FAQs – Operation Management

8. Does the Company regularly audit its anti-corruption policies and ethical standards?

Yes. The Group strictly complies with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and relevant regulations, and has implemented the "Anti-corruption Policy" applicable to all Directors, senior officers, employees, and contractual workers. The policy explicitly prohibits behavior such as bribery, corruption, money laundering, unfair competition, conflicts of interest, and the solicitation or acceptance of rebates, establishing a zero-tolerance disciplinary red line. The Group further refines daily codes of conduct through internal policies including the "Code of Conduct for Employees", the "Employee Code of Conduct Disciplinary Management Measures", and the "Financial Management System". The Group's business divisions have established "Brand Red Line" standards covering corruption prevention, equal treatment, information confidentiality, and conflicts of interest, setting an unbreachable moral bottom line for all employees. In FY2025/26, the Group further incorporated compliance culture building into the performance goal responsibility agreements of managers at all levels, further strengthening compliance awareness among all employees.

Furthermore, the Group has established a management system for preventing unfair competition that covers prevention, in-process monitoring, and post-incident handling. Core institutional documents include the "Compliance Management Regulations", the "Anti-unfair Competition and Anti-monopoly Management System", and the "Compliance and Integrity Commitment". At the same time, the Group has established a dedicated compliance team responsible for formulating compliance standards for all business activities and has integrated fair competition compliance into the evaluation system to prevent commercial bribery and malicious exclusive dealings at source. The Group deeply integrates fair competition compliance into corporate culture building and requires all supplier partners to sign the "Compliance and Integrity Commitment" to jointly maintain a clean and fair business environment.

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Bosideng has established a Group Audit and Supervision Center, comprising an Audit Department and a Supervision Department, which respectively supervise and audit the compliance operations of the Group's various business divisions and functional centers to strengthen the independence and professionalism of internal supervision and review. The Audit and Supervision Center is subordinate to the Board of the Group and reports directly to the Chairman of the Board, ensuring that supervisory work has absolute independence and authority. The Board has established an Audit Committee responsible for overseeing ethics and compliance matters, reviewing any suspected dishonest conduct or non-compliance, risk management deficiencies or internal control deficiencies, or suspected violations of laws and regulations, and evaluating internal investigation findings and management's response plans.

The Group has established a regular audit mechanism covering all branches, subsidiaries, and operational areas, incorporating business ethics and anti-corruption requirements into routine operational audits, annual performance assessment audits, and special audits of significant matters to continuously identify and mitigate compliance risks arising from business operations. The Group ensures that an in-depth audit of ethical standards and anti-corruption practices is conducted for its branches and subsidiaries at least once every three years, covering all operational areas, including supply chain, brand, retail, and logistics.

Routine operational audits	Business division audits	Annual audits are conducted of business divisions covering branded down apparel (including Bosideng and Snow Flying etc.), OEM management, diversified apparel, ladieswear and other businesses.
	Retail company audits	Retail operations are audited annually, ensuring that each retail company undergoes an audit at least once every three years.
Annual performance assessment audits	Annual performance assessment audits are conducted for each business unit and functional department.	
Special audits	Special audits are conducted in response to significant matters.	

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of significant matters	

In FY2025/26, as a key evaluation milestone within this audit cycle, the Group conducted a special assessment of commercial bribery and anti-corruption risks, and no significant commercial bribery or corruption risks were identified. Meanwhile, no acts of corruption occurred during the Year, nor did any major non-compliance incidents relating to fair competition, conflicts of interest, or insider trading occur.

In FY2025/26, the proportion of suppliers signing the "Supplier Compliance and Integrity Agreement" and the proportion of franchisees signing the "Compliance and Integrity Agreement" both achieved 100%. This effectively ensures transparency and fairness in the value chain and mitigates potential risks of bribery, extortion, fraud, money laundering, and unfair competition in procurement and sales processes at source. The Group also implemented comprehensive business ethics training, achieving 100% employee participation and significantly improving compliance awareness across the organization. Targeted enhanced training for core business units and key positions further reinforced the Group's defenses against ethical risks.

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