

For immediate release



波司登國際控股有限公司

## Bosideng International Holdings Limited

### Bosideng Announces Annual Results for FY2019/20

**Revenue and profit attributable to shareholders increased  
by 17.4% and 22.6% respectively**

**Adhere to the strategy of “focusing on the main channel  
and shrinking diversification”**

**Drive revenue growth ahead of the industry**

#### Financial Highlights

<i>RMB' million</i>	For the year ended March 31		Change
	2020	2019	
Revenue	<b>12,190.5</b>	10,383.5	+17.4%
Gross profit	<b>6,708.6</b>	5,513.5	+21.7%
Operating profit	<b>1,598.7</b>	1,370.8	+16.6%
Profit for the Year	<b>1,195.3</b>	1,005.6	+18.9%
Profit attributable to shareholders	<b>1,203.2</b>	981.3	+22.6%
Earnings per share (RMB cents)			
- Basic	<b>11.27</b>	9.32	+20.9%
- Diluted	<b>11.06</b>	9.17	+20.6%
Dividend per share (HK cents)			
- Final	<b>6.0</b>	6.0	+0.0%
- Interim	<b>3.0</b>	2.0	+50.0%
- Full-year	<b>9.0</b>	8.0	+12.5%

**(June 23, 2020 – Hong Kong) – Bosideng International Holdings Limited** (“Bosideng” or the “Company”, stock code: 3998, which together with its subsidiaries is referred to as the “Group”), the largest down apparel company in the People’s Republic of China (“PRC”), announces its annual results for the year ended March 31, 2020 (the “Year”).

#### Financial Review

During the Year, the Group closely focused on “brand, product, channel and terminal” to carry out systematic construction from multi-dimensions. By activating the recognition of “down apparel experts” in consumers’ minds, it has won the recognition of more mainstream consumers in the era. By creating a development model of “making use of the leading role of brand”, it has sparked highly popular discussions in the industry, thereby becoming a typical case study in the industry, and the overall operating performance realized was far above the industrial growth level.

The Group’s revenue increased by 17.4% to approximately RMB12,190.5 million and operating profit increased by 16.6% to approximately RMB1,598.7 million for the year. Gross profit increased by 21.7% to approximately RMB6,708.6 million and gross profit margin increased by 1.9 percentage points to 55.0%. Profit attributable to shareholders of the Company increased by 22.6% to approximately RMB1,203.2 million. Basic earnings per share were RMB11.27 cents. The Board of

Directors recommended a final dividend of HKD6.0 cents per ordinary share. (FY2018/19: HKD6.0 cents).

## **Business Review**

### **Branded Down Apparel Business**

The branded down apparel business remained the biggest revenue contributor of the Group, accounting for 78.0% of its total revenue. Focusing on the brand positioning of being the “best-selling expert in down apparel in the world”, and with enhanced brand strength and influence, the Group optimized the channel structure with entering into mainstream business district and core area of cities. During the Year, the revenue from the overall branded down apparel business increased by 24.2% to approximately RMB9,512.7 million. Specifically, revenue from sales of down apparel under the *Bosideng* brand rose by 22.7% to approximately RMB8,403.3 million.

Bosideng conducted a series of brand activities throughout the year, including high profile brand public relations and integrated marketing events such as being officially invited to participate in Milan Fashion Week, the release of “Mountaineering” high-end series, the release of crossover product series with international designers, cooperating with Tmall to launch the *Bosideng* Superbrand Day and participating in London Fashion Week. This attracted great attention from consumers and the whole textile and apparel industry and yielded fruitful achievements. Meanwhile, the *Bosideng* brand further upgraded its cooperation with internationally renowned IP. Through IP cooperation with Walt Disney Company and Marvel, the Group launched brand new products that were well received and sought after among young consumers.

During the Year, there was a net increase of 238 in the total number of selling points of the Group’s down apparel business to 4,866 compared with that in the previous financial year. A breakdown shows that there was a net increase of 233 in the number of self-operated selling points to 1,861 and a net increase of 5 in the number of selling points operated by third-party distributors to 3,005. The self-operated selling points accounted for 38.2% of the Group’s retail network and third-party distributor-operated selling points accounted for 61.8%.

### **OEM Management Business**

During the Year, the Group continued to deepen its relationship with core customers to provide design support for the original design manufacturing management business, which facilitated the continuous growth of cooperative business with its core customers. Moreover, the Group enhanced customers’ loyalty by offering persistent and multi-faceted support. Meanwhile, the Group conducted intelligent upgrading for its domestic factories, and enhanced the competitiveness of the Group’s OEM management business by optimizing the production processes to achieve efficiency improvement and cost savings. For the year ended March 31, 2020, revenue from the Group’s OEM management business increased by 17.8% to approximately RMB1,611.3 million, accounting for 13.2% of the Group’s revenue.

### **Ladieswear Business**

During the Year, the refinement of consumer market and the expansion of international brands in the Chinese market, the ladieswear business has encountered unprecedented fierce competition. Coupled with the impact of the COVID-19, revenue from the Group’s ladieswear business decreased by 18.2% to approximately RMB982.7 million. As of March 31, 2020, the total number of retail outlets of the Group’s ladieswear decreased by 29 to 499 compared with the same period last year; self-operated retail outlets decreased by 25 to 373; net retail outlets operated by third-party dealers decreased by 4 to 126. Retail outlets operated by self-operated and third-party dealers account for 74.7% and 25.3% of the entire retail network, respectively.

### **Diversified apparels business**

During the Year, the Group adhered to the overall strategy of “focusing on the main channel and shrinking diversification”. Revenue from our diversified apparels business was approximately RMB83.8 million, representing a decrease of 46.2% as compared to that of the corresponding period of last year. The contribution from the diversified apparel business to the Group’s total revenue dropped to 0.7%.

### **Online Sales**

The Group placed emphasis on online brand construction, integration between online and offline new retail and the maintenance and expansion of members, and sorted out the integration of online and offline membership, data, and inventory O2O during the Year. The online sales business has been vigorously developed, and it ranks at the top among those important e-commerce festivals.

Revenue from the online sales at the branded down apparel business was approximately RMB2,344.5 million, accounting for 26.7% of the total revenue from sales at the branded down apparel business. Revenue from the online sales of branded down apparels business and the ladieswear business was approximately RMB2,261.5 million and RMB63.4 million, accounting for 23.8% and 6.4% of the revenue of each business, respectively. By sales categories, revenue from self-operated and wholesale through the Group’s online sales amounted to approximately RMB1,831.2 million and RMB513.3 million, respectively.

### **Future Development**

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, “The past FY2019/20 was the second year of the Group’s strategic transformation and rebranding. Despite the withered economy, warm winter, outbreak of COVID-19 and other unfavorable factors, the management and all employees were determined to develop our entrepreneurial spirit of working arduously and innovatively to pursue excellence and attain the best result under concerted efforts. They persisted in upgrading brand, optimizing channel, innovating products and reshaping terminals, and achieved excellent results.”

In the future, the Group will adopt different strategies for developing its businesses as follows:

**Down Apparel Business:** The Group will continue to focus on positioning itself as the “expert and best-seller of down apparel in the world”, the Group took its customer-oriented approach, boosted its brand efficiency for the year, enhanced and consolidated the main brand of *Bosideng*, making *Bosideng* become a mid-to-high-end brand and maintaining its leading position in the brand. At the same time, we will deploy mid-range Snow Flying, high price-performance ratio brand Bengen down apparel, launched online channel scenarios through model innovation, took the initiative to strive for growth and expanded market share to stabilize the basic market.

**OEM Management Business:** The Group will focus on innovation and development on the one hand, and risk management and control on the other, and will continue to deepen its strategic cooperation with core customers. The Group improved service capabilities by integrating overseas resources and continued to improve the ability to respond to orders from core customers to maintain a long-term and stable strategic cooperative relationship. Moreover, the Group will meet the production needs of overseas factories throughout the year and expand the scale of business through expanding other high-quality customers, securing the stable development of OEM processing business.

**Fashionable Ladieswear Business:** After the strategic layout in the past few years, a platform for ladieswear business has taken shape. Looking into the future, the Group will reshape team thinking, learn external benchmarks, focus on integrating resources among ladieswear brands, expand

synergy among brands, and focus on the development of unique advantages among ladieswear brands. Through the gradual improvement of the product power, channel power, brand power and other aspects of the ladieswear brands, the operation efficiency and management efficiency of the ladieswear business unit are boosted, thereby achieving the organic growth of the ladieswear business.

**Mr. Gao Dekang, Chairman and CEO of Bosideng, concluded,** “The epidemic has brought some trauma to some small and medium-sized enterprises, but the phenomenon of the stronger the winner will be increasingly apparent in the growth momentum of industry leaders, unlocking the value-added of brand awareness. Although there have been certain changes in the market and industry, this has brought us more opportunities and challenges. As a leading Chinese brand down apparel company, we will certainly take advantage of the trend and achieve overwhelming success despite the sluggish market, thereby creating our own core strengths and winning the market share and consumers with differentiated competition.”

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**About Bosideng International Holdings Limited:**

Bosideng International Holdings Limited (the “Company”, which together with its subsidiaries, is referred to as the “Group”) is a renowned down apparel company in the People’s Republic of China (the “PRC”) with down apparel brands, namely *Bosideng*, *Snow Flying* and *Bengen*. The Group caters for different customers and consolidates its leading position in the PRC market with its core brands.

Currently, the Group’s ladieswear brands include *JESSIE*, *BUOU BUOU*, *KOREANO* and *KLOVA*; and the school uniform brand includes *Sameite*.

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