波司登國際控股有限公司
Bosideng International Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3998)

ANNUAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015

HIGHLIGHTS

- Revenue decreased by 23.6% to approximately RMB6,292.6 million
- Gross profit margin decreased by 4.4 percentage points to 45.6%
- Net profit attributable to equity shareholders of the Company decreased by 81.0% to approximately RMB132.2 million
- Net cash from operating activities improved from net outflow of approximately RMB150.6 million last year to net inflow of approximately RMB387.8 million this year
- The Board proposed a final dividend of HKD1.0 cent per ordinary share

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Bosideng International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended March 31, 2015, together with the comparative figures for the year ended March 31, 2014, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended March 31, 2015
(Expressed in Renminbi)

	Note	For the year ended March 31, 2015 RMB'000	2014 RMB'000
Revenue	3	**6,292,569**	8,237,894
Cost of sales		**(3,422,560)**	(4,122,438)
Gross profit		**2,870,009**	4,115,456
Other income	4	**85,775**	86,957
Selling and distribution expenses		**(2,108,497)**	(2,813,603)
Administrative expenses		**(536,273)**	(459,539)
Impairment losses on goodwill	9	**(98,000)**	(55,000)
Other expenses	4	**(14,114)**	(8,801)
Profit from operations		**198,900**	865,470
Finance income		**166,890**	184,169
Finance costs		**(152,572)**	(84,917)
Net finance income	6	**14,318**	99,252
Share of profits of associates, net of tax		**24,871**	17,585
Profit before income tax		**238,089**	982,307
Income tax expense	7	**(100,166)**	(279,969)
Profit for the year		**137,923**	702,338
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences -foreign operations		**10,578**	37,817
Change in the fair value of available-for-sale financial assets		**5,310**	1,308
Available-for-sale financial assets reclassified to profit or loss on disposal		**(2,588)**	(14,031)
Income tax on items that may be reclassified subsequently to profit or loss		**(680)**	3,181
Other comprehensive income for the year, net of tax		**12,620**	28,275
Total comprehensive income for the year		**150,543**	730,613

For the year ended March 31,

	Note	2015 RMB'000	2014 RMB'000
Profit attributable to:			
Equity shareholders of the Company		**132,197**	694,704
Non-controlling interests		**5,726**	7,634
Profit for the year		**137,923**	702,338
Total comprehensive income attributable to:			
Equity shareholders of the Company		**144,204**	722,736
Non-controlling interests		**6,339**	7,877
Total comprehensive income for the year		**150,543**	730,613
Earnings per share	*8*		
– basic (RMB cents)		**1.66**	8.73
– diluted (RMB cents)		**1.65**	8.72

CONSOLIDATED BALANCE SHEET

At March 31, 2015
(Expressed in Renminbi)

	Note	**At March 31, 2015** *RMB'000*	2014 *RMB'000*
Non-current assets			
Property, plant and equipment		**962,750**	991,332
Non-current other receivables		**–**	30,715
Lease prepayments		**38,264**	32,371
Intangible assets and goodwill	*9*	**874,219**	1,007,800
Investment properties		**198,322**	219,474
Interest in associates		**222,456**	167,585
Deferred tax assets		**469,813**	451,501
		2,765,824	2,900,778
Current assets			
Inventories	*10*	**1,908,918**	2,042,715
Trade, bills and other receivables	*11*	**1,793,709**	2,099,018
Receivables due from related parties		**157,157**	144,261
Prepayments for materials and service suppliers		**128,714**	334,161
Other financial assets		**234,060**	420,000
Available-for-sale financial assets		**2,027,181**	2,082,930
Pledged bank deposits		**733,463**	468,933
Time deposits with maturity over 3 months		**268,900**	147,400
Cash and cash equivalents		**2,470,780**	2,117,996
		9,722,882	9,857,414
Current liabilities			
Current income tax liabilities		**112,829**	197,078
Interest-bearing borrowings		**2,544,435**	1,048,638
Trade and other payables	*12*	**1,261,219**	1,558,758
Payables due to related parties		**1,484**	2,806
		3,919,967	2,807,280
Net current assets		**5,802,915**	7,050,134
Total assets less current liabilities		**8,568,739**	9,950,912

	Note	At March 31, 2015 RMB'000	2014 RMB'000
Non-current liabilities			
Interest-bearing borrowings		**993,194**	2,210,514
Non-current other payables	*13*	**–**	181,691
Derivative financial liabilities	*13*	**1,435**	12,050
Deferred tax liabilities		**160,211**	169,424
		1,154,840	2,573,679
Net assets		**7,413,899**	7,377,233
Capital and reserves			
Share capital		**622**	622
Reserves		**7,184,594**	7,154,267
Equity attributable to equity shareholders of the Company		**7,185,216**	7,154,889
Non-controlling interests		**228,683**	222,344
Total equity		**7,413,899**	7,377,233

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION OF THE REPORTING ENTITY

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

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

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"). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), continue to be those of the predecessor Companies Ordinance (Cap. 32). These financial statements also comply with the applicable disclosure provisions of the Listing Rules.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(b) provides information on any changes in accounting policies resulting from 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) Changes in accounting policies

The IASB has issued the following amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to IFRS 10, IFRS 12 and IAS 27, Investment entities
- Amendments to IAS 32, Offsetting financial assets and financial liabilities
- Amendments to IAS 36, Recoverable amount disclosures for non-financial assets
- Amendments to IAS 39, Novation of derivatives and continuation of hedge accounting
- IFRIC 21, Levies

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three major reportable segments. No 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.
- Non-down apparels – The non-down apparel segment carries on the business of sourcing and distributing non-seasonal apparels, including branded apparels of menswear, ladieswear and casual wear.

(a) Segment results

	For the year ended March 31, 2015			
	Down apparels	**OEM management**	**Non-down apparels**	**Group**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Revenue from external customers	**4,079,842**	**1,201,806**	**1,010,921**	**6,292,569**
Inter-segment revenue	**–**	**1,238**	**22,616**	**23,854**
Reportable segment revenues	**4,079,842**	**1,203,044**	**1,033,537**	**6,316,423**
Reportable segment profit from operations	**306,254**	**128,695**	**(8,678)**	**426,271**
Depreciation	**(59,937)**	**(223)**	**(56,481)**	**(116,641)**
Share of profits of associates	**–**	**–**	**24,871**	**24,871**
Impairment losses on goodwill	**–**	**–**	**(98,000)**	**(98,000)**

	For the year ended March 31, 2014			
	Down apparels	OEM management	Non-down apparels	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	6,056,663	880,517	1,300,714	8,237,894
Inter-segment revenue	–	536	58,375	58,911
Reportable segment revenues	6,056,663	881,053	1,359,089	8,296,805
Reportable segment profit from operations	650,332	142,990	190,626	983,948
Depreciation	(58,586)	(308)	(50,962)	(109,856)
Share of profits of associates	–	–	17,585	17,585
Impairment losses on goodwill	–	–	(55,000)	(55,000)

(b) **Reconciliations of reportable segment revenues, profit before income tax**

	For the year ended March 31, 2015 RMB'000	2014 RMB'000
Revenue		
Reportable segment revenues	**6,316,423**	8,296,805
Elimination of inter-segment revenue	**(23,854)**	(58,911)
Consolidated revenue	**6,292,569**	8,237,894

	For the year ended March 31, 2015 RMB'000	2014 RMB'000
Profit before income tax		
Reportable segment profit derived from the Group's external customers	**426,271**	983,948
Amortization expenses	**(36,635)**	(36,613)
Government grants	**69,560**	66,228
Gain on disposal of a subsidiary	**–**	6,314
Gain on disposal of lease prepayments	**1,177**	–
Impairment losses	**(98,000)**	(55,000)
Unallocated expenses	**(138,602)**	(81,822)
Finance income	**166,890**	184,169
Finance costs	**(152,572)**	(84,917)
Consolidated profit before income tax	**238,089**	982,307

4 OTHER INCOME/(EXPENSES)

	Note	For the year ended March 31, 2015 RMB'000	2014 RMB'000
Royalty income	*(i)*	**15,038**	14,415
Government grants	*(ii)*	**69,560**	66,228
Gain on disposal of a subsidiary		**–**	6,314
Gain on disposal of lease prepayments		**1,177**	–
Other income		**85,775**	86,957
Other expenses – Donations		**(14,114)**	(8,801)

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

(ii) The Group received unconditional discretionary grants amounting to RMB69,560,000 for the year ended March 31, 2015 (2014: RMB66,228,000) from various local PRC government authorities in recognition of the Group's contribution to the development of the local economies.

5 EXPENSES BY NATURE

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

	For the year ended March 31,	
	2015	2014
	RMB'000	*RMB'000*
Cost of inventories recognized as expenses included in cost of sales	**3,490,199**	4,024,009
(Reversal)/write down of inventories to their net realizable value	**(67,639)**	98,429
Depreciation		
– Assets leased out under operating leases	**7,988**	1,333
– Other assets	**135,048**	108,523
Amortization	**36,635**	36,613
Operating lease charges	**174,379**	201,828
Reversal for impairment of bad and doubtful debts	**(7,941)**	(22,073)
Auditors' remuneration	**6,600**	6,600

6 NET FINANCE INCOME

	For the year ended March 31,	
	2015	2014
	RMB'000	*RMB'000*
Recognized in profit or loss:		
Interest income on bank deposits	**36,293**	52,432
Interest income on available-for-sale financial assets	**104,719**	86,270
Interest income on other financial assets	**14,604**	15,543
Total interest income on financial assets not at fair value through profit or loss	**155,616**	154,245
Change in fair value of contingent consideration payables *(note 13)*	**659**	4,723
Change in fair value of derivative financial liabilities *(note 13)*	**10,615**	–
Net foreign exchange gain	**–**	25,201
Finance income	**166,890**	184,169
Interest on interest-bearing borrowings	**(100,188)**	(65,742)
Bank charges	**(8,179)**	(17,525)
Change in fair value of derivative financial liabilities *(note 13)*	**–**	(1,650)
Net foreign exchange loss	**(44,205)**	–
Finance costs	**(152,572)**	(84,917)
Net finance income recognized in profit or loss	**14,318**	99,252

7 INCOME TAX EXPENSE

(a) Income tax in profit or loss represents:

	For the year ended March 31,	
	2015	2014
	RMB'000	*RMB'000*
Current tax expenses		
Provision for PRC income tax	**128,371**	398,078
Deferred tax benefit		
Origination of temporary differences	**(28,205)**	(118,109)
	100,166	279,969

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

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

(iii) No tax provision has been made for Talent Shine Limited, Hong Kong Bestmate Limited, Bosideng International Fashion Limited, Long Pacific (H.K.) Ltd. and Rocawear (China) Limited, as they do not have any assessable profits subject to Hong Kong Profits Tax during the year.

(iv) The 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.

For the year ended March 31, 2015, 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, which was granted a tax holiday by the local tax bureau of tax-exemption for 2 years starting from January 1, 2012 and 50% reduction on the applicable income tax rates for 3 years starting from January 1, 2014.

The effective tax rate for the year ended March 31, 2015 was approximately 42.1%, higher than the standard PRC income tax rate of 25%, which was mainly attributable to the combined effect of non-deductible expenses, tax losses of certain subsidiaries of the Group not recognized as deferred tax assets and tax preferential rate enjoyed by the subsidiary mentioned above.

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

	For the year ended March 31,	
	2015	2014
	RMB'000	*RMB'000*
Profit before income tax	**238,089**	982,307
Income tax at the applicable PRC income tax rate of 25%	**59,522**	245,577
Tax losses not recognized as deferred tax assets	**14,057**	32,283
Non-deductible expenses	**43,570**	56,316
Effect of tax concessions of PRC operations	**(24,334)**	(52,535)
Others	**7,351**	(1,672)
Income tax expense	**100,166**	279,969

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended March 31, 2015 is based on the profit attributable to equity shareholders of the Company of RMB132,197,000 for the year ended March 31, 2015 (2014: RMB694,704,000) and the weighted average number of ordinary shares in issue during the year ended March 31, 2015, calculated as follows:

Weighted average number of ordinary shares:

	For the year ended March 31,	
	2015	2014
	'000	*'000*
Issued ordinary shares at April 1	**7,953,842**	7,953,842
Weighted average number of ordinary shares at March 31	**7,953,842**	7,953,842
Basic earnings per share (RMB cents)	**1.66**	8.73

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended March 31, 2015 is based on the profit attributable to equity shareholders of the Company of RMB132,197,000 for the year ended March 31, 2015 (2014: RMB694,704,000) and the weighted average number of ordinary shares outstanding during the year ended March 31, 2015 after adjustment for the effect of dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted):

	For the year ended March 31,	
	2015	2014
	'000	*'000*
Issued ordinary shares at April 1	**7,953,842**	7,953,842
Effect of dilution – Written put option *(note 13(b))*	**62,325**	11,370
Weighted average number of ordinary shares (diluted) at March 31	**8,016,167**	7,965,212
Diluted earnings per share (RMB cents)	**1.65**	8.72

9 INTANGIBLE ASSETS AND GOODWILL

The Group	Goodwill	Customer relationships	Trademarks	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At March 31, 2013 and 2014	777,053	597,882	206,765	1,581,700
At March 31, 2015	777,053	597,882	206,765	1,581,700
Amortization and impairment losses:				
At March 31, 2013	(89,274)	(379,170)	(14,584)	(483,028)
Amortization charge for the year	–	(24,993)	(10,879)	(35,872)
Impairment losses	(55,000)	–	–	(55,000)
At March 31, 2014	(144,274)	(404,163)	(25,463)	(573,900)
Amortization charge for the year	–	(24,993)	(10,588)	(35,581)
Impairment losses	(98,000)	–	–	(98,000)
At March 31, 2015	(242,274)	(429,156)	(36,051)	(707,481)
Net book value:				
At March 31, 2015	534,779	168,726	170,714	874,219
At March 31, 2014	632,779	193,719	181,302	1,007,800

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

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:

	The Group At March 31,	
	2015	2014
	RMB'000	*RMB'000*
Menswear	**171,467**	228,467
Ladieswear	**363,312**	404,312
	534,779	632,779

The recoverable amounts of Menswear CGU and Ladieswear CGU 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 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 the systematic risk of the specific CGU.

Based on the assessment, the carrying amount of Menswear and Ladieswear CGU was higher than their respective recoverable amount of RMB662,159,000 and RMB999,046,000, and impairment losses of RMB57,000,000 and RMB41,000,000 were recognized in profit or loss, respectively. The impairment losses were fully allocated to goodwill. The estimate of value in use of Menswear CGU and Ladieswear CGU was determined using a post-tax discount rate of 20% and 24%, respectively.

10 INVENTORIES

	The Group At March 31, 2015 RMB'000	2014 RMB'000
Raw materials	**174,394**	157,183
Work in progress	**4,174**	17,061
Finished goods	**1,730,350**	1,868,471
	1,908,918	2,042,715

At March 31, 2015, inventories carried at net realizable value amounted to approximately RMB443,338,000 (2014: RMB309,258,000).

All of the inventories are expected to be recovered within one year.

11 TRADE, BILLS AND OTHER RECEIVABLES

	The Group At March 31,		The Company At March 31,	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Trade receivables	**1,317,696**	1,500,462	**–**	–
Bills receivable	**23,218**	79,410	**–**	–
Less: allowance for doubtful debts	**(73,729)**	(111,613)	**–**	–
	1,267,185	1,468,259	**–**	–
Third party other receivables:				
– VAT recoverable	**238,049**	288,320	**–**	–
– Deposits	**181,031**	282,033	**–**	48,043
– Advances to employees	**7,808**	7,485	**–**	–
– Others	**99,636**	52,921	**3,522**	2,398
	1,793,709	2,099,018	**3,522**	50,441

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

(a) Ageing analysis

As of the balance sheet date, the ageing analysis of trade receivables and bills receivable (which are included in trade, bills and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of impairment losses on bad and doubtful debts, is as follows:

	The Group At March 31,		**The Company At March 31,**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Within credit terms	**959,685**	1,159,119	**–**	–
1 to 3 months past due	**169,449**	162,970	**–**	–
Over 3 months but less than 6 months past due	**90,655**	124,348	**–**	–
Over 6 months but less than 12 months past due	**39,794**	21,822	**–**	–
Over 1 year past due	**7,602**	–	**–**	–
	1,267,185	1,468,259	**–**	–

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

(b) Impairment of trade receivables and bills receivable

Impairment losses in respect of trade receivables and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables and bills receivable directly.

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	The Group For the year ended March 31,		**The Company For the year ended March 31,**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
At April 1	**111,613**	134,622	**–**	–
Reversal for impairment of bad and doubtful debts	**(7,941)**	(22,073)	**–**	–
Uncollectible amounts written off	**(29,943)**	(936)	**–**	–
At March 31	**73,729**	111,613	**–**	–

At March 31, 2015, the Group's trade receivables and bills receivable of RMB74,769,000 (2014: RMB89,537,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB9,209,000 (2014: RMB11,415,000) were recognized.

(c) Trade receivables and bills receivable that are not impaired

The ageing analysis of trade receivables and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	The Group For the year ended March 31,		The Company For the year ended March 31,	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Neither past due nor impaired	**894,125**	1,080,997	**–**	–
1 to 3 months past due	**162,998**	152,400	**–**	–
Over 3 months but less than 6 months past due	**89,101**	123,266	**–**	–
Over 6 months but less than 12 months past due	**39,680**	21,532	**–**	–
Over 1 year past due	**7,602**	–	**–**	–
	299,381	297,198	**–**	–
	1,193,506	1,378,195	**–**	–

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12 TRADE AND OTHER PAYABLES

	The Group At March 31,		The Company At March 31,	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Trade payables	**608,848**	690,154	**–**	–
Other payables and accrued expenses				
– Deposits from customers	**182,195**	282,833	**–**	–
– Construction payables	**14,496**	61,670	**–**	–
– Accrued rebates and commissions	**–**	45,134	**–**	–
– Accrued advertising expenses	**3,582**	9,970	**–**	–
– Accrued payroll and welfare	**152,130**	145,292	**154**	1,556
– Cash-settled written put option *(note 13(b))*	**93,041**	–	**–**	–
– VAT payable	**45,699**	117,298	**–**	–
– Dividends payable	**5,000**	5,000	**–**	–
– Others	**156,228**	201,407	**10,306**	3,002
	1,261,219	1,558,758	**10,460**	4,558

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

As of the balance sheet date, the ageing analysis of trade payables, based on the invoice date, is as follows:

	The Group At March 31,		**The Company At March 31,**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Within 1 month	**191,742**	316,007	**–**	–
1 to 3 months	**417,106**	374,147	**–**	–
	608,848	690,154	**–**	–

13 NON-CURRENT OTHER PAYABLES

	The Group At March 31,	
	2015	2014
	RMB'000	*RMB'000*
Contingent consideration payable	**–**	659
Cash-settled written put option	**–**	181,032
	–	181,691

On November 4, 2011, the Group obtained control of Talent Shine Limited and Sunny Bright Global Investments Limited (collectively known as "Ladieswear") by acquiring 70% of the shares and voting interests of the Ladieswear business. Pursuant to the relevant sales and purchase agreement (the "SPA"), the total consideration payable comprised cash consideration of RMB148 million, issuance of 235,000,000 new ordinary shares, and contingent consideration, the amount of which depended on Ladieswear's adjusted net profit (as defined in the SPA), and shall be payable within three years from March 31, 2012 to March 31, 2015. In addition, the Group granted a written put option to Talent Shine International Limited, the non-controlling equity shareholder of Ladieswear, giving it the right to sell its entire interest in Ladieswear after March 31, 2015 at a consideration which comprises cash and a variable number of shares. The consideration for exercising the put option depends on Ladieswear's adjusted net profit for the year ended March 31, 2015 and in total shall not exceed RMB900,000,000. The put option remains outstanding and not yet exercised by Talent Shine International Limited.

(a) Contingent consideration payable

At March 31, 2015, the fair value of the contingent consideration payable was nil (2014: RMB659,000 recorded as non-current payable).

(b) Written put option to non-controlling equity shareholder

As at March 31, 2015, the Group recorded the present value of the redemption price of the cash settled portion of the written put option of RMB93,041,000 as a current payable (2014: RMB181,032,000 recorded as a non-current payable) with the corresponding increase in other reserve.

As at March 31, 2015, the fair value of the share settled portion of the written put option amounted to RMB1,435,000 (2014: RMB12,050,000), which was recorded as derivative financial liabilities with fair value change of RMB10,615,000 (note 6) being recognized in profit or loss.

14 DIVIDENDS

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

	For the year ended March 31,	
	2015	2014
	RMB'000	*RMB'000*
Interim dividend declared and paid of RMB1.0 cent per ordinary share (2014: interim dividend of RMB2.9 cents per ordinary share)	**76,080**	234,410
Final dividend proposed after balance sheet date of RMB0.8 cent per ordinary share (2014: RMB1.6 cents per ordinary share)	**63,112**	127,131
	139,192	361,541

The final dividends proposed after the balance sheet date have not been recognized as a liability at the balance sheet date.

(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,	
	2015	2014
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB1.6 cents per ordinary share (2014: final dividend of RMB5.2 cents per ordinary share)	**127,131**	413,743

15 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(a) Subsequent to March 31, 2015, the Company proposed a final dividend of RMB63,112,000, representing RMB0.8 cent per ordinary share to the equity shareholders of the Company.

(b) On April 24, 2015, the Company has entered into a subscription agreement (the "Subscription Agreement") with New Surplus International Investment Limited ("the Subscriber") (a company indirectly wholly owned by Mr. Gao Dekang and to be invested by ITC SPC (a company jointly set up by subsidiaries of ITOCHU Corporation and Goldstone (a wholly-owned investment platform of CITIC Securities))) pursuant to which the Subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to allot and issue an aggregate of 1,302,500,000 new shares (the "Subscription Shares") at HKD1.19 per Subscription Share for an aggregate consideration of HKD1,549,975,000.

The Subscription Shares represent approximately 16.27% of the existing issued share capital of the Company and approximately 13.99% of the issued share capital of the Company as enlarged by the subscription. The Subscription Shares will be issued under a specific mandate and will rank pari passu with the existing shares.

As of the date of this report, the subscription has not been approved by the independent shareholders.

(c) On June 22, 2015, the Company obtained an uncommitted term loan facility of up to USD43,650,000 (equivalent of RMB268,107,000) from its bankers, which will be effective upon the satisfaction of specific conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

In this financial year, the Group strengthened its business adjustment and conducted a comprehensive review on each link of its business, and pragmatically made inventory clearance and retail network optimization its top priority. In face of large inventories and inefficient retail outlets resulting from the brand separation strategy adopted in the past, the Group actively implemented inventories reduction measures and closed down underperforming stores decisively. Through significant business adjustment, the Group laid a more robust business foundation for future development, which will enable the Group to transit gradually from traditional wholesale business model to market and consumer-oriented retail model, improving the quality of the retail terminal comprehensively to ensure a sustainable and healthy growth.

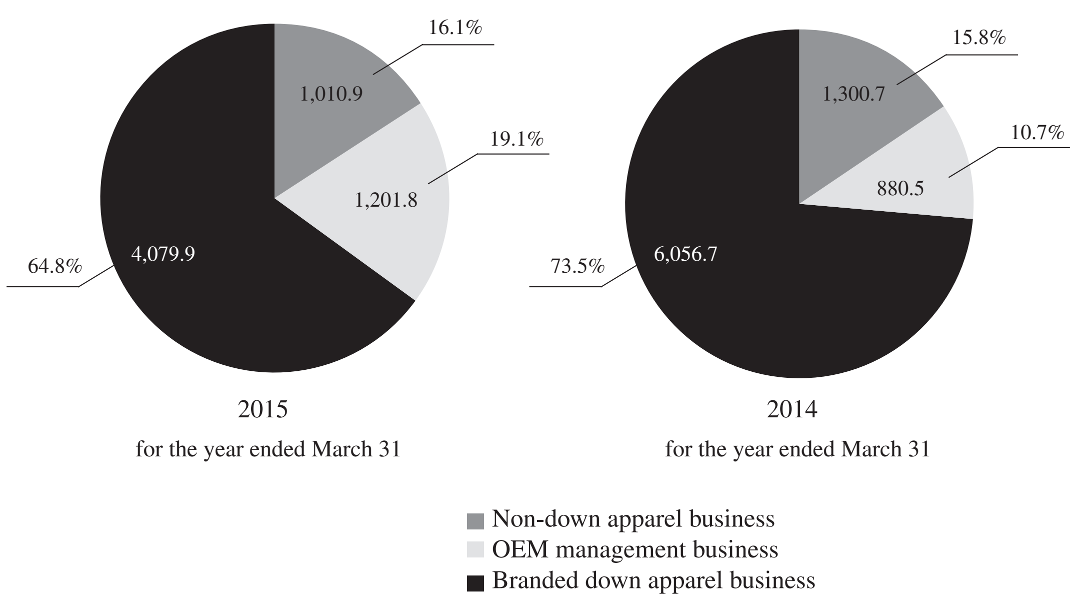
Revenue Analysis

Affected by domestic macroeconomic environment and unfavorable weather conditions, coupled with the Group's active business adjustment during the year to clear inventories and optimize its retail network, the overall revenue decreased. For the year ended March 31, 2015, the Group recorded a revenue of approximately RMB6,292.6 million, representing a decrease of 23.6% as compared with last year. During the year, branded down apparel business continued to be the biggest revenue source of the Group, accounting for 64.8% of the Group's revenue, with the remaining 16.1% and 19.1% derived from non-down apparel business and OEM management business, respectively. For the year ended March 31, 2014, the above three businesses accounted for 73.5%, 15.8% and 10.7% of the Group's revenue, respectively.

The revenue from branded down apparel business, OEM management business and non-down apparel business were approximately RMB4,079.9 million, RMB1,201.8 million and RMB1,010.9 million, representing a decrease of 32.6% as compared with last year, increase of 36.5% and decrease of 22.3%, respectively.

Revenue by business

(RMB million)



Branded Down Apparel Business:

The top priority of the Group was to clear inventories and optimize its retail network in this financial year. To reduce inventories, the Group reduced the annual production volume of new products by more than 10% to make more room to reduce existing inventories, for individual brands such as Bengen and Combo, only very few new designs were developed. In terms of order management, the Group implemented strict order control on distributors, through close weekly communication with distributors, rolling forecast and analysis according to actual sales were made to assist distributors to make more reasonable orders and replacement orders. During the year, the Group based on the actual situation of distributors and proactively reduced orders from distributors by approximately 10% to 20% to reduce inventories risk in retail channel. For old inventories, the Group added sale channels that specialized in inventories clearance, including making promotion through discount stores, temporary promotional stores, chain stores, large-scale bargains in villages and towns in remote areas and factory stores.

The above measures helped the Group to improve its business performance, reduced inventories and avoided new inventory backlog, but inevitably impacted the revenue of this financial year. On the other hand, as the weather was warmer than that of the previous years, the Group recorded unsatisfactory sales performance during the traditional peak season before the Chinese New Year, which led to a revenue decline of branded down apparel business by 32.6% during the year. However, the down apparel inventories of the Group (excluding the non-seasonal products of the branded down apparel) at the end of the year decreased by 8.9% as compared with last year, which shown that the inventories is declining. The Group is confident that the inventories will get back to a healthier level.

Revenue from down apparel business by brand

	For the year ended March 31				
	2015		2014		
Brands	**RMB Million**	**% of revenue from branded down apparel revenue**	RMB Million	% of revenue from branded down apparel revenue	Changes
Bosideng	**3,225.0**	**79.0%**	4,047.8	66.9%	-20.3%
Snow Flying	**478.9**	**11.7%**	1,025.1	16.9%	-53.3%
Bengen	**72.4**	**1.8%**	347.3	5.7%	-79.2%
Combo	**157.1**	**3.9%**	453.7	7.5%	-65.4%
Other brands	**66.4**	**1.6%**	92.2	1.5%	-28.0%
Others	**80.1**	**2.0%**	90.6	1.5%	-11.6%
Total revenue from branded down apparel	**4,079.9**	**100.0%**	6,056.7	100.0%	-32.6%

During the year, the Group re-positioned and re-branded the four down apparel brands with reference to various factors such as market and consumer demand and sales records. Bengen and Combo were re-positioned as regional brands, with Combo mainly concentrated in Shandong, while Bengen mainly concentrated in Shandong, Hunan and Shaanxi. A large number of inefficient sales outlets resulted from the brand separation strategy implemented in the past few years were closed, which led to a decline in the overall coverage of sales channel. For the purpose of reducing inventories, the Group focused on selling old goods and produced very few new designs during the year, as a result, revenue from Bengen and Combo brands decreased significantly by 79.2% and 65.4%, respectively. For Bosideng and Snow Flying brands, which continued to be national brands, the Group was committed to provide consumers with cost-effective, high quality and fashionable products while clearing inventories.

Revenue from branded down apparel business by sale category

	For the year ended March 31				
	2015		2014		
	RMB million	**% of revenue from branded down apparel revenue**	RMB million	% of revenue from branded down apparel revenue	Changes
Self-operated	**2,080.3**	**51.0%**	2,167.4	35.8%	-4.0%
Wholesale	**1,919.5**	**47.0%**	3,798.7	62.7%	-49.5%
Others*	**80.1**	**2.0%**	90.6	1.5%	-11.6%
Total revenue from branded down apparel business	**4,079.9**	**100.0%**	6,056.7	100.0%	-32.6%

* *Represents sales of raw materials related to down apparel products and other licensing fee, etc.*

During the year, the Group optimized its retail network proactively, emphasized on improving store quality and enhancing consumer experience, so as to pave the way for retail transformation. Therefore, the Group cleared up and integrated sale channels of each down apparel brand to avoid channel overlapping by inspecting and assessing the location of each store during low season in order to rationalise the retail network. Meanwhile, retail outlets with sales weaker than expected or its image and service failed to meet the Group's requirements were closed, those were mainly the retail outlets operated by third-party distributors. This measure has led to revenues of self-operated and wholesale business decreasing by 4.0% and 49.5%, respectively.

During the year, despite the fact that self-operated outlets of down apparel business significantly reduced, the sales volume of self-operated business increased significantly by 23.6% to 6.8 million from 5.5 million pieces of down apparel products last year, reflecting an improvement in store efficiency. Revenue from self-operated business decreased slightly by 4.0%, it was mainly due to the increase in the sale contribution of autumn down apparel whose price is lower than that of traditional down apparel, and the increase in the sale contribution of the old stock as a result of the inventories promotion, reflecting that the Group has achieved certain results in inventory liquidation.

As at March 31, 2015, the total number of retail outlets of the Group's down apparel business (net) decreased by 5,053 to 6,599 as compared to that of March 31, 2014. Self-operated retail outlets (net) decreased by 1,296 to 2,527 during the year; retail outlets operated by third-party distributors (net) decreased by 3,757 to 4,072. The number of self-operated retail outlets as a percentage of the overall retail network increased to 38.3% from 32.8% at the end of March 2014.

Retail network breakdown by down apparel brand

As at March 31, 2015	Bosideng		Snow Flying		Combo		Bengen		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	390	1	84	-91	14	-14	2	-17	490	-123
Operated by third party distributors	2,068	-367	405	-313	104	-366	182	-510	2,759	-1,919
Subtotal	2,458	-366	489	-404	118	-380	184	-527	3,249	-2,042
Concessionary retail outlets										
Operated by the Group	1,090	-145	548	-384	300	-537	99	-104	2,037	-1,173
Operated by third party distributors	649	-63	277	-256	255	-734	132	-577	1,313	-1,838
Subtotal	1,739	-208	825	-640	555	-1,271	231	-681	3,350	-3,011
Total	**4,197**	**-574**	**1,314**	**-1,044**	**673**	**-1,651**	**415**	**-1,208**	**6,599**	**-5,053**

Change: Compared with that as at March 31, 2014

* As at March 31, 2014, the Group's down apparel retail network included a total of 576 retail outlets of other small down apparel brands, and all retail outlets under these brands were closed down during the year.

Retail network of down apparel business breakdown by region

	As at March 31, 2015	As at March 31, 2014	Change
Eastern China area	2,487	4,615	-2,128
Central China area	1,221	2,411	-1,190
Northern China area	731	1,285	-554
Northeast China area	767	1,274	-507
Northwest China area	768	1,206	-438
Southwest China area	625	861	-236
Total	**6,599**	**11,652**	**-5,053**

Areas:
Eastern China area: Jiangsu, Anhui, Zhejiang, Shanghai, Fujian, Shandong
Central China area: Hubei, Hunan, Henan, Jiangxi, Guangdong, Guangxi, Hainan
Northern China area: Beijing, Tianjin, Hebei
Northeast China area: Liaoning, Jilin, Heilongjiang, Inner Mongolia
Northwest China area: Xinjiang, Gansu, Qinghai, Shaanxi, Ningxia, Shanxi
Southwest China area: Sichuan, Tibet, Chongqing, Yunnan, Guizhou

OEM Management Business:

During the year, the revenue from the Group's OEM management business increased by 36.5% year on year to approximately RMB1,201.8 million, as the Group's major customers launched new product series during the year, thus generating more orders for the Group.

OEM management business had 13 clients during the year, which were mainly well-known US brands. Revenue from the top five customers accounted for approximately 80.0% of the revenue from the OEM management business.

Non-down Apparel Business:

The revenue from the Group's non-down apparel business decreased by 22.3% year on year to approximately RMB1,010.9 million. During the year, the Group continued to adjust the sales channels, reduce inventory and optimize product portfolio of its non-down apparel brands. The revenue of non-down apparel business is as follows:

Revenue breakdown by non-down apparel brand

	For the year ended March 31				
	2015		2014		
Brand	**RMB million**	**% of non-down apparel revenue**	RMB million	% of non-down apparel revenue	Changes
Bosideng MAN	**275.8**	**27.3%**	478.2	36.8%	-42.3%
JESSIE	**320.2**	**31.7%**	348.4	26.8%	-8.1%
Mogao	**397.4**	**39.3%**	446.8	34.3%	-11.1%
Others	**17.5**	**1.7%**	27.3	2.1%	-35.9%
Total non-down apparel revenue	**1,010.9**	**100.0%**	1,300.7	100.0%	-22.3%

Bosideng MAN

Revenue of Bosideng MAN decreased by 42.3% year on year to approximately RMB275.8 million. Of which, the revenue of self-operated and wholesale business decreased by 45.0% and 41.5% year on year to approximately RMB61.3 million and RMB214.5 million, respectively. Due to the fact that the products of domestic menswear industry were confronted with serious homogenization problems leading to significant price reduction in many menswear brands. Bosideng MAN implemented a more defined product planning which included streamlining product portfolio, narrowing the price range, and offering value-for-money products in order to standardize product styling and to maintain competitiveness. Moreover, the wholesale business of Bosideng MAN focused in selling old inventory and offered bigger discount to distributors in order to clear inventories.

In addition, the Group continued to streamline its retail network for Bosideng MAN. As at March 31, 2015, the total number of menswear retail outlets (net) decreased by 25 to 567, of which, the number of self-operated retail outlets (net) decreased by 38 to 70 and the number of third party distributor-operated retail outlets (net) increased by 13 to 497.

JESSIE

Revenue of JESSIE decreased by 8.1% to approximately RMB320.2 million as compared with last year. Of which, the revenue of self-operated and wholesale business increased by 20.8% and decreased by 51.3% year on year to approximately RMB252.2 million and RMB68.0 million, respectively. Priority of JESSIE for the year was to continuously adjust retail network by slowing down new store opening and closing down underperforming retail outlets. Meanwhile, the Group carried out fine management for self-operated outlets and significantly increased self-operated revenue through adjusting product portfolio, increasing the proportion of accessories to achieve connective sales.

As at March 31, 2015, the total number of JESSIE retail outlets (net) decreased by 15 to 211, of which, the number of self-operated retail outlets (net) increased by 4 to 113 and the number of third party distributor-operated retail outlets (net) decreased by 19 to 98.

Mogao

Revenue of Mogao decreased by 11.1% to approximately RMB397.4 million as compared with last year. Of which, the revenue of self-operated and wholesale business decreased by 10.3% and 15.2% year on year to approximately RMB336.0 million and RMB61.4 million, respectively. Taking into account the market competition and weaker sales of Mogao ladieswear than menswear, which resulted in inconsistent operational efficiency, therefore, Mogao transformed from the original menswear and ladieswear to menswear brand in the second half of the year, which helped to enhance the operating capacity of Mogao and allowed a better use of resources. Without ladieswear, Mogao rebranded into a fashionable menswear "FASHION Label", offering a clearer brand positioning, with product styles combining casual wear and fashion trends.

As at March 31, 2015, the total number of the Mogao retail outlets (net) decreased by 13 to 305, of which, the number of self-operated retail outlets (net) decreased by 1 to 208 and the number of third party distributor-operated retail outlets (net) decreased by 12 to 97.

Retail network breakdown by non-down apparel brand

As at March 31, 2015	Bosideng MAN		JESSIE		Mogao		Total*	
	Number of stores	Change	Number of stores	Change	Number of stores	Change	Number of stores	Change
Specialty stores								
Operated by the Group	24	-8	3	–	–	–	27	-9
Operated by third party distributors	261	-27	37	-6	97	-12	395	-45
Subtotal	285	-35	40	-6	97	-12	422	-54
Concessionary retail outlets								
Operated by the Group	46	-30	110	+4	208	-1	364	-50
Operated by third party distributors	236	+40	61	-13	–	–	297	+24
Subtotal	282	+10	171	-9	208	-1	661	-26
Total	**567**	**-25**	**211**	**-15**	**305**	**-13**	**1,083**	**-80**

Change: Compared with that as at March 31, 2014

* RICCI was a non- down apparel brand under the Group and had 27 retail outlets as at March 31, 2014. The Group has terminated the RICCI brand during the period under review.

Retail network of non-down apparel business breakdown by region

	As at March 31, 2015	As at March 31, 2014	Change
Eastern China area	276	297	-21
Central China area	311	322	-11
Northern China area	61	64	-3
Northeast China area	121	130	-9
Northwest China area	146	168	-22
Southwest China area	168	182	-14
Total	**1,083**	**1,163**	**-80**

Areas:
Eastern China area: Jiangsu, Anhui, Zhejiang, Shanghai, Fujian, Shandong
Central China area: Hubei, Hunan, Henan, Jiangxi, Guangdong, Guangxi, Hainan
Northern China area: Beijing, Tianjin, Hebei
Northeast China area: Liaoning, Jilin, Heilongjiang, Inner Mongolia
Northwest China area: Xinjiang, Gansu, Qinghai, Shaanxi, Ningxia, Shanxi
Southwest China area: Sichuan, Tibet, Chongqing, Yunnan, Guizhou

International Business

Entering the third year of operation, with stronger operational and retail experience accumulated, London flagship store actively expanded the down apparel series during the year, after thorough study and with reference to market demand. By leveraging on the enormous resources and brand awareness of the Group in down apparel products, the Group introduced men's and ladies' down apparel, which not only enriched the product portfolio of the flagship store, and also effectively drove sales and profits.

Gross profit

During the year, gross profit dropped by 30.3% from RMB4,115.5 million last year to RMB2,870.0 million, and gross profit margin decreased by 4.4 percentage points to 45.6%.

The Group successfully controlled procurement price at a level more favourable than the market average through a series of measures such as resources integration, strategic partnership cooperation and low season procurement. In addition, the proportion of self-operated business increased in the branded down apparel business and non-down apparel business during the year, thus partly offseted the impact on gross margin due to the reduction in the production and increased promotion effort as a result of clearing inventories. The gross profit margin of branded down apparel business and non-down apparel business were 53.4% and 48.9%, respectively, similar to that of last year, slightly dropped by 1.0 and 0.1 percentage point, respectively as compared to last year. The gross profit margin of OEM management business for the year decreased by 4.4 percentage points to 16.6% due to the rising trend of Multi-style and Mini-capacity product strategy adopted by the garment industry, which increased production costs, thus impacting the gross profit margin.

Operating profit

During the year, the Group's operating profit decreased by 77.0% to approximately RMB198.9 million. Operating profit margin was 3.2%, representing a decrease of 7.3 percentage points as compared to 10.5% of last year.

Distribution expenses

The Group's distribution expenses, mainly comprising advertising and promotion expenses, concessionaire fees to department stores and salary and welfare, amounted to approximately RMB2,108.5 million, representing a decrease of 25.1%, as compared to approximately RMB2,813.6 million in the previous year. Of which, advertising and promotion expenses significantly dropped by 46.5%, due to the fact that the Group made better use of promotion resources, reduced advertisements on traditional television stations and highway billboards and increased the application of new media such as the Internet and social media. The new media strategy saved promotional costs and brought comprehensive marketing effects.

Administrative expenses

The administrative expenses of the Group, which mainly comprise salary and welfare, depreciation and office expenses, amounted to approximately RMB536.3 million, representing an increase of 16.7% from approximately RMB459.5 million in the previous year. The increase in administrative expenses was mainly attributable to the higher depreciation due to the full operation of Bosideng building in Changshu, and lower provision reversal for bad and doubtful debts as compared with previous year.

Impairment on goodwill

The Group performs annual impairment testing for goodwill arising from the acquisitions of the Menswear business (the details of which was set out in the 2012/2013 annual report (pages 33-34)) and the acquisition of the Ladieswear business (the details of which was set out in the 2012/2013 annual report (pages 34-35)) subsequent to the initial recognition.

The recoverable amounts of Menswear cash generating unit ("CGU") and Ladieswear CGU 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. In preparing the value in use calculation, the management used the same valuation methodology and information as those used in previous years, taking into account any changes in the inputs used in the valuation models due to the change of the business environment at the reporting period end, to calculate the recoverable amount of the Menswear CGU and Ladieswear CGU as at March 31, 2015. As such, no independent valuer was engaged for the valuation of the recoverable amounts of the Menswear CGU and Ladieswear CGU as at March 31, 2015, and no valuation report was prepared by the independent valuer in this regard for the year under review.

During the year under review, the Group continued to recognise impairment losses of approximately RMB41.0 million and RMB57.0 million on goodwill arising from the Group's acquisition of the Ladieswear business and Menswear business because the carrying amount of the Ladieswear CGU and Menswear CGU was higher than their respective recoverable amount.

The discount rate used in the value in use calculation for Ladieswear CGU is 24% (2014: 24%) and Menswear CGU is 20% (2014: 20%), representing the CGU's specific weighted average cost of capital, adjusted for a risk premium to reflect the systematic risk of the CGU.

Finance income

During the year under review, the Group's finance income decreased by 9.4% to approximately RMB166.9 million from approximately RMB184.2 million in the previous year. The decrease was mainly due to the foreign exchange gains and losses generated from the current accounts among subsidiaries of the Group.

Finance expenses

The Group's finance expenses for the year under review increased by 79.7% to approximately RMB152.6 million. The expenses was mainly interests of bank loan of the Group and foreign exchange gains and losses generated from the current accounts among subsidiaries of the Group.

Taxation

For the year ended March 31, 2015, income tax expenses decreased from approximately RMB280.0 million to approximately RMB100.2 million. The effective tax rate was approximately 42.1%, higher than the standard PRC income tax rate of 25%, which was mainly attributable to the combined effect of non-deductible expenses, tax losses of certain subsidiaries of the Group not recognized as deferred tax assets and tax preferential rate enjoyed by one of the subsidiaries.

Final dividends

The Board has recommended the payment of a final dividend of HKD1.0 cent (equivalent to approximately RMB0.8 cent) per ordinary share for the year ended March 31, 2015. The proposed dividend payment is subject to approval by the shareholders of the Company at the annual general meeting to be held on or around August 28, 2015. Upon shareholders' approval, the proposed final dividends will be paid on or around September 15, 2015 to shareholders whose names appear on the register of members of the Company on September 7, 2015.

Liquidity and financial resources

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

For the year ended March 31, 2015, the Group's net cash generated from operating activities amounted to approximately RMB387.8 million and the net cash used in operating activities amount to approximately RMB150.6 million for the year ended March 31, 2014. Cash and cash equivalents as at March 31, 2015 were in the amount of approximately RMB2,470.8 million, as compared to approximately RMB2,118.0 million as at March 31, 2014.

In order to maximize returns on the Group's available cash reserves, the Group has invested in available-for-sale financial assets, which comprised principal guaranteed short-term investments with banks in the PRC. Available-for-sale financial assets have expected but not guaranteed returns ranging from 2.27 % to 6.30% per annum.

As at March 31, 2015, the Group had bank borrowings amounting to approximately RMB3,537.6 million (2014: RMB3,259.2 million). The gearing ratio (total debt/total equity) of the Group was 47.7% (March 31, 2014: 44.2%).

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

Contingent liabilities

As at March 31, 2015, the Group had no material contingent liabilities.

Capital commitments

As at March 31, 2015, the Group had outstanding capital commitments in respect of plant, property and equipment amounting to approximately RMB50.3 million (March 31, 2014: RMB110.0 million).

Operating lease commitment

As at March 31, 2015, the Group had irrevocable operating lease commitments which amounted to approximately RMB178.0 million (March 31, 2014: approximately RMB299.4 million).

Pledge of assets

As at March 31, 2015, bank deposits amounting to approximately RMB733.5 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, 2014: approximately RMB468.9 million).

Financial management and treasury policy

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

Foreign currency exposure

The business operations of the Group were conducted mainly in the PRC with its revenues and expenses denominated in RMB. Some of the Group's cash and bank deposits, including proceeds from the Group's initial public offering, were denominated in Hong Kong Dollars or US Dollars. The Company and some of its overseas subsidiaries selected US Dollars as their functional currency. Any significant exchange rate fluctuations of Hong Kong Dollars or US Dollars against each entity's respective functional currency may have impacts on the Group's financial position.

As at March 31, 2015, the Directors considered the Group's foreign exchange risk to be insignificant. During the year under review, the Group did not use any financial instruments for hedging purpose.

Human resources

As at March 31, 2015, the Group had approximately 4,329 full-time employees (March 31, 2014: 5,940 full-time employees). Staff costs for the year ended March 31, 2015 (including Directors' remuneration in the form of salaries and other allowances) were approximately RMB813.8 million (2014: approximately RMB925.5 million). The decrease in staff costs was mainly due to downsizing as a result of business restructuring of the Group. As the staff costs included some one-time severance costs during the year, it is believed that the cost of the Group's human resource can be further reduced in the long run. The Group's remuneration and bonus policy is primarily based on the duties, performance and length of service of each individual employee with reference to the prevailing market conditions.

To attract and retain skilled and experienced personnel and motivate them to strive for the future development and expansion of its business, the Group has also adopted a share award scheme (the "Share Award Scheme").

As at March 31, 2015, no share had been awarded by the Group under the Share Award Scheme.

Future development

In view of the current situation, China's economy is undergoing structural changes, it is expected that the economic growth in China will continue to slow down in a short term perspective, and the consumer confidence will remain low, making it hard to keep an optimistic view on the retail consumer market. In addition, unfavorable factors in the apparel industry prevail, such as high inventories and over-expansion in prior periods, means that the market environment remains challenging. In the coming year, the Group will continue to adopt a pragmatic attitude and strive to enhance its competitiveness and improve its operating efficiency, so as to lay a more solid foundation for future healthy development of the Group and further consolidate its leading position in China's apparel industry.

Down apparel business: The Group will continue to implement inventory reduction measures proactively to improve its business. The Group will further refine its retail channel, clearing old stocks mostly through "discounted stores" to ensure a balanced sales between new and old products. In terms of product development, the Group will largely reduce the development of traditional and basic styles to avoid overlapping with old stocks. Furthermore, the Group will implement a unified retail pricing across the nation, to avoid unnecessary competition among distributors and to ensure a healthier development among our down apparel brands. At the same time, the Group will accelerate the construction of information systems to improve its operational efficiency through the enhancement of information management, so as to achieve its goal of retail transformation. In respect of channel development, in consideration of the changes in consumption pattern, the Group will also actively research on opening more stores in large shopping malls.

International business: The Group will further expand the operation of its flagship store in the United Kingdom and add full range down apparel products, to explore the feasibility of expanding the Group's self-operated branded down apparel business overseas.

Group Structure: The Group will actively promote further optimization and adjustment of its organization structure to improve operating efficiency and save costs.

Diversified development: The Group will proactively pursue opportunities for new business and external alliances including the introduction of strategic investors who can drive and enhance the Group's business so as to further strengthen the Group's capability in operation, management and acquisition and merger, so as to lay a solid foundation for the Group to become an integrated multi-brand apparel operator.

Closure of Register of Members

The register of members of the Company will be closed from (i) August 26, 2015 to August 28, 2015 and (ii) September 3, 2015 to September 7, 2015, both days inclusive, during which periods no transfer of shares will be effected. In order to (i) determine the eligibility of the members who are entitled to attend and vote at the forthcoming annual general meeting and (ii) qualify for the proposed final dividends payable on or around September 15, 2015, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on (i) August 25, 2015 and (ii) September 2, 2015, respectively.

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

The Company and its subsidiaries had not purchased, sold or redeemed any listed shares of the Company during the year ended March 31, 2015.

Corporate Governance Code

The Directors are of the opinion that the Company had complied with the Corporate Governance Code (the "Code"), as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended March 31, 2015, except for Code provision A.2.1, which provides that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

Dr. Liang Sheuh-Hvei had been the CEO of the Company during the period from May 15, 2014 to January 31, 2015. In respect of Dr. Liang Sheuh-Hvei's resignation, Mr. Gao Dekang, an executive director and chairman of the Company, had assumed the role of the CEO of the Company with effect from January 31, 2015.

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

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all Directors, and the Directors have confirmed that they had complied with all relevant requirements as set out in the Model Code during the year ended March 31, 2015.

Review of Annual Results

The Company's consolidated financial statements for the year ended March 31, 2015 have been reviewed by the Audit Committee.

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

This announcement will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://company.bosideng.com). The annual report for the year ended March 31, 2015 containing all the information required by Appendix 16 to the Listing Rules will be despatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, June 29, 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Gao Dekang, Ms. Mei Dong, Ms. Gao Miaoqin, Ms. Huang Qiaolian, Mr. Mak Yun Kuen and Mr. Rui Jinsong; and the independent non-executive Directors are Mr. Dong Binggen, Mr. Wang Yao, Dr. Ngai Wai Fung and Mr. Lian Jie.