

For Immediate Release



Bosideng Announces Annual Results for FY2023/24

**Achieved “Double Improvements” in Brand Value and Operating Performance
Revenue and Profit Attributable to Equity Shareholders
Increased by 38.4% and 43.7% Respectively
Consistent Product Innovation of Branded Down Apparels Leads to Success in
Newly Developed Businesses**

Financial Highlights

<i>RMB' 000</i>	For the year ended March 31		
	2024	2023	Change
Revenue	23,214,033	16,774,220	+38.4%
Gross profit	13,833,540	9,975,876	+38.7%
Operating profit	4,397,556	2,826,372	+55.6%
Profit for the Year	3,120,136	2,156,383	+44.7%
Profit attributable to equity shareholders	3,074,072	2,138,574	+43.7%
Earnings per share (RMB cents)			
- Basic	28.34	19.75	+43.5%
- Diluted	27.52	19.29	+42.7%
Dividend per share (HK cents)			
- Final	20.0	13.5	+48.1%
- Interim	5.0	4.5	+11.1%
- Full-year	25.0	18.0	+38.9%

(June 26, 2024 – 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 China, announces its annual results for the year ended March 31, 2024 (“the Year”).

Financial Review

In FY2023/24, the Group has focused on its core business, maintained its brand leadership and fostered its innovation, achieving “double improvements” and “double harvests” in its brand value and operating performance. All these efforts and achievements marked the Group’s steady steps towards the goal of sustainable and high-quality development. For the Year, the Group’s revenue amounted to approximately RMB23,214.0 million, representing an increase of approximately 38.4% compared with that in the previous financial year. The Group’s four main business segments achieved stable and high-quality growth. Among them, the branded down apparel business remained the biggest revenue contributor of the Group, accounting for 84.1% of the total revenue. The OEM management business and the ladieswear apparel business accounted for 11.5% and 3.5% of the total revenue respectively. The diversified apparel business accounted for 0.9% of the total revenue.

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During the Year, the Group's operating profit increased steadily and significantly by 55.6% to approximately RMB 4,397.6million. The operating profit margin was further up to 18.9%. The gross profit increased by 38.7% to approximately RMB 13,833.5 million year-on-year. Profit attributable to equity shareholders of the Company up by 43.7% to approximately RMB3,074.1 million as compared to that of last year. Basic earnings per share were RMB 28.34 cents. The Board proposed a final dividend of HKD20 cents per ordinary share (FY2022/23 HKD13.5 cents per share) .

The Group achieved strong and solid cash flow from operating activities, and enhanced its current asset management capabilities, with steady improvement in inventory, trade and bills receivables turnover days. As of March 31, 2024, the average inventory turnover days decreased by 29 days year on year to 115 days, while the average trade and bills receivable turnover days also decreased by 4 days as compared to that of last year.

As of March 31, 2024, two major internationally authoritative rating agencies, namely Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P"), have assigned long-term credit ratings of "Baa3 (stable outlook)" and "BBB- (stable outlook)" to the Group, respectively.

Business Review

Branded Down Apparels Business

In FY2023/24, the Group continued to solidify its brand image of being "the world's leading expert in down apparel". In addition to focusing on leading sales channels, leading commodities, a leading image, and leading retail and user operations, the Group also launched a "store-centric, customer-value-oriented" reform of the business process to enhance the operational capability and profitability of its stores. Moreover, the branded down apparels business successfully expanded its newly developed business and achieved high-quality growth. The Bosideng brand under the Group's branded down apparel business recorded a year-on-year increase of 42.7% in revenue to approximately RMB16,784.5 million. Revenue of the overall branded down apparel business segment increased by 43.8% year on year to approximately RMB19,521.3 million.

In terms of brand building, the Group, by integrating brand strategy, creative visuals, public relations experiences and digital content, pursuing the strategy of brand leadership, and conducting brand marketing campaigns, it improved both branding and sales. Through its promotion and creation of best-selling products ("Top Sellers") and effort to attract foot traffic to stores ("Top Stores") with top sales performance, the Group facilitated the implementation of its brand strategy and continuously deepened consumer awareness and its brand reputation, thereby realizing the brand-led consumer perception, maximizing the results of branding and sales. According to the "Brand Finance Apparel 50 2023" 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, ranking 47th in the apparel brand list. At the same time, the Bosideng brand once again made it to "China's Top 500 Brand Value" list released by Brand Finance, with its ranking jumping 30 places from last year to the 145th place. Bosideng ranked 462nd in the list of The World's 500 Most Influential Brands 2023 released by World Brand Lab, and was the only brand selected in China's apparel and clothing sector. In the spring and summer seasons of 2023, Bosideng launched a new line of sun-protective clothing tailored to the needs of consumers. The trendy style and excellent sun protection performance of these new products have garnered widespread attention upon their release, earning favor with consumers. In addition, Bosideng held a stunning global show at the "La Vigna di Leonardo" in Milan in September 2023. With the design concept of "being more diverse, more fashionable, lighter and warmer", Bosideng once again redefined the light down jacket, and set off a "wave of innovation" in the field of down jackets in China.

In terms of brand marketing campaigns, firstly, Bosideng achieved product category innovation through marketing campaigns for the spring and summer sun protection products, supporting the Group's positioning in the functional apparel market. Secondly, the Group continued to solidify market's recognition of Bosideng as the leader in the ultralight down apparel category through the autumn brand marketing campaign of "a New Generation of Ultralight Down Jackets", thereby achieving breakthroughs in both product category awareness and operating results. Thirdly, by thoroughly understanding user needs and aligning with market trends, the Group launched multiple flexible and efficient campaigns during the autumn and winter peak seasons, including the introduction of goose down windbreakers and the "Reinventing Classics" initiative. These efforts drove product category innovation and expansion, which continually captured the minds of consumers and contributed to the Company's growth.

For supply chain management and merchandise management, the ability of the Group's supply chain to enable "delivery of high-quality products in quick and flexible responses" is an important competitive strength that has led to its continued success in the industry, and is also one of its core competitive advantages with which the Group maintaining efficient, healthy and sustainable development. The supply chain of the Group underwent systematic planning and upgrading in terms of flexibility and capability for agile responses, quality operation, the research and development of technology, resource integration and cost management. During the Year, in particular, the Group's products gained favor with consumers in the emerging market for functional apparel such as sun-protective clothing, for which orders grew rapidly, ensuring the achievement of sales performance for the functional category. The further effective reduction of inventory turnover days during the Year demonstrated not only the Group's efficient merchandise management capability during peak season of sales and its strong resilience at business operation in the face of uncertain risk factors, but also provided an easily manageable inventory level at the sales channels for its sales in the next financial year as well as more flexibility and more room for the continued measures such as the fulfillment of "small orders in quick responses", demand-pull replenishment and omnichannel, integrated merchandise operation mechanism.

In new retail operation aspect, the Group has been continuously building a consumer-centric, cross-channel platform for business operation in recent years, as well as kept using various channels to build a more convenient bridge for communication with customers. As of March 31, 2024, the Bosideng brand had approximately 45.0 million fans and approximately 18.0 million members in total on the Tmall and JD.com platforms. In the mean time, the Bosideng brand had over 9.0 million fans in total on the Douyin platform. Through digital empowerment, the Group has formed a closed-loop operation with multi-channel touchpoints, precise insight analysis, and differentiated content interaction, thereby enhancing the members' shopping experiences and brand adherence.

Regarding on research and development of products, product optimization and expansion are the cornerstones for the development of the Bosideng brand. 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. Through end-to-end integration of development for a series of design processes, the Group endeavors to present new series of products to consumers. During the Year, the thermostatic skiing down jacket of Bosideng won the ISPO Award – Global Design Award, the most popular mountaineering down jacket of Bosideng won the Red Dot Design Award, and the technology-driven constant-temperature outdoor down jacket of Bosideng won the ISPO Global Design Award and the Red Dot Design Award, among other honors.

In terms of the development of offline sales channels, the Group further optimized the quality of its sales channels to increase their efficiency. The Group steadily enhance the management capabilities and operational efficiency of the channels by systematizing and refining market segmentation and store formats management. On one hand, it focused on the ongoing development of TOP Stores and allocated resources precisely to achieve rapid and effective business growth in its Top Stores. Furthermore, the Group constructed a threetiered organizational management methodology with high targets as the driving force and customer demand as the origin and forged ahead with its store-centric and customer-value-oriented business process reform. As a result, the Group implemented effectively the closed-loop single stores' operation strategy. As of March 31, 2024, the total number of regular retail stores of the Group's down apparel business (excluding peak-season stores) was 3,217. Of which, the self-operated retail stores and those operated by third-party distributors accounted for 35.3% and 64.7% of the entire retail network respectively. During the Year, the Group had also established over 1,400 peak-season stores in provincial capital cities, with popular seasonal products such as the Top Sellers as the mainstay products for sale, and mainly located in core business districts and sporting venues.

OEM Management Business

In FY2023/24, despite such factors as geopolitical risks and downturn in some regional consumer markets, the OEM management business maintained stable and healthy development. Thanks to the steady increase in orders from existing core customers, the cultivation of more new, high-quality customers, quick response to orders from OEM management customers, and the establishment of an efficient and open management mechanism, revenue from the OEM management business grew by 16.4% to approximately RMB2,669.7 million. Through effective cost management, the gross profit margin at the OEM management business reached approximately 20.6%, representing a slight increase of 0.7 percentage points as compared to the previous financial year.

Ladieswear Apparels Business

Although the development of the ladieswear industry in the post-pandemic era still faces many challenges and uncertainties, the ladieswear business segment of the Group still achieved steady and healthy growth through brand leadership, product innovation, and pipeline optimization. In FY2023/24, revenue from the ladieswear apparels business was increased by 16.6% to approximately RMB819.8 million as compared with that in the previous financial year. The Group actively expanded its online businesses by implementing multi-platform collaborative promotion and by planning the development of new retail platforms. During the Year, the online segment was able to achieve a year-on-year growth of approximately 7.3%.

Diversified Apparels Business

Benefiting from the stable growth of the *Sameite* brand school uniform business, revenue from the Group's diversified apparels business increased slightly by 0.3% year on year to approximately RMB 203.2 million.

Online Sales

Online sales channels have been a key focus of the Group for vigorous development. Since the Group's strategic transformation in 2018, it has continued to show the trend of high-quality growth. Despite certain changes in the competitive landscape of the e-commerce platforms, certain adjustments in the approach to competition during FY2023/24, the Group still focused on enhancing the capabilities and operational efficiency of its online platforms through the strategies such as emphasizing core product categories, conducting intensive brand campaigns, and refining operations, so as to achieve rapid and high-quality growth. For the Year, revenue from the total online sales conducted by the Group's brands was approximately RMB6,931.5 million, representing a year-on-year increase of 40.6%. Revenue from the online sales of the branded down apparels business was approximately RMB6,836.2 million, accounting for 35.0% of the revenue of that business segment.

Future Development

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, “The textile and apparel industry has embarked on a new journey to modernization, which will be driven by new quality productive forces. It is against this backdrop that the Group has set its sights on grasping the opportunities arising from technological innovation, accelerating digital transformation, and the promotion of green development.. As a leading company in the industry, Bosideng is oriented to people’s new demands and expectations for a better life. We always believes in long-termism and value creation. ‘Focusing on the mainstay business of down jackets and focusing on the main track of fashion and functional apparel enhanced with technology’ is the way forward for the Group’s development. We are enhancing our core capabilities for strategic planning, research, development and innovation, collaborative supply, and management system. We also have enhanced our brand leadership, product category management, sales channel operation, and customer experience. Guided by high standards and innovation, we have begun a new journey to sustainable, high-quality development.”

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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 China with down apparel brands, namely Bosideng, Snow Flying and Bengen. The Group caters for different customers and consolidates its leading position in the China 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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