai Bosideng Clothing Trading Co., Ltd. 上海波司登服飾貿易有限公司	PRC, November 17, 2009 Limited liability company	RMB50,000,000	100%	–	100%	Distribution of down apparels
Shanghai Bosideng Clothing Co., Ltd. 上海波司登服裝有限公司	PRC, March 22, 2021 Limited liability company	RMB50,000,000	100%	–	100%	Distribution of down apparels
Jiangsu Bosideng Technology Co., Ltd. 江蘇波司登科技有限公司	PRC, April 13, 2009 Limited liability company	RMB100,000,000	100%	–	100%	Distribution of down apparels
Jiangsu Bosideng E-commerce Technology Co., Ltd. 江蘇波司登電子商務技術有限公司	PRC, December 04, 2020 Limited liability company	RMB100,000,000	100%	–	100%	Distribution of down apparels
Jiangsu Boyu Trading Co., Ltd. 江蘇波羽商貿有限公司	PRC, December 13, 2019 Limited liability company	RMB10,000,000	100%	–	100%	Distribution of down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activity
Changchun Bosideng Xuezhongfei Trading Co., Ltd. 長春波雪貿易有限公司	PRC, May 18, 2010 Limited liability company	RMB1,000,000	100%	–	100%	Distribution of down apparels
Tianjin Bosideng Trading Co., Ltd. 天津市波司登貿易有限公司	PRC, February 10, 1999 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Shijiazhuang Bosideng Trading Co., Ltd. 石家莊波司登貿易有限公司	PRC, October 16, 1998 Limited liability company	RMB25,000,000	100%	–	100%	Distribution of down apparels
Taiyuan Bosideng Trading Co., Ltd. 太原市波司登貿易有限公司	PRC, October 16, 2000 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Liaoning Bosideng Trading Co., Ltd. 遼寧波司登貿易有限公司	PRC, September 3, 2002 Limited liability company	RMB20,000,000	100%	–	100%	Distribution of down apparels
Beijing Bosideng Trading Co., Ltd. 北京市波司登貿易有限公司	PRC, October 26, 1998 Limited liability company	RMB30,000,000	100%	–	100%	Distribution of down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activity
Dalian Bosideng Trading Co., Ltd. 大連波司登貿易有限公司	PRC, April 30, 2006 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Zhengzhou Bosideng Trading Co., Ltd. 鄭州波司登貿易有限公司	PRC, October 9, 1998 Limited liability company	RMB550,000	100%	–	100%	Distribution of down apparels
Xi'an Bosideng Trading Co., Ltd. 西安波司登貿易有限公司	PRC, December 1, 2000 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Chengdu Bosideng Trading Co., Ltd. 成都波司登貿易有限公司	PRC, November 8, 2000 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Lanzhou Bosideng Trading Co., Ltd. 蘭州波司登貿易有限公司	PRC, October 25, 2000 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Urumchi Bosideng Trading Co., Ltd. 烏魯木齊波司登貿易有限公司	PRC, October 17, 2000 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Chongqing Bosideng Trading Co., Ltd. 重慶波司登貿易有限公司	PRC, May 16, 2006 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Wuhan Bosideng Trading Co., Ltd. 武漢波司登貿易有限公司	PRC, November 4, 2006 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Hangzhou Bosideng Trading Co., Ltd. 杭州波司登貿易有限公司	PRC, April 28, 2006 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Nanchang Bosideng Trading Co., Ltd. 南昌波司登貿易有限公司	PRC, May 12, 2006 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Changsha Bosideng Trading Co., Ltd. 長沙波司登服飾貿易有限公司	PRC, April 25, 2006 Limited liability company	RMB510,000	100%	–	100%	Distribution of down apparels
Ji'nan Bosideng Trading Co., Ltd. 濟南波司登貿易有限公司	PRC, October 19, 1998 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Qingdao Bosideng Trading Co., Ltd. 青島波司登貿易有限公司	PRC, May 8, 2006 Limited liability company	RMB500,000	100%	–	100%	Distribution of down apparels
Harbin Bosideng Xuezhongfei Trading Co., Ltd. 哈爾濱波雪貿易有限公司	PRC, June 23, 2010 Limited liability company	RMB1,000,000	100%	–	100%	Distribution of down apparels
Kunming Bosideng Trading Co., Ltd. 昆明波司登貿易有限公司	PRC, June 3, 2010 Limited liability company	RMB1,000,000	100%	–	100%	Distribution of down apparels
Hohhot Bosideng Trading Co., Ltd. 呼和浩特市波司登商貿有限責任公司	PRC, May 23, 2011 Limited liability company	RMB1,000,000	100%	–	100%	Distribution of down apparels
Jiangxi Bosideng Marketing Co., Ltd. 江西波司登營銷有限公司	PRC, June 29, 2017 Limited liability company	RMB10,000,000	100%	–	100%	Distribution of down apparels
Zhejiang Bosideng Trading Co., Ltd. 浙江波司登商貿有限公司	PRC, December 13, 2019 Limited liability company	RMB10,000,000	100%	–	100%	Distribution of down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activity
2) Ladieswear apparels						
Shenzhen Jessie Fashion Co., Ltd. 深圳市杰西服裝有限責任公司	PRC, March 26, 2001 Limited liability company	RMB76,500,000	70%	–	100%	Sourcing and distribution of non-down apparels
Talent Shine Import & Export (Shenzhen) Co., Ltd. 迪輝達進出口(深圳)有限公司	PRC, July 16, 2007 Limited liability company	HKD8,300,000	70%	–	100%	Sourcing and distribution of non-down apparels
Shenzhen Buoubuou Fashion Co., Ltd. 深圳邦寶時尚服飾有限公司	PRC, July 5, 2013 Limited liability company	HKD26,000,000	91%	–	100%	Sourcing and distribution of non-down apparels
Shenzhen Weiyi Garment Processing Co., Ltd. 深圳市唯伊服裝加工有限公司	PRC, May 8, 2015 Limited liability company	RMB3,000,000	91%	–	100%	Sourcing and distribution of non-down apparels
Shanghai Buoubuou Electronic Commerce Co., Ltd. 上海邦寶電子商務有限公司	PRC, November 3, 2014 Limited liability company	RMB10,000,000	91%	–	100%	Sourcing and distribution of non-down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)
(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Chongqing Buoubuou Garment Sales Co., Ltd. 重慶邦寶服裝銷售有限公司	PRC, June 25, 2015 Limited liability company	RMB1,000,000	91%	–	100%	Sourcing and distribution of non-down apparels
You Nuo (Tianjin) Clothing Limited 優諾(天津)服裝有限公司	PRC, August 4, 2014 Limited liability company	RMB30,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Klova (Tianjin) Clothing Limited 柯蘿芭(天津)服裝有限公司	PRC, November 24, 2015 Limited liability company	RMB1,000,000	70%	–	100%	Sourcing and distribution of non-down apparels
Koreano (Tianjin) Clothing Limited 天津柯利亞諾時裝有限公司	PRC, April 20, 1992 Limited liability company	RMB1,650,000	100%	–	100%	Sourcing and distribution of non-down apparels
Luhua (Tianjin) Clothing Limited 盧華(天津)服裝有限公司	PRC, July 1, 2003 Limited liability company	USD4,000,000	100%	–	100%	Sourcing and distribution of non-down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)

(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
3) Diversified apparels						
Jiangsu Vetallo Garment Co., Ltd. 江蘇威德羅服飾有限公司	PRC, October 13, 2006 Limited liability company	USD35,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Jiangsu Sameite Garments Co., Ltd. 江蘇颯美特服飾有限公司	PRC, April 18, 2016 Limited liability company	RMB20,000,000	70%	–	100%	Sourcing and distribution of non-down apparels
Shanghai Bingjie Fashion Co., Ltd. 上海冰潔時裝服飾有限公司	PRC, July 6, 2016 Limited liability company	RMB10,000,000	70%	–	100%	Sourcing and distribution of non-down apparels
Shanghai Bosideng Kidswear Co., Ltd. 上海波司登兒童服飾有限公司	PRC, April 28, 2017 Limited liability company	RMB14,000,000	100%	–	100%	Sourcing and distribution of non-down apparels
Fanchun Shanghai Network Technology Co., Ltd. 梵椿(上海)網絡科技有限公司	PRC, May 4, 2018 Limited liability company	RMB30,500,000	51%	–	51%	Sourcing and distribution of non-down apparels

34 INVESTMENT IN SUBSIDIARIES (continued)

(a) Subsidiaries (continued)

Name of company	Place of incorporation and business, date of incorporation and type of legal entity	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Shanghai Pinmeng Kidswear Co., Ltd. 上海品萌兒童服飾有限公司	PRC, May 17, 2018 Limited liability company	RMB30,000,000	41.35%	–	100%	Sourcing and distribution of non-down apparels
Zhejiang Shunchuang Technology Co., Ltd. 浙江順創科技有限公司	PRC, November 1, 2016 Limited liability company	RMB3,050,000	51%	–	100%	Sourcing and distribution of non-down apparels
Ningbo Hameng Network Technology Co., Ltd. 寧波哈萌網絡科技有限公司	PRC, October 24, 2018 Limited liability company	RMB4,750,000	51%	–	100%	Sourcing and distribution of non-down apparels
Jiangsu Snow-Flying Outdoor Co., Ltd. 江蘇雪中飛戶外用品有限公司	PRC, May 20, 2016 Limited liability company	RMB16,900,000	70%	–	100%	Sourcing and distribution of non-down apparels

i) The English translation of the names of the companies registered in the PRC above is for reference only. The official names of these companies are in Chinese.

As at March 31, 2021 and 2020, none of the Group's subsidiaries have non-controlling interests which are material to the Group's consolidated financial statements.

34 INVESTMENT IN SUBSIDIARIES (continued)

(b) A trust for the share award scheme (the "Trust")

On September 23, 2011, the Company adopted a share award scheme (the "2011 Share Award Scheme"), which is not subject to the provisions of Chapter 17 of the Listing Rules, to recognize and reward the contribution of certain eligible employees to the growth and development of the Group through an award of the Company's shares.

On August 5, 2016, the Company amended the 2011 Share Award Scheme so that (i) directors of the Company shall also be eligible to participate in the 2011 Share Award Scheme, subject to the terms of their service agreements or other agreements with the Company or any member of the Company; and (ii) the relevant scheme limits under the 2011 Share Award Scheme can be increased, with effect from that date.

On April 23, 2020, as the 2011 Share Award Scheme expired in March 31, 2018, the Company adopted a new share award scheme (the "Share Award Scheme"), which is not subject to the provisions of Chapter 17 of the Listing Rules, to recognize and reward the contribution of certain eligible employees (including the directors and core management team of the Group) and to incentivize them for the growth and development of the Group through an award of the Company's shares.

The Company has appointed a trustee for administration of the Share Award Scheme (the "Trustee"). The principal activity of the Trustee is administrating and holding the Company's shares for the Share Award Scheme for the benefit of the Company's eligible employees. Pursuant to the Share Award Scheme, the Company's shares will be purchased by the Trustee in the market out of cash contributed by the Company and held in the Trust for relevant employees until such shares are vested in the relevant beneficiary in accordance with the provisions of the Share Award Scheme at no cost. The total number of the Company's shares held by the Trustee under the Share Award Scheme will not exceed 10% of the total issued shares of the Company at any time.

As the Company has the power to govern the financial and operating policies of the Trust and can derive benefits from the contributions of the employees who have been awarded the shares of the Company (the "Awarded Shares") through their continued employment with the Group, the Group is required to consolidate the Trust.

As at March 31, 2021, the Company had contributed RMB274,459,000 (March 31, 2020: RMB142,424,000) to the Trust and the amount was recorded as "Investment in subsidiaries" in the Company's statement of financial position.

During the year ended March 31, 2021, 13,728,000 shares were vested to employees on March 5, 2021 (note 36(a)). As at March 31, 2021, total number of shares held by the Trustee was 90,012,000 (March 31, 2020: 50,840,000) at a total cost (including related transaction costs) of RMB171,495,000 (March 31, 2020: RMB62,200,000).

35 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company	Share capital RMB'000 (note 35(c))	Share premium RMB'000 (note 35(e))	Capital reserves RMB'000 (note 35(d))	Other reserves RMB'000 (note 32)	Translation reserves RMB'000 (note 35(d))	Retained earnings RMB'000	Total RMB'000
Balance at March 31, 2019	803	1,532,813	176,801	–	(733,190)	–	977,227
Changes in equity for the year:							
Profit for the year	–	–	–	–	–	1,936,908	1,936,908
Equity settled share-based transactions	12	132,682	(21,041)	–	–	–	111,653
Foreign currency translation differences – foreign operations	–	–	–	–	89,230	–	89,230
Purchases of own shares	(9)	–	–	–	–	(262,304)	(262,313)
Issuance of convertible bonds	–	–	–	260,576	–	–	260,576
Dividends (note 35(b))	–	–	–	–	–	(854,915)	(854,915)
Balance at March 31, 2020	806	1,665,495	155,760	260,576	(643,960)	819,689	2,258,366
Changes in equity for the year:							
Profit for the year	–	–	–	–	–	493,243	493,243
Equity settled share-based transactions (note 36)	5	60,450	80,631	–	–	–	141,086
Foreign currency translation differences – foreign operations	–	–	–	–	(144,049)	–	(144,049)
Dividends (note 35(b))	–	–	–	–	–	(909,484)	(909,484)
Balance at March 31, 2021	**811**	**1,725,945**	**236,391**	**260,576**	**(788,009)**	**403,448**	**1,839,162**

(b) Dividends

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

	For the year ended March 31, 2021 RMB'000	2020 RMB'000
Interim dividend declared and paid of HKD3.5 cents per ordinary share (2020: interim dividend declared and paid of HKD3.0 cents per ordinary share)	**315,441**	292,151
Final dividend proposed after the end of the reporting period of HKD10.0 cents per ordinary share (2020: HKD6.0 cents per ordinary share)	**895,365**	589,315
	1,210,806	881,466

The final dividend proposed after the end of the reporting period have not been recognized as a liability at the end of the reporting period.

35 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Dividends (continued)

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HKD6.0 cents per ordinary share (2020: final dividend of HKD6.0 cents per ordinary share)	**569,914**	576,775

(c) Share capital

Movements in the authorized and issued and fully paid share capital of the Company during the years are as follows:

	2021		2020	
	No of shares ('000)	**USD'000**	No of shares ('000)	USD'000
Authorized:				
Ordinary shares	**20,000,000**	**200**	20,000,000	200
RMB equivalent ('000)		**1,556**		1,556
Ordinary shares, issued and fully paid:				
At April 1 and March 31	**10,798,192**	**108**	10,730,520	107
RMB equivalent ('000)		**811**		806

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The Company issued a total number of 67,672,000 new ordinary shares for the exercised share options during the year ended March 31, 2021 (March 31, 2020: 165,064,000) (see note 36(b)).

Authorized share capital

The Company was incorporated on July 10, 2006 with an authorized share capital of USD100, divided into 100 shares of par value of USD1.00 each. Through a series of changes in share capital, the authorized share capital is USD200,000 divided into 20,000,000,000 ordinary shares of USD0.00001 each after the completion of the Hong Kong Public Offering and the International Placing.

35 CAPITAL, RESERVES AND DIVIDENDS (continued)

(d) Nature and purpose of reserves

(i) Capital reserves

The capital reserves at March 31, 2021 and 2020 represent the value of employee services in respect of shares granted to employees.

(ii) Statutory reserves

Statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the entities now comprising the Group which are incorporated in the PRC. Transfers to the reserves were approved by the respective boards of directors.

(iii) Translation reserves

The translation reserves comprise all foreign exchange differences arising from the translation of the financial statements of the operations outside the PRC which are dealt with in accordance with the accounting policies as set out in note 4(v).

(iv) Other reserves

The other reserves comprise the cumulative net change in the fair value of financial assets classified as fair value through other comprehensive income until the investments are derecognized or impaired and change in the present value of the redemption price of the cash settled portion of the written put option and the amount allocated to the unexercised equity component of convertible bonds issued by the Company recognized in accordance with the accounting policy adopted for convertible bonds in note 4(p).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings, lease liabilities and convertible bonds) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity, less unaccrued proposed dividends.

35 CAPITAL, RESERVES AND DIVIDENDS (continued)

The Group's adjusted net debt-to-capital ratio at the end of the current and previous reporting periods was as follows:

		At March 31,	
		2021	2020
	Note	**RMB'000**	RMB'000
Liabilities:			
Interest-bearing borrowings	28	**670,923**	817,841
Lease liabilities	29	**638,699**	736,112
Convertible bonds	32	**1,609,472**	1,676,485
Total debts		**2,919,094**	3,230,438
Add: Proposed dividends	35(b)	**895,365**	589,315
Less: Cash and cash equivalents	27	**(1,702,330)**	(3,638,680)
Adjusted net debts		**2,112,129**	181,073
Total equity		**11,250,730**	10,402,625
Less: Proposed dividends	35(b)	**(895,365)**	(589,315)
Adjusted capital		**10,355,365**	9,813,310
Adjusted net debt to-capital ratio		**20%**	2%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

36 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

A share option scheme (the "2007 Share Option Scheme") was conditionally approved by a resolution of the shareholders passed on September 10, 2007 and adopted by a resolution of the board of directors of the Company on September 15, 2007. As the 2007 Share Option Scheme expired in October 2017, the adoption of a new share option scheme (the "Share Option Scheme") was proposed by the board of directors of the Company on July 26, 2017 and approved by the shareholders on August 25, 2017. The terms of each of the 2007 Share Option Scheme and the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

On September 23, 2011, the Company adopted a share award scheme (the "2011 Share Award Scheme"), which is not subject to the provisions of Chapter 17 of the Listing Rules, to recognize and reward the contribution of certain eligible employees to the growth and development of the Group through an award of the Company's shares.

On August 5, 2016, the Company amended the 2011 Share Award Scheme so that (i) directors of the Company shall also be eligible to participate in the 2011 Share Award Scheme, subject to the terms of their service agreements or other agreements with the Company or any member of the Company; and (ii) the relevant scheme limits under the 2011 Share Award Scheme can be increased, with effect from that date.

On April 23, 2020, as the 2011 Share Award Scheme expired in March 31, 2018, the Company adopted a new share award scheme (the "Share Award Scheme"), which is not subject to the provisions of Chapter 17 of the Listing Rules, to recognize and reward the contribution of certain eligible employees (including the directors and core management team of the Group) and to incentivize them for the growth and development of the Group through an award of the Company's shares.

At March 31, 2021, the Company had the following share-based payment arrangements.

36 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(a) Restricted shares

(i) On August 5, 2016, the Company granted an aggregate of 180,900,000 restricted shares to 66 eligible persons who are directors and employees of the Group. The holders are entitled to purchase restricted shares at HKD0.33 per share.

These restricted shares vest for a period up to three years, with 40%, 30% and 30% of the shares to be vested each year. 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, 2017, 2018 and 2019 as well as the cumulative performance for the two years and three years ended March 31, 2018 and 2019, respectively. These restricted shares also have a lock-up period of 12 months from the dates of vesting. Employees are required to make the upfront payment of HKD0.33 per share, which shall be refunded if the restricted shares are not vested.

Up to March 31, 2021, a total number of 165,700,000 restricted shares had been vested to 61 persons, and a total number of 15,200,000 restricted shares for 5 persons had been forfeited due to unqualified performance or resignation, but none of which were vested or forfeited during the year ended March 31, 2021. As March 31, 2021, no more restricted shares were outstanding for vesting (March 31, 2020: Nil).

(ii) On March 5, 2018, the Company granted an aggregate of 80,600,000 restricted shares to 55 eligible persons who are directors and employees of the Group. The holders are entitled to purchase restricted shares at HKD0.34 per share.

57,800,000 of these restricted shares vest for a period up to three years, with 40%, 30% and 30% of the shares to be vested each year. The remaining 22,800,000 restricted shares vest for a period up to two years, with 50% and 50% of the shares to be vested each year. 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, 2018, 2019 and 2020 as well as the cumulative performance for the two years ended March 31, 2019 and three years ended March 31, 2020, respectively. These restricted shares also have a lock-up period of 12 months from the dates of vesting. Employees are required to make the upfront payment of HKD0.34 per share, which shall be refunded if the restricted shares are not vested.

Up to March 31, 2021, 75,588,000 restricted shares had been vested, 13,728,000 of which were vested during the year ended March 31, 2021, and as at March 31, 2021, 5,012,000 restricted shares had been forfeited due to unqualified performance or resignation, of which 3,012,000 restricted shares were forfeited during the year ended March 31, 2021. As at March 31, 2021, no more restricted shares were outstanding for vesting (March 31, 2020: 16,740,000).

(iii) On April 23, 2020, the Company granted an aggregate of 87,000,000 restricted shares to eligible persons who were directors, senior management and employees of the Group. The holders are entitled to purchase restricted shares at HKD0.97 per share.

These restricted shares vest for a period up to three years, with 30% of the restricted shares to be vested in 3 years commencing from 15 months after April 23, 2020, 30% to be vested in 2 years commencing from 27 months after April 23, 2020, and the remaining 40% to be vested in 1 year commencing from 39 months after April 23, 2020, respectively. 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, and ending March 31, 2022 and 2023 as well as the cumulative performance for the two years and three years ending March 31, 2022 and 2023, respectively. These restricted shares also have a lock-up period of 12 months from the dates of vesting. Employees are required to make the upfront payment of HKD0.97 per share, which shall be refunded if the restricted shares are not vested. As of March 31, 2021, upfront payment for all restricted shares were received by the Group and such payments were recorded as other current payable of RMB7,743,000 and non-current other payables of RMB69,687,000, respectively.

Up to March 31, 2021, no restricted shares had been vested or forfeited. As at March 31, 2021, the number of restricted shares outstanding for vesting was 87,000,000.

36 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(b) Share Options

(i) On August 5, 2016, the Company granted 180,900,000 share options to 66 selected persons who are directors and employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company. The exercise price is HKD0.71 per share.

These share options are valid for four years, and vest for a period up to three years, with 40%, 30% and 30% of the share options to be vested each year. 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, 2017, 2018 and 2019 as well as the cumulative performance for the two years and three years ended March 31, 2018 and 2019.

Up to March 31, 2021, 165,100,000 share options had been exercised, of which 29,588,000 were exercised during the year ended March 31, 2021, and as at March 31, 2021, 15,800,000 share options had been forfeited due to unqualified performance or resignation, but none of which were forfeited during the year ended March 31, 2021. As at March 31, 2021, none of the said share options were outstanding (March 31, 2020: 29,588,000).

(ii) On March 5, 2018, the Company granted 80,600,000 share options to 55 selected persons who are directors and employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company. The exercise price is HKD0.69 per share.

These share options are valid for four years, and of which 57,800,000 vest for a period up to three years, with 40%, 30% and 30% of the share options to be vested each year, the remaining 22,800,000 vest for a period up to two years, with 50% and 50% of the share options to be vested each year. 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, 2018, 2019 and 2020 as well as the cumulative performance for the two years ended March 31, 2019 and three years ended March 31, 2020.

Up to March 31, 2021, 61,920,000 share options had been exercised, of which 30,152,000 were exercised during the year ended March 31, 2021, and as at March 31, 2021, 5,012,000 share options had been forfeited due to unqualified performance or resignation, 3,012,000 of which were forfeited during the year ended March 31, 2021. As at March 31, 2021, the remaining number of exercisable share options was 13,668,000 (March 31, 2020: 30,092,000) and no share options were outstanding for vesting (March 31, 2020: 16,740,000).

(iii) On October 26, 2018, the Company resolved to granted 260,000,000 share options to eligible persons who are directors, senior management or employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company. The exercise price is HKD1.07 per share.

These share options are valid for ten years, with 30% of the share options to be vested evenly in 9 years commencing from 12 months after October 26, 2018, 30% to be vested evenly in 8 years commencing from 24 months after October 26, 2018, and the remaining 40% to be vested evenly 7 years commencing from 36 months after October 26, 2018, respectively. 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.

Up to March 31, 2021, 11,612,000 share options had been exercised, 7,932,000 of which were exercised during the year ended March 31, 2021, and 18,450,000 share options had been forfeited due to resignation, of which 8,700,000 were forfeited during the year ended March 31, 2021. As at March 31, 2021, the remaining number of exercisable share options was 63,988,000 (March 31, 2020: 71,920,000), and the number of share options outstanding was 165,950,000 (March 31, 2020: 174,650,000).

36 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(b) Share Options (continued)

(iv) On April 23, 2020, the Company resolved to granted 330,000,000 share options to eligible persons who are directors, senior management or employees of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company. The exercise price is HKD1.94 per share.

These share options are valid for 51 months, with 30% of the share options to be vested in 3 years commencing from 15 months after April 23, 2020, 30% to be vested in 2 years commencing from 27 months after April 23, 2020, and the remaining 40% to be vested in 1 year commencing from 39 months after April 23, 2020, respectively. 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, and ending March 31, 2022 and 2023 as well as the cumulative performance for the two years ending March 31, 2022 and three years ending March 31, 2023, respectively.

Up to March 31, 2021, no share option had been vested. As at March 31, 2021, the number of share options outstanding was 330,000,000.

(v) On October 23, 2020, the Company has resolved to granted 100,000,000 share options to Wise Triumph Group Limited, an eligible independent consultant of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company. The exercise price is HKD3.41 per share.

These share options are valid for 48 months, with 30% of the share options to be vested in 3 years commencing from 12 months after October 23, 2020, 30% to be vested in 2 years commencing from 24 months after October 23, 2020, and the remaining 40% to be vested in 1 year commencing from 36 months after October 23, 2020, respectively. In addition to the service condition, there are other vesting conditions related to:

i) the Group's performance for each of the three years ended March 31, 2021, and ending March 31, 2022 and 2023 as well as the cumulative performance for the two years ending March 31, 2022 and three years ending March 31, 2023, respectively; and

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

Up to March 31, 2021, no share option had been vested, and the number of share options outstanding was 100,000,000.

36 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(c) Fair value of restricted shares and share options and assumptions

The fair value of services received in return for restricted shares granted is measured by reference to the fair value of restricted shares granted. The estimate of the fair value of the restricted shares granted is measured based on an Asian option model. The discount of lack of marketability ("DLOM") during the lock-up period of the restricted shares is used as one of the key inputs into this model. The key inputs and assumptions used in the model are as follows:

Fair value of restricted shares granted on August 5, 2016 and assumptions	
Fair value at grant date	HKD0.3013 ~ 0.3064
Share price at grant date	HKD0.71
Purchase price	HKD0.33
Expected DLOM (weighted average)	10.370% ~ 11.080%
Lock-up period	12 months
Expected dividend	3.660%
Risk-free interest rate (based on government bonds)	0.571% ~ 0.582%

Fair value of restricted shares granted on March 5, 2018 and assumptions	
Fair value at grant date	HKD0.295 ~ 0.298
Share price at grant date	HKD0.68
Purchase price	HKD0.34
Expected DLOM (weighted average)	6.221% ~6.603%
Lock-up period	12 months
Expected dividend	2.94%
Risk-free interest rate (based on government bonds)	2.000% ~ 2.349%

Fair value of restricted shares granted on April 23, 2020 and assumptions	
Fair value at grant date	HKD0.6748 ~ 0.70000
Share price at grant date	HKD1.90
Purchase price	HKD0.97
Expected DLOM (weighted average)	12.11% ~13.43%
Lock-up period	12 months
Expected dividend	4.04%
Risk-free interest rate (based on government bonds)	0.872% ~ 0.914%

36 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(c) Fair value of restricted shares and share options and assumptions (continued)

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as one of the key inputs into this model. Expectations of early exercise and demission rate are incorporated into the binomial lattice model. The key inputs and assumptions used in the model are as follows:

Fair value of share options granted on August 5, 2016 and assumptions	
Fair value at grant date	HKD0.1656 ~ 0.1710
Share price at grant date	HKD0.71
Exercise price	HKD0.71
Expected volatility (weighted average)	40.097%
Expected life (weighted average)	4 years
Expected dividend	3.660%
Risk-free interest rate (based on government bonds)	0.577%

Fair value of share options granted on March 5, 2018 and assumptions	
Fair value at grant date	HKD0.167 ~ 0.170
Share price at grant date	HKD0.68
Exercise price	HKD0.69
Expected volatility (weighted average)	38.36%
Expected life (weighted average)	4 years
Expected dividend	2.94%
Risk-free interest rate (based on government bonds)	1.61%

Fair value of share options granted on October 26, 2018 and assumptions	
Fair value at grant date	HKD0.300 ~ 0.365
Share price at grant date	HKD1.07
Exercise price	HKD1.07
Expected volatility (weighted average)	45.31%
Expected life (weighted average)	10 years
Expected dividend	5.012%
Risk-free interest rate (based on government bonds)	2.395%

Fair value of share options granted on April 23, 2020 and assumptions	
Fair value at grant date	HKD0.153 ~ 0.202
Share price at grant date	HKD1.90
Exercise price	HKD1.94
Expected volatility (weighted average)	44.52%
Expected life (weighted average)	51 months
Expected dividend	4.04%
Risk-free interest rate (based on government bonds)	0.81%

36 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(c) Fair value of restricted shares and share options and assumptions (continued)

Fair value of share options granted on October 23, 2020 and assumptions

Fair value of share options at measurement date	HKD1.081 ~ 1.130
Share price at measurement date	HKD3.41 ~ 3.50
Exercise price	HKD3.41
Expected volatility (weighted average)	48.43% ~ 52.80%
Expected life (weighted average)	48 months
Expected dividend	2.49% ~ 3.10%
Risk-free interest rate (based on government bonds)	0.31% ~ 0.74%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Both restricted shares and share options were granted under a service condition and certain non-market performance conditions. These conditions have not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the restricted shares and share option grants.

(d) Expense recognized in profit or loss

For details of the related employee benefit expenses, see note 8.

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to business risks primarily arising from the weather conditions and competition.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and receivables due from related parties. The Group's exposure to credit risk arising from cash and cash equivalents, pledged bank deposits, deposits with banks, bills receivable and other financial assets is limited because the counterparties are banks, for which the Group considers to have low credit risk.

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

(i) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 0.01% (2020: 1.80%) and 0.09% (2020: 9.42%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days to 90 days from the date of billing. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at March 31, 2021:

	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Within credit term	**1.85%**	**692,960**	**12,800**
1 to 3 months past due	**6.83%**	**163,405**	**11,162**
Over 3 months but less than 6 months past due	**25.62%**	**18,026**	**4,619**
Over 6 months but less than 12 months past due	**59.02%**	**46,332**	**27,343**
Over 1 year past due	**87.26%**	**87,236**	**76,120**
		1,007,959	**132,044**

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

(i) Trade receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at March 31, 2020:

	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Within credit term	1.86%	857,016	15,902
1 to 3 months past due	5.28%	285,465	15,072
Over 3 months but less than 6 months past due	17.16%	70,208	12,047
Over 6 months but less than 12 months past due	63.56%	40,660	25,842
Over 1 year past due	89.45%	116,138	103,881
		1,369,487	172,744

The credit risk exposure of the Group as at March 31, 2021 was mainly arising from the receivables from department stores and distributors.

Expected loss rates are based on historical actual loss experience. These rates are adjusted for factors that are specific to the debtors, and to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

There is no significant concentration of credit risk with respect to customers receivables, as the Group has a large number of customers.

Movement in the loss allowance account in respect of trade receivables during the year were as follows:

	For the year ended March 31	
	2021	2020
	RMB'000	RMB'000
At the beginning of the year	**172,744**	133,318
(Reversal)/provision for impairment of bad and doubtful debts	**(6,398)**	81,589
Uncollectible amounts written off	**(34,302)**	(42,163)
At March 31	**132,044**	172,744

A decrease in the gross carrying amount of the trade receivables contributed to the decrease in the loss allowance as at March 31, 2021.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. The Group has no significant concentration of credit risk.

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

(ii) Other receivables

Credit risk in respect of other receivables is limited since the counterparties are of good reputation and their receivables are settled on a regular basis.

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Group assessed there is no significant loss allowance recognized in accordance with IFRS 9 for other receivables as at March 31, 2021.

(iii) Deposits with banks

The Group mitigates its exposure to credit risk by placing deposits with financial institutions with established credit ratings. Given the credit ratings of the banks, management does not expect any counterparty to fail to meet its obligations.

(iv) Other financial assets

Other financial assets are arranged with financial institutions with established credit ratings. Pursuant to the agreements with the financial institutions, there is limited credit risk on the principal amounts, as the majority of these are guaranteed by the financial institutions.

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	March 31, 2021						March 31, 2020					
	Contractual undiscounted cash flow						Contractual undiscounted cash flow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at March 31, 2021	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at March 31, 2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
The Group												
Interest-bearing borrowings	673,388	–	–	–	673,388	670,923	823,687	–	–	–	823,687	817,841
Lease liabilities	229,517	202,906	238,086	25,208	695,717	638,699	270,807	236,987	245,201	50,497	803,492	736,112
Trade and other payables	4,006,891	–	–	–	4,006,891	4,006,891	3,235,716	–	–	–	3,235,716	3,235,716
Payables due to related parties	6,679	–	–	–	6,679	6,679	4,831	–	–	–	4,831	4,831
Convertible bonds	18,071	18,071	1,843,250	–	1,879,392	1,609,472	19,484	19,484	2,006,855	–	2,045,823	1,676,485
Non-current other payables	–	19,358	50,329	–	69,687	69,687	–	–	–	–	–	–
	4,934,546	240,335	2,131,665	25,208	7,331,754	7,002,351	4,354,525	256,471	2,252,056	50,497	6,913,549	6,470,985

As shown in the above analysis, bank loans of the Group amounting to RMB670,923,000 were due to be repaid during the year ending March 31, 2022. The short-term liquidity risk inherent in this contractual maturity date is expected to be addressed after the end of the reporting period by obtaining new loan financing from new and existing lenders.

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's interest rate profile as monitored by management is set out in (i) below:

(i) Interest rate profile

The following table details the interest rate profile of the Group's interest-bearing borrowings at the end of the reporting period:

	At March 31, 2021		At March 31, 2020	
	Effective Interest rate	**RMB'000**	Effective Interest rate	RMB'000
Fixed rate borrowings				
Lease liabilities (note 29)	**4.75%**	**(638,699)**	4.75%	(736,112)
Convertible bonds (note 32)	**4.30%**	**(1,609,472)**	4.30%	(1,676,485)
Interest-bearing borrowings	**4.25%**	**(1,000)**	–	–
		(2,249,171)		(2,412,597)
Variable rate borrowings				
The Group				
Interest-bearing borrowings	**0.83% – 1.70%**	**(669,923)**	1.50% – 3.40%	(817,841)

(ii) Sensitivity analysis

At March 31, 2021, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained earnings by approximately RMB6,707,000 (for the year ended March 31, 2020: decreased/increased by approximately RMB8,178,000). Other components of equity would not have been affected by the changes in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise assuming that the change in interest rates had occurred at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained earnings) is estimated as an annualized impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis as at March 31, 2020.

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB have to take place through the People's Bank of China or other institutions authorized to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand. The Group is exposed to currency risk primarily through bank deposits, trade receivables, prepayments for material and service suppliers and interest-bearing borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars, Hong Kong Dollars and Japanese Yen.

(i) Exposure to currency risk

The following table details the Group's major exposures at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in Renminbi)					
	At March 31, 2021			At March 31, 2020		
	United States Dollars RMB'000	**Hong Kong Dollars RMB'000**	**Japanese Yen RMB'000**	United States Dollars RMB'000	Hong Kong Dollars RMB'000	Japanese Yen RMB'000
Bank deposits	**57,534**	**215,880**	**92**	37,541	75,018	169
Trade receivables	**934**	**–**	**–**	3,073	–	–
Prepayments for materials and service suppliers	**30,997**	**–**	**–**	35,736	–	–
Trade payables	**11**	**–**	**–**	–	–	–
Interest-bearing borrowings	**–**	**(169,036)**	**(270,891)**	–	(321,325)	(298,133)
	89,476	**46,844**	**(270,799)**	76,350	(246,307)	(297,964)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Increase/ (decrease) in foreign exchange rate	**Effect on profit after tax and retained earnings**	**Effect on other components of equity**	Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained earnings	Effect on other components of equity
	%	**RMB'000**	**RMB'000**	%	RMB'000	RMB'000
United States Dollars	**10%**	**± 6,719**	**–**	10%	± 5,728	–
Hong Kong Dollars	**10%**	**± 4,684**	**–**	10%	∓ 24,631	–
Japanese Yen	**10%**	**∓ 27,080**	**–**	10%	∓ 29,796	–

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the year ended March 31, 2020.

(e) Business risk

The Group's primary business is research, design and development, raw materials procurement, outsourced manufacturing, marketing and distribution of branded down apparel products, which experiences seasonal fluctuations. As such, the sales volumes and revenue in the second half of the financial year are normally substantially higher than those during the first half of the financial year. The Group's financial results are influenced by the weather conditions during the year and the rapidity with which designs are copied by competitors and reproduced at lower prices, as well as by the Group's ability to develop new designs that capture market demand, maintain an effective distribution network, manufacture sufficient quantities to meet cyclical sales, and manage an optimal level of inventories. Based on these factors, the Group may experience significant fluctuations in its future financial results.

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

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

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

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

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

The Group		Fair value measurements as at March 31, 2021 categorized into		
	Fair value at March 31, 2021 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	100,130	100,130	–	–
Financial assets classified as FVPL	3,858,505	7,607	3,850,898	–
Financial liabilities:				
Derivative financial liabilities (note 31)	9,344	–	–	9,344

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(f) Fair value measurement (continued)

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

Fair value hierarchy (continued)

The Group		Fair value measurements as at March 31, 2020 categorized into		
	Fair value at March 31, 2020	Significant observable inputs (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Financial assets:				
Equity securities designated at FVOCI	118,211	118,211	–	–
Financial assets classified as FVPL	559,598	10	559,588	–
Financial liabilities:				
Derivative financial liabilities (note 31)	533	–	–	533

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 liabilities is determined by using appropriate valuation techniques with significant unobservable inputs.

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

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as at March 31, 2021 and 2020.

38 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

Capital commitments of the Group in respect of plant, property and equipment outstanding at March 31, 2021 not provided for in the consolidated financial statements were as follows:

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Contracted for	**12,924**	32,275
Authorized but not contracted for	**–**	7,085
	12,924	39,360

(b) Contingent liabilities

As at March 31, 2021, the Group did not have any significant contingent liabilities.

39 RELATED PARTY TRANSACTIONS

During the year, transactions with the following parties are considered as related party transactions.

Name of parties	**Relationship**
Bosideng Corporation Limited (“Bosideng Corporation”) 波司登股份有限公司（「波司登股份」）	Solely ultimately beneficially owned by Mr. Gao Dekang, the controlling equity shareholders of the Group
Bosideng Holdings Limited (“Bosideng Holdings”) 波司登控股集團有限公司（「波司登控股」）	Effectively controlled by Mr. Gao Dekang and his family (the “Gao Family”), the controlling equity shareholders of the Group
Shandong Kangbo Property Co., Ltd. (“Shandong Kangbo Property”) 山東康博置業有限公司（「山東康博置業」）	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group
Shandong Kangbo Industrial Co., Ltd. (“Shandong Kangbo Industrial”) 山東康博實業有限公司（「山東康博實業」）	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group
Jiangsu Suyong International Trade Co., Ltd. (“Jiangsu Suyong”) 江蘇蘇甬國際貿易有限公司（「江蘇蘇甬」）	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group
Jiangsu Kangxin Garment Co., Ltd. (“Jiangsu Kangxin”) 江蘇康欣製衣有限公司（「江蘇康欣」）	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group
Changshu Kangbo Landscaping Co., Ltd. (“Changshu Kangbo”) 常熟市康博園林綠化有限公司（「常熟康博」）	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group and one of the shareholders since April 1, 2014
Kangbo Gaoyou Enterprise development Co., Ltd. (“Kangbo Gaoyou”) 康博（高郵）企業發展有限公司（「康博高郵」）	Effectively controlled by the Gao Family, the controlling equity shareholders of the Group and one of the shareholders since November 29, 2018

39 RELATED PARTY TRANSACTIONS (continued)
(a) Transactions with fellow subsidiaries

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Purchase of raw materials		
Bosideng Corporation	**703**	2,203
Jiangsu Kangxin	**88**	–
Total	**791**	2,203
Purchase of a subsidiary		
Bosideng Corporation (note 15)	**559,609**	–
Lease and service charges under lease Agreements		
Bosideng Corporation	**22,193**	29,727
Jiangsu Suyong	**921**	1,875
Total	**23,114**	31,602
Processing fee costs		
Bosideng Corporation	**957,453**	1,252,471
Shandong Kangbo Industrial	**16,761**	14,137
Kangbo Gaoyou	**3,170**	–
Jiangsu Kangxin	**50,835**	65,241
Total	**1,028,219**	1,331,849
Processing income		
Bosideng Corporation	**1,041**	11,844
Integrated service fees		
Bosideng Corporation	**10,706**	13,169
Jiangsu Suyong	**821**	2,586
Jiangsu Kangxin	**123**	–
Changshu Kangbo	**139**	59
Total	**11,789**	15,814

Rental expenses for lease of properties

The Group has initially applied IFRS16 from April 1, 2019. Based on IFRS16, for the lease of properties from Bosideng Corporation, the Group had recognized a lease liability with the balance of RMB20,872,000 (March 31, 2020: RMB40,491,000), and a right-of-use asset with the balance of RMB19,945,000 as at March 31, 2021 (March 31, 2020: RMB39,342,000). In addition, the Group recorded depreciation of right-of-use asset of RMB10,504,000 (2020: RMB13,371,000), interest expense of RMB1,109,000 (2020: RMB2,191,000), short-term lease expenses of RMB6,430,000 (2020: RMB9,568,000) and other service charges of RMB4,851,000 for the year ended March 31, 2021 (2020: RMB7,260,000).

The total amounts of lease payments and service charges paid and payable under the lease arrangement by the Group to Bosideng Corporation and Jiangsu Suyong for the year ended March 31, 2021 were RMB22,193,000 (2020: RMB29,727,000) and RMB921,000 (2020: RMB1,875,000), respectively.

39 RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties

	At March 31,	
	2021	2020
	RMB'000	RMB'000
Other receivables due from:		
Bosideng Corporation	**155,367**	90,898
Shandong Kangbo Industrial	**655**	2,468
Jiangsu Kangxin	**489**	3,458
Total receivables due from related parties	**156,511**	96,824
Other payables due to:		
Kangbo Gaoyou	**3,170**	–
Bosideng Corporation	**1,547**	4,793
Jiangsu Kangxin	**1,871**	–
Changshu Kangbo	**91**	38
Total payables due to related parties	**6,679**	4,831

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 12 and certain of the highest paid employees as disclosed in note 13, is as follows:

	For the year ended March 31,	
	2021	2020
	RMB'000	RMB'000
Short-term employee benefits	**18,152**	19,811
Equity compensation benefits	**15,330**	78,315
Total	**33,482**	98,126

40 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	At March 31, 2021 RMB'000	2020 RMB'000
Non-current assets			
Property, plant and equipment		**–**	11
Investment in and amount due from subsidiaries		**2,666,334**	2,153,651
		2,666,334	2,153,662
Current assets			
Trade, bills and other receivables		**41,608**	41,130
Dividends due from a subsidiary		**1,597,483**	1,722,388
Cash and cash equivalents		**226,447**	958,088
		1,865,538	2,721,606
Current liabilities			
Interest-bearing borrowings		**669,923**	817,841
Trade and other payables		**418,499**	128,166
		1,088,422	946,007
Net current assets		**777,116**	1,775,599
Total assets less current liabilities		**3,443,450**	3,929,261
Non-current liability			
Convertible bonds		**1,604,288**	1,670,895
Net assets		**1,839,162**	2,258,366
Capital and reserves			
Share capital	35(c)	**811**	806
Reserves	35(d)	**1,838,351**	2,257,560
Total equity		**1,839,162**	2,258,366

41 ULTIMATE HOLDING COMPANY

The directors consider the ultimate holding company of the Company as at March 31, 2021 to be Bosideng Holdings Group Co., Ltd., which is incorporated in the PRC.

42 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to March 31, 2021, the board of directors of the Company proposed a final dividend of HKD1,080,145,000 (approximately RMB895,365,000), representing HKD10.0 cents per ordinary share to the equity shareholders of the Company.

43 COMPARATIVE FIGURES

Certain comparative figures have been reclassified or restated to conform to the current period presentation.

44 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED MARCH 31, 2021

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended March 31, 2021 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after (unless specified)
Amendment to IFRS16, *Covid-19-Related Rent Concessions beyond June 30, 2021*	April 1, 2021
Amendments to IFRS 3, *Reference to the Conceptual Framework*	January 1, 2022
Amendments to IAS 16, *Property, Plant and Equipment: Proceeds before Intended* Use	January 1, 2022
Amendments to IAS 37, *Onerous Contracts — Cost of Fulfilling a Contract*	January 1, 2022
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022
Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*	January 1, 2023
Amendments to IAS1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*	January 1, 2023
Amendments to IAS8, *Definition of Accounting Estimates*	January 1, 2023
Amendments to IFRS 4, *Extension of the temporary exemption from applying IFRS 9*	To be determined
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial Statements.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Liang Shuang

AUTHORIZED REPRESENTATIVES

Mr. Gao Dekang
Ms. Liang Shuang

SHARE LISTING

Place of Listing
The Stock Exchange of Hong Kong Limited

STOCK CODE

3998

INVESTOR RELATIONS

Email: bosideng_ir@bosideng.com
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

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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

AUDITOR

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

PRINCIPAL BANKERS

Agricultural Bank of China Limited, Changshu Sub-branch
China Construction Bank Corporation, Changshu Sub-branch
Bank of China Limited, Changshu Sub-branch
China Minsheng Banking Corp., Ltd., Suzhou Sub-branch
DBS Bank Ltd., Hong Kong Branch
Sumitomo Mitsui Banking Corporation Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited
Bank of Communications Co., Ltd., Hong Kong Branch

Notes:

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

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

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

SHAREHOLDER INFORMATION

IMPORTANT DATES

Closure of Register of Members

August 17, 2021 to August 20, 2021
(for attending the AGM) (both days inclusive)

August 26, 2021 to August 30, 2021
(for entitlement to the final dividend) (both days inclusive)

ANNUAL GENERAL MEETING

On or around August 20, 2021

DIVIDENDS

Final dividend	:	HKD10.0 cents per Share
Payable on	:	On or around September 15, 2021

FINANCIAL YEAR END

March 31

BOARD LOT

2,000 Shares

DEFINITIONS

Terms	Definitions
"2007 Share Option Scheme"	the share option scheme adopted by the Company on September 15, 2007, which was expired in October 2017
"2011 Share Award Scheme"	the share award scheme adopted by the Company on September 23, 2011, which was expired on March 31, 2018
"AGM"	the forthcoming annual general meeting of the Company
"Articles"	the articles of association of the Company
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Board Diversity Policy"	the board diversity policy of the Company adopted by the Board
"CEO"	the chief executive officer of the Company
"CIAM"	CITIC International Assets Management Limited
"Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Company"	Bosideng International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on July 10, 2006
"Company Secretary"	the company secretary of the Company
"Conversion Share(s)"	the Share(s) to be issued by the Company upon conversion of the Convertible Bonds
"Convertible Bond(s)"	the convertible bonds with an initial aggregate principal amount of USD275,000,000 with a coupon of 1.00 per cent. due 2024 issued by the Company on December 17, 2019
"COVID-19"	the Coronavirus disease (2019)
"Directors"	director(s) of the Company
"Dividend Policy"	the dividend policy of the Company adopted by the Board
"European dollar"	the lawful currency of the European Union
"Financial Statements"	the audited financial statements of the Group for the Year

"Framework Integrated Service Agreement"	the framework integrated service agreement entered into between the Company and Mr. Gao Dekang dated September 15, 2007, pursuant to which the Parent Group agreed to provide various ancillary services to the Group
"Framework Manufacturing Outsourcing and Agency Agreement"	the framework manufacturing outsourcing and agency agreement entered into between the Company and Mr. Gao Dekang dated September 15, 2007, pursuant to which the Group agreed to outsource its manufacturing process of down apparel, OEM products and/or its down related materials to the Parent Group on a non-exclusive basis
"Group"	the Company and its subsidiaries
"HKD" or "HK dollars" and "HK cents"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"ITC SPC"	IC International Company Limited
"Japanese yen"	the lawful currency of Japan
"Latest Practicable Date"	the latest practicable date prior to the printing of this annual report
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"MPF Scheme"	the Mandatory Provident Fund Scheme, a defined contribution scheme managed by an independent trustee
"New Surplus"	New Surplus International Investment Limited, a shareholder of the Company
"Nomination Committee"	the nomination committee of the Company
"ODM"	original design manufacturing
"OEM"	original equipment manufacturing
"Options"	the share options granted under the 2007 Share Option Scheme and the Share Option Scheme
"Parent Group"	Mr. Gao Dekang and his associates (other than the members of the Group)
"Pound sterling"	the lawful currency of the United Kingdom

"PRC" or "China"	the People's Republic of China
"Prospectus"	the prospectus of the Company dated September 27, 2007
"Remuneration Committee"	the remuneration committee of the Company
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of USD0.00001 each
"Share Award Scheme"	the share award scheme adopted by the Company on April 23, 2020
"Share Option Scheme"	the share option scheme adopted by the Company on August 25, 2017
"Stock Exchange"	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 dollars"	the lawful currency of the United States of America
"Year" or "FY2020/21"	the year ended March 31, 2021
"%"	per cent.

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BOSIDENG

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