



Bosideng Announces Annual Results for FY2022/23

**Geared Up for Sustainable and High-quality Development
Achieved Consistent and Quality Growth despite the Industry's Overall Downtrend
Stable Increase in Gross Profit Margin of the Branded Down Apparels Business
and OEM Management Business**

Financial Highlights

<i>RMB' 000</i>	For the year ended March 31		
	2023	2022	Change
Revenue	16,774,220	16,213,608	+3.5%
Gross profit	9,975,876	9,737,179	+2.5%
Operating profit	2,826,372	2,568,847	+10.0%
Profit for the Year	2,156,383	2,058,772	+4.7%
Profit attributable to equity shareholders	2,138,574	2,062,323	+3.7%
Earnings per share (RMB cents)			
- Basic	19.75	19.14	+3.2%
- Diluted	19.29	18.78	+2.7%
Dividend per share (HK cents)			
- Final	13.5	13.5	-
- Interim	4.5	4.5	-
- Full-year	18.0	18.0	-

(June 28, 2023 – 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 March 31, 2023 (“the Year”).

Financial Review

In FY2022/23, the Group adhered to the strategy of “focusing on its principal business and key brands”, and also continued to consolidate its four core competencies in “leading branding, innovating products, upgrading channel and adhering to high product quality in quick response”. As a result, the Group achieved consistent and quality growth despite the industry’s overall downturn, showing resilience in its development. For the Year, the Group’s revenue amounted to approximately RMB16,774.2 million, representing an increase of approximately 3.5% year-on-year. The branded down apparels business remained the biggest revenue contributor of the Group, accounting for approximately 80.9% of the total revenue. The OEM management business and the ladieswear apparels business accounted for 13.7% and 4.2% of the total revenue respectively. The diversified apparels business accounted for 1.2% of the total revenue.

For the year, the Group's operating profit increased steadily by 10.0% to approximately RMB 2,826.4 million despite the industry's overall downtrend. The operating profit margin was 16.8%. The gross profit of the Group up by 2.5% to RMB 9,975.9 million. Meanwhile, the gross profit margins of the core business segments have also been steadily increasing. Among them, the performance of gross profit margins of the branded down apparels business and the OEM management business are remarkable, reaching to 66.2% and 19.9% respectively. Profit attributable to equity shareholders of the Company increased by 3.7% to approximately RMB 2,138.6 million as compared to that of last year. Basic earnings per share were RMB 19.75 cents. The Board of Directors recommended a final dividend of HKD 13.5 cents per ordinary share. (FY2021/22: HKD13.5 cents).

The Group achieved strong and solid cash flow from operating activities under the outbreak of the pandemic, with net cash generated from operating activities up 14.3% year-on-year. As of March 31, 2023, the Group enhanced its current asset management capabilities, with steady improvement in inventory, trade and bills receivables turnover days.

Business Review

Branded Down Apparels Business

For the Year, positioned as "the world's leading expert in down apparel", the Group took effort to drive its growth with professionalism, evolving from a market leader by sales volume into a globally leading brand in overall strength. The revenue of the whole branded down apparels business segment increased by 2.7% to approximately RMB 13,574.5 million on a year-on-year basis.

In terms of brand building, through "innovation in fashion" and "innovation in functions", the Group conducted large-scale brand promotional campaigns, upgraded visual presentations, enhanced the content of promotional messages and promoted branding and sales interaction to achieve brand upgrading, functional visualization and enhance users' experience in various scenarios. All these efforts have deepened consumers' awareness and recognition of its brands, facilitated brand building, and boosted sales. According to the "Brand Finance Apparel 50 2022" released by Brand Finance, one of the top five international authoritative brand value evaluation consultancies, the *Bosideng* brand once again made it to the list, improving its ranking to 48th place in the apparel brand list. For the Year, *Bosideng* successfully launched the new generation of Ultralight Down Jackets, through the redefine of Ultralight Down Jackets and product technology upgrade, setting off a wave of innovation in the product category.

For supply chain management and merchandise management, the ability of the Group's supply chains to efficiently provide high-quality goods is an important competitive strength that has led to its continued success in the industry. It is also one of its core competitive advantages for maintaining the efficient and healthy sustainability of the Group. The supply chains of the Group underwent systematic planning and upgrading in terms of adopting flexible and quick response times, quality operations, scientific research technology, resource integration and cost management. As of March 31, 2023, the inventory turnover days of the Group were 144 days, representing a decrease of 6 days as compared with that of the previous financial year.

In new retail operation aspect, the Group continued the use of corporate WeChat to build a more convenient means of communication with customers. As of March 31, 2023, the *Bosideng* brand had approximately 34.55 million fans and 13.63 million members in total on the Tmall and JD.com platforms, and had 7.82 million fans on the Douyin platform. The proportion of young consumers below the age of 30 on the above platforms increased significantly compared with that of the previous financial year.

Regarding on research and development of products, product enhancement and development are the cornerstones of *Bosideng* brand's development. The Group engages in the precise development of a different series of products based on consumers' preferences, behavior and traits to satisfy their needs in different scenarios. For the Year, the urban multifunctional jacket of *Bosideng* won the ISPO Award – Global Design Award, and the composite structure camping down apparel and zero-pressure down puff apparel won the ISPO Global Design Award and the Red Dot Design Award. The new generation of ultralight down jackets won the Golden Novum Design Award. The comfortable outdoor series of down apparel of the *Bosideng* brand even won five international awards, namely the German Red Dot Award, the ISPO Award Winner 2022, the US IDEA Design Award, the US Muse Design Award and the Italy A award. It has recently won the international CMF Design award, the German Design Award and the Excellence Innovation Design Award from the China Feather and Down Industrial Association.

In terms of the development of offline sales channels, the Group further optimized the quality of sales channels to increase their efficiency. The Group firstly paid attention to the operation quality of existing stores, and elevated the “single store operation” to the strategic transformation dimension of the Group. Second, the Group paid a particular attention to core cities and core business districts and continued to concentrate on the geographical layout of such sales channels. Furthermore, the Group classified the retail outlets according to their different store formats and then widely promoted Top Sellers at the model stores in different store formats. As at March 31, 2023, the total number of normal retail stores of the Group's down apparel business (excluding the peak-season stores) was approximately 3,423. Of which, the self-operated retail stores and those operated by third party distributors accounted for 40.9% and 59.1% of the entire retail network respectively. For the Year, the Group had also established over 1,000 peak-season stores, with such popular seasonal products such as the Top Sellers as the mainstay products for sale. They were located mainly in core business districts and sports venues.

OEM Management Business

For the Year, despite multiple factors including the downturn in the global consumer market and the severe impact of the pandemic in mainland China, the OEM management business maintained stable and healthy development. Thanks to the steady growth of orders from the vast majority of existing customers, orders from new customers and the adoption of flexible management mechanisms, revenue from the OEM management business grew by 20.7% to approximately RMB 2,294.1 million. Through effective cost management and benefiting from exchange rate changes in FY2022/23, the gross profit margin of the OEM management business increased steadily by 1.3 percentage points to 19.9%.

Ladieswear Apparels Business

The changes in the pandemic since 2022 have brought considerable challenges and tests to the development of the ladieswear industry. The repeated flare-up of the pandemic has severely disrupted logistics management and the footfall at offline stores, causing difficulties to the Group's four ladieswear brands (especially the offline business). However, the Group actively expanded its online businesses by making breakthroughs on online multi-platforms and by planning the development of new retail platforms. For the Year, the online segment was able to achieve a year-on-year growth of approximately 3.4%.

Diversified Apparels Business

Benefiting from the stable growth of the *Sameite* brand school uniform business, revenue from the Group's diversified apparels business was approximately RMB 202.6 million, representing an increase of 9.2% compared with that of the previous financial year.

Online Sales

Online sales channels have been a key focus of the Group for vigorous development, especially in the financial year under review. It continued to achieve steady and high-quality growth despite adverse market conditions. The Group invested more resources to actively expand its business presence through emerging content platforms such as Douyin and traditional e-commerce platforms such as Tmall, Vip.com and JD.com. For the Year, the revenue from the total online sales conducted by the Group's brands was approximately RMB 4,929.3 million, representing a steady year-on-year increase of 22.5%. Of which, the revenue from the online sales of the branded down apparels business for the Year was approximately RMB 4,838.7 million, accounting for 35.6% of the revenue of that business segment.

Future Development

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "Since the beginning of the year, China's economy and society at large have returned to normal. The government's policies to stabilize economic growth and stimulate domestic demand have yielded effects, putting the Chinese economy on the path of improvement and speeding up the revival of the domestic market. This has created new opportunities for businesses. Meanwhile, people's growing desire for a better life has been a driving force behind the upgrading of consumption and the rise of the domestic brands, adding new impetus to the high-quality development of the Chinese brands. We believe that things will change for the better now that the pandemic has abated. There is a ray of hope in the development of both the apparel retail market and the domestic brands in 2023."

"In 2023, the Group will strive for its strategic goal of becoming a 'globally leading' down apparel company. As an industry leader, Bosideng will persevere with long-termism and value creation to meet people's new needs and new expectations in their pursuit of a better life. It will blaze a trail by embarking on the upgrading of its brands and by building up its capability to surmount the ups and downs in the economic cycle. Bosideng from China is poised to set the trend as the world's leading down apparel group in a new chapter in its development. Bosideng will contribute to China's evolution into a nation of strong brands and its modernization."

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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 is *Sameite*.

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