THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Bosideng International Holdings Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

波司登
BOSIDENG

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)

CONTINUING CONNECTED TRANSACTION RENEWAL OF THE FRAMEWORK MANUFACTURING OUTSOURCING AND AGENCY AGREEMENT AND NOTICE OF EGM

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter of advice from Yu Ming to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-17 of this circular.

A notice convening the extraordinary general meeting (the "**EGM**") of the Company to be held on Thursday, March 27, 2025 at 10:00 a.m. virtually using Computershare Online Platform at http://meetings.computershare.com/Bosideng_EGM2025 is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting via the Online Platform at the EGM or any adjourned meeting should you so desire.

March 7, 2025

Virtual EGM

The Company will conduct the EGM virtually using Computershare Online Platform – http://meetings.computershare.com/Bosideng_EGM2025 (the "**Online Platform**"), which allows Shareholders to participate in the EGM online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form to the EGM online via their mobile phones, tablet or computers.

Shareholders can refer to the enclosed letter and the Online Meeting User Guide posted on the Company's website for details of online voting at the EGM. If you have any queries on the above, please contact the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Saturday and Hong Kong public holidays).

ATTENDING THE EGM BY MEANS OF ELECTRONIC FACILITIES

Shareholders who wish to attend the EGM and exercise their voting rights can achieve this in one of the following ways:

1. attend the EGM via the Online Platform which enables live streaming and interactive platform for Q&A and submit their voting online; OR

2. appoint the chairman of the EGM or other persons as their proxy to attend the EGM via the Online Platform and submit their voting online.

Your proxy's authority and instruction will be revoked if you attend and vote via the Online Platform.

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians, nominees or Hong Kong Securities Clearing Company Limited will be able to view the live video broadcast, participate in voting and submit questions online at the EGM. In this regard, they should consult directly with their banks, brokers, custodians or nominees (as the case may be) for the necessary arrangements.

CONTENTS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

"Announcement"	the announcement made by the Company dated January 17, 2025
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Company"	Bosideng International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3998)
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Directors"	the director(s) of the Company
"EGM"	an extraordinary general meeting of the Company to be held at 10:00 a.m. on Thursday, March 27, 2025 virtually using Computershare Online Platform at http://meetings.computershare.com/Bosideng_EGM2025 to consider and approve the New Agreement (including the proposed annual caps thereunder)
"Existing Agreement"	the framework manufacturing outsourcing and agency agreement entered into between the Company and Mr. Gao Dekang dated March 3, 2022, pursuant to which the Group agreed to outsource its manufacturing process of down apparel, OEM products and down related materials to the Parent Group on a non-exclusive basis
"FY2022/23"	the financial year ended March 31, 2023
"FY2023/24"	the financial year ended March 31, 2024
"FY2024/25"	the financial year ending March 31, 2025
"Group"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee comprising all the INEDs
"Independent Financial Adviser" or "Yu Ming"	Yu Ming Investment Management Limited, a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the New Agreement (including the proposed annual caps thereunder)
"Independent Shareholders"	Shareholders other than Mr. Gao Dekang and his associates and any other person who has a material interest in the New Agreement
"INEDs"	the independent non-executive Directors, namely Mr. Dong Binggen, Mr. Wang Yao and Dr. Ngai Wai Fung
"Latest Practicable Date"	March 4, 2025, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining the information contained therein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Manufacturing Companies"	Bosideng Corporation Limited (波司登股份有限公司), Jiangsu Xuezhongfei Apparels Manufacturing Co., Ltd. (江蘇雪中飛製衣有限公司), Shandong Rongheng Industrial Co., Ltd. (山東融恒實業有限公司), Jiangsu Kangxin Garment Co., Ltd. (江蘇康欣製衣有限公司), Jiangsu Gaobo Intelligent Manufacturing Co., Ltd. (江蘇高博智能製造有限公司) and Jiangsu Suqian Bosideng Apparel Technology Co., Ltd. (江蘇宿遷波司登服裝科技有限公司), all of which are owned or controlled by the Parent Group
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 of the Listing Rules

"New Agreement"	the framework manufacturing outsourcing and agency agreement entered into between the Company and Mr. Gao Dekang dated January 17, 2025, pursuant to which the Group agrees to outsource its manufacturing process of down apparel, OEM products and down related materials to the Parent Group on a non-exclusive basis
"Parent Group"	Mr. Gao Dekang and his associates, other than members of the Group
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shareholders"	the shareholders of the Company
"Shares"	ordinary shares of USD0.00001 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	United States dollar, the lawful currency of the United States of America
"%"	per cent

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)

Executive Directors:
Mr. Gao Dekang *(Chairman and Chief Executive Officer of the Company)*
Ms. Mei Dong
Ms. Huang Qiaolian
Mr. Rui Jinsong
Mr. Gao Xiaodong

Independent Non-Executive Directors:
Mr. Dong Binggen
Mr. Wang Yao
Dr. Ngai Wai Fung

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office:
25/F New Shanghai City Plaza
33 South Henan Road
Shanghai 200002
PRC

Place of Business in Hong Kong:
Unit 5709, 57/F, The Center
99 Queen's Road Central
Central, Hong Kong

March 7, 2025

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION RENEWAL OF THE FRAMEWORK MANUFACTURING OUTSOURCING AND AGENCY AGREEMENT

INTRODUCTION

Reference is made to the Announcement in respect of the New Agreement and the proposed annual caps thereunder.

The purpose of this circular is to provide you with, among other things, (i) details of the New Agreement and the proposed annual caps; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the New Agreement (including the proposed annual caps thereunder); (iii) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the New Agreement (including the proposed annual caps thereunder) as well as voting at the EGM; and (iv) the notice of the EGM to the Shareholders.

FRAMEWORK MANUFACTURING OUTSOURCING AND AGENCY AGREEMENT

Scope

Pursuant to the New Agreement, the Company has agreed to outsource its manufacturing process of down apparel, original equipment manufacturing ("**OEM**") products and/or down related materials to the Parent Group on a non-exclusive basis, which currently includes the Manufacturing Companies.

Under the New Agreement, the Parent Group provides labor, factories, premises, necessary equipment, water and electricity for the processing of down apparel products (including semi-finished and finished products), OEM products and/or down related materials and the Group provides the Parent Group with product designs, specifications and/or raw materials. The Parent Group also from time to time procures raw materials for the Group's branded down apparel business and OEM management business from independent third party suppliers in accordance with the Group's instructions. No agency fee is payable by the Group to the Parent Group for the raw materials procured by the Parent Group and the raw materials procured are used solely for the manufacturing of the Group's branded down apparel products and OEM products. The Group pays the Parent Group a fee (including the processing fee and/or the costs of raw materials) based on the agreed production volume with a view to facilitating the Parent Group's manufacturing and processing works.

Members of the Group and the Parent Group will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the New Agreement during the term thereof.

Fees

Fees payable under the New Agreement shall be paid by the Group within 90 days after the delivery of each batch of down apparel products and/or OEM products and the receipt of the VAT invoice. The information required for estimation of the costs to be incurred for the processing services is transparent, as the Group can easily make reference to the prevailing market information relating to labor costs, rental of similar premises and utilities expenses. The Group is also able to have access to/request for information relating to monthly salaries, rental and utilities expenses incurred by the Parent Group in the previous months for the purpose of estimating the costs to be incurred for the processing of each batch of down apparel products, OEM products and/or down related materials.

After determining the costs to be incurred for the relevant batch of down apparel products, OEM products and/or down related materials by the Parent Group and the applicable mark-up rate ranging from 5% to 10% (depending on location, quantity, turnaround time of the processing services required) together with the costs of raw materials (if any) (the "**Estimated Costs**"), the Company will then invite independent third parties to consider if they are able to provide the processing services and/or procure the required raw materials on similar terms (i.e. quality, turnaround time and payment terms) at a fixed price (being the Estimated Costs) or any lower price they can offer.

The non-exclusive arrangement under the New Agreement allows the Group to appoint other outsourcing manufacturers for the processing of down apparel products, OEM products and/or down related materials if the terms offered by the Parent Group are not the most favorable to the Group. Should the terms offered by independent manufacturers be lower than the Estimated Costs with other terms similar to or better than those offered by the Parent Group, the Group will then appoint such other manufacturers for the processing of down apparel products, OEM products and/or down related materials. The fees payable under the New Agreement shall be funded by the Group's internal resources.

Historical Figures

Set out below are the aggregate fees paid under the Existing Agreement by the Group to the Parent Group for each of the two years ended March 31, 2024 and the nine-month period from April 1, 2024 to December 31, 2024 together with the historical annual caps:

Year ended March 31				**Nine-month period ended December 31,**	**Year ending March 31,**
2023		**2024**		**2024**	**2025**
RMB (million) (Audited)		*RMB (million)* (Audited)		*RMB (million)* (Unaudited)	*RMB (million)*
Actual amounts	Historical cap	Actual amounts	Historical cap	Actual amounts	Historical cap
1,519.3	2,010.0	1,648.5	2,460.0	2,011.4	3,000.0

TERM

The Existing Agreement has a term of three years from September 15, 2022 which will soon expire on September 14, 2025. Thus, the Company entered into the New Agreement on January 17, 2025 with a term of three years from September 15, 2025. Subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, the New Agreement is renewable at the option of the Company for another term of three years or such other term as agreed by the parties by giving at least three months' notice prior to the expiry of the term.

Proposed annual caps

The proposed annual caps for each of the three years ending March 31, 2028, respectively, are set out below:

	For the year ending March 31,		
	2026	**2027**	**2028**
	RMB (million)	*RMB (million)*	*RMB (million)*
Proposed annual caps	3,440.0	4,310.0	5,440.0

The proposed annual caps set out above are determined based on the following:

(a) the historical figures of the relevant transactions;

(b) the Group has adhered to the strategic position of "focusing on principal business and key brands" in the last six financial years and has gained widespread recognition and favor from the consumer market, and has achieved constant and stable growth with high-quality. Due to the increase in market demand, the volume of down apparel products and OEM products to be manufactured and processed by the Parent Group is expected to increase by approximately 15% to 16% annually for the three years ending March 31, 2028;

(c) the Group continues to adopt strict craftsmanship improvement, quality improvement and business refinement strategies, and expects an increase in the cost per unit by approximately 8% to 9% annually for the three years ending March 31, 2028 caused by the increase in production and processing expenses such as labor costs;

(d) the expected increase in prices for similar services from independent third party contract manufacturers for the three years ending March 31, 2028 mainly due to higher manufacturing fees, which is likely to increase by approximately 8% to 10% annually, driven by factors such as rising labor costs and costs of raw materials, which will lead to higher Estimated Costs;

(e) the expected increase in volume of raw materials for the Group's branded down apparel business and OEM management business to be directly procured by the Parent Group for the three years ending March 31, 2028, which is mainly attributable to the anticipated increase in the market demand for the Group's branded down apparel products and OEM products. In addition, to facilitate the centralized management, logistics and warehousing of raw materials and to coordinate the manufacturing model of "fulfilling small orders with quick responses on a rolling basis, and producing products according to actual demand", it is expected that the Company will rely more on the Parent Group to procure raw materials for its branded down apparel products for the three years ending March 31, 2028, whereas the Company has provided the raw materials to the Parent Group in the past;

(f) with the Group's continuous pursuit of product quality and the increase in the overall industry prices of raw materials (such as down and fabrics), the cost of raw materials is expected to increase by approximately 10% to 12% annually for the three years ending March 31, 2028; and

(g) the inclusion of a buffer of around 10% for the estimated amount of the services required by the Group under the New Agreement so as to accommodate any unexpected increase in the aforesaid transaction volume amount (as a result of any unexpected increase in market demand for the Group's down apparel products or OEM products) in light of the improving Chinese market conditions or unexpected increase in the cost of provision of the services and costs of raw materials as contemplated under the New Agreement by taking into account (i) the revenue of the Group increased by approximately 38.4% for FY2023/24 as compared to FY2022/23 and approximately 17.8% for the six months ended September 30, 2024 as compared to the last corresponding period due to an increase in market demand for the Group's down products; and (ii) the increasing trend of down prices in the past four years.

Such projection is assumed solely for determining the proposed annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group.

Implementation agreements

Members of the Group and the Parent Group will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the New Agreement during the term thereof. Each implementation agreement will set out the details of the manufacturing services required, and the specifications, quantities, prices and other relevant terms thereof. Any such implementation agreements shall be within the ambit of the New Agreement and the relevant annual caps in accordance with the Listing Rules accordingly.

Internal control and mechanism to regulate the transactions contemplated under the New Agreement

To ensure that the transactions contemplated under the New Agreement are carried out in accordance with the regulatory guidelines and terms as disclosed herein, the Company has put in place the following internal control procedures and mechanism for each and every transaction:

1. a detailed cost calculation will be carried out through the Company's large scale computerized automated system with pre-set technology parameters and cost estimation formulas with reference to the cost of materials, products and labor, etc. Costs to be incurred for the relevant batch of down apparel products by the Parent Group will be determined by a number of internal departments of the Company;

2. the Company keeps a record of the costs of raw materials on a regular basis as the Company also provides raw materials to the Parent Group for the manufacturing and processing of its down apparel products from time to time. The Company procures such raw materials from independent third party suppliers and is provided with a breakdown of the procurement costs, including the costs of raw materials and other fees, such as agency fees (if any). The procurement costs charged by independent third party suppliers serve as a reference for the Company when determining the Estimated Costs. Coupled with publicly available industry information relating to the costs of raw materials, such as the price of down, the Company can easily estimate the suitable costs of raw materials for the calculation of the Estimated Costs, without taking into consideration any agency fees for the procurement of raw materials. The relevant department of the Company also conducts regular reviews to ensure that no agency fee for raw materials procured by the Parent Group will be included in the Estimated Costs;

3. after the Estimated Costs have been determined, the Company will then invite at least two to three independent third parties to consider if they are able to provide the processing services and/or procure the required raw materials on similar terms (i.e. quality, turnaround time and payment terms) at a fixed price (being the Estimated Costs) or any lower price they can offer. Such quotations will be reviewed and evaluated from both technical and commercial perspectives by qualified personnel of the Group (those personnel who are independent from the Parent Group and familiar with information on processing fees and costs of raw materials and have a good understanding of the suppliers, in particular the general manager of the cost control management center of the Company) and compared against the Estimated Costs quoted by the Group, so as to ensure the processing services, together with the procurement services (if any), provided by the Parent Group will only be used if the price and terms offered are competitive and comparable to those offered by independent third parties; and

4. the finance department of the Company will closely monitor the actual transaction amounts and the corresponding utilization rate on the proposed annual caps on a monthly basis to ensure that the transactions complied with the terms of the New Agreement. The INEDs will also conduct review on the utilization of the proposed annual caps on a semi-annual basis. If the utilization rate exceeds 80% of the proposed annual caps at any time of the year, the finance department of the Company will promptly report to the Board to carry out necessary and appropriate actions to ensure the proposed annual caps will not be exceeded.

The Company will conduct semi-annual checks to ensure that the actual prices for the transactions contemplated under the New Agreement are on normal commercial terms and on terms no less favorable to the Group than those available from independent third parties, the Group will conduct regular checks to review and assess whether the processing services have been provided in accordance with the terms of the New Agreement.

In addition, the INEDs and the auditor of the Company will on a regular basis be provided with the (i) New Agreement; (ii) agreements entered into between the Group and independent third parties for the processing of the same type of down apparel products, OEM products and/or down related materials or the procurement of raw materials; and (iii) fee quotations provided by independent third parties for the processing of the same type of down apparel products, OEM products and/or down related materials or the procurement of raw materials for review and comparison purposes. The INEDs will also review and compare the relevant payment terms, payment method and price payable under these agreements to ensure that the transactions contemplated under the New Agreement are conducted on normal commercial terms or better. The auditor of the Company will review and confirm the transactions contemplated under the New Agreement are conducted in accordance with the terms of the New Agreement. Based on the above, the Directors, including the INEDs, are of the view that the procedures adopted by the Group to govern transactions contemplated under the New Agreement could ensure that the pricing mechanism will be strictly adhered to and the transactions contemplated under the New Agreement could be conducted under normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE RENEWAL OF THE CONTINUING CONNECTED TRANSACTION

The Group is principally engaged in developing and managing the portfolio of its down apparel brands, which includes research, design and development, raw materials procurement, outsourced manufacturing, market promotion and marketing and distribution of branded down apparel products, OEM products and non-down apparel products in the PRC.

As disclosed in the Group's FY2024/25 interim report, the Group maintained the production model of "fulfilling small orders in quick responses on a rolling basis which would match the demand for orders, and products would be produced according to actual demand" during the sales process in peak seasons based on sales performance and under the premise of ensuring that the proportion of first orders remained at a low level. Under such strategy, each batch of down apparel products orders placed by the Group achieves the target of maintaining high product quality and quick response while maintaining demand-pull mechanism, quickly updating and ordering small quantities at a quick turnaround time. The Parent Group which is flexible enough will help take up these manufacturing orders of small quantities placed by the Group in a timely manner.

The Parent Group has adopted strict quality assurance procedure for its manufacturing and processing services to ensure that all products are manufactured and processed with care and precision. Based on the quality assurance of the Parent Group in the field of down apparel manufacturing over the years, there are increasing specific demand from the OEM customers of the Group for the down apparel products to be manufactured by the Parent Group. The Company also conducts regular site visits to the factories of the Parent Group to perform quality checks, ensuring the down apparel products are produced in accordance with its requirements.

In addition, the factories of the Parent Group align with the Group's requirements to a high degree in terms of quality assurance, process innovation and high-quality quick responses, based on its successful automation transformation in the past few years, in particular, with high-quality factory management and improvement of factory efficiency, while ensuring production capacity, which also strengthens its cost advantage.

The entering into of the New Agreement will enable the Group to continue to use the more flexible manufacturing services offered by the Parent Group for down apparel products, OEM products and down related materials, take advantage of the quality assurance of the Parent Group in the field of down apparel manufacturing over the past years and respond to the increasing customer requirements for improved quality of down garments in recent years and the specific demand from the OEM customers of the Group for the down apparel products to be manufactured by the Parent Group, so as to increase its competitiveness.

LISTING RULES IMPLICATIONS

Mr. Gao Dekang (the Chairman and Chief Executive Officer of the Company) is the controlling shareholder of the Company beneficially interested in approximately 60.78% of the total Shares in issue as at the Latest Practicable Date, thus transactions between the Group and the Parent Group (including the transactions contemplated under the New Agreement) constitute connected transactions for the Company under the Listing Rules.

The applicable percentage ratios under Chapter 14A of the Listing Rules, in respect of transactions contemplated under the New Agreement in respect of the largest proposed annual cap are expected to be more than 5% and the maximum annual consideration is more than HKD10 million. Accordingly, the transactions contemplated under the New Agreement are required to be subject to reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Mr. Gao Dekang, Ms. Mei Dong (the spouse of Mr. Gao Dekang) and Mr. Gao Xiaodong (the son of Mr. Gao Dekang), all of whom are Directors, have abstained from voting on the board resolution approving the New Agreement (including the proposed annual caps thereunder).

EGM

A notice convening the EGM of the Company to be held on Thursday, March 27, 2025 at 10:00 a.m. virtually using Computershare Online Platform at http://meetings.computershare.com/Bosideng_EGM2025 is set out in this circular for the purpose of considering and, if thought fit, passing the ordinary resolution in relation to the renewal of the continuing connected transaction and the approval of the New Agreement (including the proposed annual caps thereunder).

The ordinary resolution to be proposed at the EGM to approve the New Agreement (including the proposed annual caps thereunder) will be determined by way of poll by the Shareholders. Mr. Gao Dekang and his associates (namely New Surplus International Investment Limited (11.37%), Kong Bo Investment Limited (24.53%), Kong Bo Development Limited (2.27%), Blooming Sky Ventures Limited (17.30%), Topping Wealth Limited (5.29%) and Ms. Mei Dong (0.02%) together holding approximately 60.78% of the voting rights in the Company's general meeting as at the Latest Practicable Date, will be required to abstain from voting at the EGM in respect of the ordinary resolution to approve the New Agreement (including the proposed annual caps thereunder).

Further, the trustee holding 59,680,000 unvested award shares under the share award scheme adopted by the Company on April 23, 2020, is also required to abstain from voting at the EGM in respect of resolutions that require approval of the Shareholders under Rule 17.05A of the Listing Rules. Save as disclosed, no other Shareholders were required under the Listing Rules to abstain from voting on the ordinary resolution to approve the New Agreement (including the proposed annual caps thereunder) at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same as soon as possible to Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting via the Online Platform at the EGM or any adjourned meeting should you so wish.

RECOMMENDATION

An Independent Board Committee comprising all INEDs has been set up to advise the Independent Shareholders in relation to the New Agreement (including the proposed annual caps thereunder). Yu Ming has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the New Agreement (including the proposed annual caps thereunder).

The Directors (including the INEDs, having received and considered the advice from the Independent Financial Adviser) are of the opinion that the terms of the New Agreement (including the proposed annual caps thereunder) are fair and reasonable and that the New Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms or better, so far as the Independent Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Independent Shareholders to vote in favor of the ordinary resolution set out in the notice of EGM enclosed to this circular.

GENERAL

Your attention is also drawn to the "Letter from the Independent Board Committee", the "Letter from Yu Ming" and the additional information set out in the appendix to this circular and the notice of EGM.

Yours faithfully,
For and on behalf of the Board
Bosideng International Holdings Limited
Gao Dekang
Chairman of the Board

波司登
BOSIDENG

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)

March 7, 2025

To the Shareholders

Dear Shareholder,

CONTINUING CONNECTED TRANSACTION
RENEWAL OF THE FRAMEWORK MANUFACTURING OUTSOURCING AND AGENCY AGREEMENT

We refer to the circular dated March 7, 2025 issued by the Company to its Shareholders (the "**Circular**") of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter, unless the context otherwise requires.

We, being the INEDs, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in connection with the New Agreement (including the proposed annual caps thereunder), the details of which are set out in the "Letter from the Board" contained in the Circular. Yu Ming has been appointed to advise us, the Independent Board Committee, and the Independent Shareholders, in relation to the New Agreement (including the proposed annual caps thereunder).

We wish to draw your attention to the "Letter from the Board" and the "Letter from Yu Ming" to us, the Independent Board Committee, and the Independent Shareholders, containing its advice in respect of the New Agreement (including the proposed annual caps thereunder), as set out in the Circular.

Having taken into account the principal factors and reasons considered by Yu Ming and its conclusion and advice, we consider that the New Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms or better, and that the terms of the New Agreement (including the proposed annual caps thereunder) are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the New Agreement (including the proposed annual caps thereunder).

Yours faithfully,
Independent Board Committee
Ngai Wai Fung
Dong Binggen
Wang Yao
Independent non-executive Directors

The following is the full text of a letter of advice from Yu Ming Investment Management Limited to the Independent Board Committee and the Independent Shareholders in relation to the New Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.

YU MING INVESTMENT MANAGEMENT LIMITED
禹 銘 投 資 管 理 有 限 公 司

March 7, 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTION
RENEWAL OF THE FRAMEWORK MANUFACTURING OUTSOURCING AND AGENCY AGREEMENT

INTRODUCTION

Reference is made to the circular of the Company dated March 7, 2025 (the "**Circular**") relating to, among others, the New Agreement and the proposed annual caps, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The New Agreement and proposed annual caps

The Company and Mr. Gao Dekang (the Chairman and Chief Executive Officer of the Company) entered into the existing framework manufacturing outsourcing and agency agreement with a term of three years from September 15, 2022 to September 14, 2025. Thus, on January 17, 2025, the Board resolved to propose to the Independent Shareholders to renew the transactions contemplated under the Existing Agreement by entering into the New Agreement and to obtain the proposed annual caps for the transactions contemplated thereunder for the three years ending March 31, 2028 ("**FY2025/26**", "**FY2026/27**" and "**FY2027/28**") in order to comply with the Listing Rules. Pursuant to the New Agreement, the Company has agreed to outsource its manufacturing process of down apparel products, OEM products and/or down related materials on a non-exclusive basis to the Parent Group, which currently includes the Manufacturing Companies.

Listing Rules Implications

Mr. Gao Dekang is a controlling Shareholder beneficially interested in approximately 60.78% of the Company's total shares in issue as at the Latest Practicable Date, transactions between the Group and the Parent Group (including the transactions contemplated under the New Agreement) constitute connected transactions for the Company under the Listing Rules.

As applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the largest proposed annual cap of the transactions contemplated under the New Agreement are expected to be more than 5% and the maximum annual consideration is more than HKD10 million, the transactions contemplated under the New Agreement will be subject to reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. Mr. Gao Dekang and his associates will be required to abstain from voting at the EGM in respect of the ordinary resolution to approve the New Agreement (including the proposed annual caps thereunder).

Independent Board Committee

The Independent Board Committee consisting of Dr. Ngai Wai Fung, Mr. Dong Binggen and Mr. Wang Yao, being all the INEDs, has been established to advise the Independent Shareholders on (i) whether the terms of the New Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the New Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the New Agreement (including the proposed annual caps) and the transactions contemplated thereunder at the EGM.

Independent Financial Adviser

We, Yu Ming Investment Management Limited, has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in relation to (i) whether the terms of the New Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the New Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the New Agreement (including the proposed annual caps) and the transactions contemplated thereunder at the EGM.

We have not acted as an independent financial adviser or financial adviser for any transactions of the Group in the last two years from the date of the Circular. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we comply with Rule 13.84 of the Listing Rules and are eligible to give independent advice in respect of the New Agreement to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion, we have reviewed, amongst others, (i) the New Agreement; (ii) annual reports of the Company for the financial years ended March 31, 2023 and March 31, 2024; (iii) interim reports of the Company for the six months ended September 30, 2023 and 2024; and (iv) information pertaining to the New Agreement as set out in the Circular.

We have relied on the statements, information, opinions and representations contained in the Circular and the statements, information, opinions and representations ("**Relevant Information**") provided to us by the Company through the management and officers of the Company ("**Management**"). We have assumed that all Relevant Information provided to us are, to the best of their knowledge, true, complete and accurate at the time they were made and continue to be so on the date of this letter.

We have no reason to suspect that any Relevant Information has been withheld, nor are we aware of any fact or circumstance which would render the Relevant Information provided and presented to us untrue, inaccurate, incomplete or misleading. Having made all reasonable enquiries, the Company has further confirmed that, to the best of its knowledge, it believes there are no other facts or representations the omission of which would make any statement in the Circular misleading. We consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification on the Relevant Information provided to us by the Company, nor have we conducted any independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have taken into consideration the following principal factors and reasons:

I. Background information of the Group and its relationship with the Parent Group

(a) Principal activities of the Group

The Company is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange since 2007. The Group is principally engaged in the research, design and development, raw materials procurement, outsourced manufacturing, market promotion, marketing and distribution of down apparel products, OEM products and non-down apparel products.

(b) Information on Mr. Gao Dekang and the Parent Group

Mr. Gao Dekang, Ms. Mei Dong (the spouse of Mr. Gao Dekang) and Mr. Gao Xiaodong (the son of Mr. Gao Dekang) are Directors.

Mr. Gao Dekang and his associates (namely New Surplus International Investment Limited (1,314,862,385 Shares (11.37%)), Kong Bo Investment Limited (2,836,311,202 Shares (24.53%)), Kong Bo Development Limited (262,479,999 Shares (2.27%)), Blooming Sky Ventures Limited (2,000,000,000 Shares (17.30%), Topping Wealth Limited (611,656,857 Shares (5.29%)) and Ms. Mei, Dong (2,763,697 Shares (0.02%)) together hold an aggregate of 7,028,074,140 Shares representing approximately 60.78% of the voting rights in the Company's general meeting as at the Latest Practicable Date.

The Parent Group includes Mr. Gao Dekang and his associates, other than members of the Group. The Parent Group owns and controls the Manufacturing Companies, which are principally engaged in manufacturing of down apparel products, OEM products and procuring down related materials before the Company is listed on the Stock Exchange in 2007.

(c) Financial information of the Group

A summary of financial information of the Group is extracted from the annual report of the Company for FY2023/24 and the interim report of the Company for the six months ended September 30, 2024 ("**2024/25 Interim Report**") in Table-1 below:

Table-1: Financial highlights of the Group

	For the year ended March 31		**For the six months ended September 30**	
	2023	**2024**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(unaudited)*	*(unaudited)*
Revenue	16,774,220	23,214,033	7,471,665	8,804,128
– Down related apparels	13,574,497	19,521,311	4,939,684	6,062,687
– OEM management	2,294,134	2,669,712	2,042,879	2,316,390
– Ladieswear apparels	702,953	819,800	392,718	308,142
– Diversified apparels	202,636	203,210	96,384	116,909
Gross profit	9,975,876	13,833,540	3,733,477	4,391,320
Profit attributable to equity shareholders of the Company	2,138,574	3,074,072	918,637	1,129,698

For FY2023/24, the revenue of the Group was approximately RMB23.2 billion, representing a year-on-year increase of 38.4%. Gross profit margin remained stable at 59.6% as compared to 59.5% in FY2022/23. Profit attributable to equity shareholders was approximately RMB3.1 billion, representing a year-on-year increase of 43.7%. The increase in the Group's revenue was mainly due to the increase in revenue of the branded down apparels business, which is the biggest revenue contributor of the Group and recorded revenue of approximately RMB19.5 billion, accounting for 84.1% of the total revenue and representing a year-on-year increase of 43.8%. Gross profit margin improved due to the faster growth of the

Company's branded down apparel business as compared to other business segments which have lower gross profit ratios. Profit attributable to equity shareholders increased due to the increase in revenue, finance income and decrease in distribution expenses to revenue ratio in FY2023/24.

For the six months ended September 30, 2024, the revenue of the Group was approximately RMB8.8 billion, representing a year-on-year increase of 17.8%. Gross profit margin remained stable at 49.9% as compared to 50.0% in the six months ended September 30, 2023. Profit attributable to equity shareholders was approximately RMB1.1 billion, representing a year-on-year increase of 23.0%. The increase in revenue was mainly due to increase in revenue of the branded down apparels business which is the biggest revenue contributor of the Group and recorded revenue of approximately RMB6.1 billion, accounting for 68.9% of the total revenue and representing a year-on-year increase of 22.7%. The decrease in gross profit margin by 0.1% was mainly due to (i) the launch of the sun-protective clothing of the Bosideng brand, which has a lower gross profit margin compared to the down apparel products, (ii) the revenue growth of the Snow Flying brand outpaced that of the Bosideng brand, but the former had slightly lower gross profit margins, and (iii) the cost of core materials such as down has increased since 2024. Profit attributable to equity shareholders of the Company increased which was due to the increase in revenue and improvement of operational efficiency which led to the decrease in the distribution expenses to revenue ratio by 1.4 percentage points in the six months ended September 30, 2024.

(d) Prospects of the Group

We noted from the 2024/25 Interim Report, which stated that the Group will enhance its core capabilities for strategic planning, research, development and innovation, collaborative supply, and management system. The Group also have enhanced its brand leadership, product category management, sales channel operation, and customer experience.

Branded down apparel business

With regard of the Group's branded down apparel business, the Group will continue to focus on its core business by (i) concentrating advantageous resources on the development of the core competitiveness of the down apparel; (ii) steadily strengthening its core business through organic and healthy growth of existing brands, categories expansion and strategic brand matrix; (iii) enhancing brand-led development by clarifying its brand strategic positioning and strategy to convey the Bosideng brand's core belief; (iv) understanding consumer demand with precision, innovate and extend the core product categories, unlock the value of new product categories, and create opportunities for growth; and (v) further enhancing the single stores' operation to improve quality and efficiency of its sales channels.

OEM business

With regard of the Group's OEM business, the Group will leverage its professional expertise to drive continued growth. The Group will (i) deepen existing good and stable partnerships with key clients, cultivate new customers relationships, and continuously improve operational quality and profitability; (ii) further enhance its ODM design and technological innovation capabilities to develop its differentiated core competencies; and (iii) increase production resources investments in Southeast Asia (e.g., Vietnam and Indonesia) and domestic markets to establish a foundation for sustainable and high-quality growth.

II. Background and the principal terms of the New Agreement

Principal terms of the New Agreement are as follows:

(a) Scope

Pursuant to the New Agreement, the Company has agreed to outsource its manufacturing process of down apparel, OEM products and/or down related materials on a non-exclusive basis to the Parent Group, which currently includes the Manufacturing Companies.

Under the New Agreement, the Parent Group provides labor, factories, premises, necessary equipment, water and electricity for the processing of down apparel products (including semi-finished and finished products), OEM products and/or down related materials and the Group provides the Parent Group with product designs, specifications and/or raw materials. The Parent Group also from time to time procures raw materials for the Group's branded down apparel business and OEM management business from independent third party suppliers in accordance with the Group's instructions. No agency fee is payable by the Group to the Parent Group for the raw materials procured by the Parent Group and the raw materials procured are used solely for the manufacturing of the Group's branded down apparel products and OEM products. The Group pays the Parent Group a fee (including the processing fee and/or the costs of raw materials) based on the agreed production volume with a view to facilitating the Parent Group's manufacturing and processing works.

Members of the Group and the Parent Group will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the New Agreement during the term thereof.

(b) Fees

Fees payable under the New Agreement shall be paid by the Group within 90 days after the delivery of each batch of down apparel products and/or OEM products and the receipt of the VAT invoice. The information required for estimation of the costs to be incurred for the processing services is transparent, as the Group can easily make reference to the prevailing market information relating to labor costs, rental of similar premises and utilities expenses. The Group is also able to have access to/request for information relating to monthly salaries, rental and utilities expenses incurred by the Parent Group in the previous months for the purpose of estimating the costs to be incurred for the processing of each batch of down apparel products, OEM products and/or down related materials.

After determining the costs to be incurred for the relevant batch of down apparel products, OEM products and/or down related materials by the Parent Group and the applicable mark-up rate ranging from 5% to 10% (depending on location, quantity, turnaround time of the processing services required) together with the costs of raw materials (if any) (the "**Estimated Costs**"), the Company will then invite independent third parties to consider if they are able to provide the processing services and/or procure the required raw materials on similar terms (i.e. quality, turnaround time and payment terms) at a fixed price (being the Estimated Costs) or any lower price they can offer.

The non-exclusive arrangement under the New Agreement allows the Group to appoint other outsourcing manufacturers for the processing of down apparel products, OEM products and/or down related materials if the terms offered by the Parent Group are not the most favorable to the Group. Should the terms offered by independent manufacturers be lower than the Estimated Costs with other terms similar to or better than those offered by the Parent Group, the Group will then appoint such other manufacturers for the processing of down apparel products, OEM products and/or down related materials.

The fees payable under the New Agreement shall be funded by the Group's internal resources.

(c) Term

The Existing Agreement has a term of three years from September 15, 2022 to September 14, 2025. The Company entered into the New Agreement on January 17, 2025 with a term of three years from September 15, 2025 to September 14, 2028.

Subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, the New Agreement is renewable at the option of the Company for another term of three years or such other term as agreed by the parties by giving at least three months' notice prior to the expiry of the term.

III. Proposed Annual Cap

Aggregate fees paid under the Existing Agreement by the Group to the Parent Group for FY2022/23, FY2023/24 and the nine-month period from April 1, 2024 to December 31, 2024 (the "**Review Period**") together with the historical annual caps are summarized as follows:

Table-2

RMB (million)	**FY2022/23**	**FY2023/24**	**FY2024/25**	**Nine months ended December 31, 2024**
Historical cap	2,010.0	2,460.0	3,000.0	
	(Audited)	*(Audited)*		*(Unaudited)*
Actual amount	1,519.3	1,648.5		2,011.4
Utilization rate	*75.6%*	*67.0%*		*67.0%**

* *This utilization rate is calculated by using the actual amount transacted between the Group and Parent Group for the nine months ended December 31, 2024 divided by the annual cap for FY2024/25 under the Existing Agreement.*

It is noted that for each of the FY2022/23 and FY2023/24, the utilization rate of the annual caps under the Existing Agreement were approximately 75.6% and 67.0% respectively, whereas actual transaction amount for the nine months period ended December 31, 2024 already utilized about 67.0% of the annual cap for FY2024/25.

The proposed annual caps for each of the three years ending March 31, 2028, respectively, are set out below:

Table-3

RMB (million)	**FY2025/26**	**FY2026/27**	**FY2027/28**
Proposed annual caps	3,440.0	4,310.0	5,440.0

According to Management, the proposed annual caps set out above are determined after taking into account the following factors:

(a) the historical figures of the relevant transactions;

(b) the Group has adhered to the strategic position of "focusing on principal business and key brands" in the last six financial years and has gained widespread recognition and favor from the consumer market, and has achieved constant and stable growth with high-quality. Due to the increase in market demand, the volume of down apparel products and OEM products to be manufactured and processed by the Parent Group is expected to increase by approximately 15% to 16% annually for each of the three years ending March 31, 2028;

(c) the Group continues to adopt strict craftsmanship improvement, quality improvement and business refinement strategies, and expects an increase in the cost per unit by approximately 8% to 9% annually for the three years ending March 31, 2028 caused by the increase in production and processing expenses such as labor costs;

(d) the expected increase in prices for similar services from independent third party contract manufacturers for the three years ending March 31, 2028 mainly due to higher manufacturing fees, which is likely to increase by approximately 8% to 10% annually, driven by factors such as rising labor costs and costs of raw materials, which will lead to higher Estimated Costs;

(e) the expected increase in volume of raw materials for the Group's branded down apparel business and OEM management business to be directly procured by the Parent Group for the three years ending March 31, 2028, which is mainly attributable to the anticipated increase in the market demand for the Group's branded down apparel products and OEM products. In addition, to facilitate the centralized management, logistics and warehousing of raw materials and to coordinate the manufacturing model of "fulfilling small orders with quick responses on a rolling basis, and producing products according to actual demand", it is expected that the Company will rely more on the Parent Group to procure raw materials for its branded down apparel products for the three years ending March 31, 2028, whereas the Company has provided the raw materials to the Parent Group in the past;

(f) with the Group's continuous pursuit of product quality and the increase in the overall industry prices of raw materials (such as down and fabrics), the cost of raw materials is expected to increase by approximately 10% to 12% annually for the three years ending March 31, 2028; and

(g) the inclusion of a buffer of around 10% for the estimated amount of the services required by the Group under the New Agreement so as to accommodate any unexpected increase in the aforesaid transaction volume amount (as a result of any unexpected increase in market demand for the Group's down apparel products or OEM products) in light of the improving Chinese market conditions or unexpected increase in the cost of provision of the services and costs of raw materials as contemplated under the New Agreement by taking into account (i) the revenue of the

Group increased by approximately 38.4% for FY2023/24 as compared to FY2022/23 and approximately 17.8% for the six months ended September 30, 2024 as compared to the last corresponding period due to an increase in market demand for the Group's down products; and (ii) the increasing trend of down prices in the past four years.

Such projection is assumed solely for determining the proposed annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group.

We have analyzed the calculation of the estimated transaction amounts under the New Agreement and the proposed annual caps for the three years ending March 31, 2028 (the "**Annual Cap Calculation**"). The Management expressed that the proposed annual caps were determined with reference to the estimated transaction amounts for the three years ending March 31, 2028 and buffers of approximately 10% to accommodate any unexpected increase in the transaction volume or unexpected increase in the cost of services from the Parent Group. Based on the Annual Cap Calculation, the estimated transaction amounts under the New Agreement were formulated based on the expected volume to be manufactured/processed by the Parent Group and unit cost for the down apparel products and OEM products.

We noted from the Annual Cap Calculation that:

(a) Down Apparel Products

(i) the expected volume of down apparel products to be manufactured and processed by the Parent Group for each of the three years ending March 31, 2028 represents an annual growth rate of approximately 15%. We consider the expected annual growth rate reasonable, given the compound annual growth rate of the Company's revenue generated from branded down apparel business from the year ended March 31, 2021 ("**FY2020/21**") to FY2023/24 was approximately 21.4%;

(ii) the unit cost of down apparel products for FY2025/26 is expected to increase by approximately 69% as compared to FY2024/25. Such increase is mainly attributable to a greater reliance on the Parent Group to procure raw material for the three years ending March 31, 2028, whereas the Company has provided the raw materials to the Parent Group for the manufacturing of down apparel products in the past. We understood from the Management that the Company expects the Parent Group to procure raw materials for approximately 30% of the down apparel products to be processed by it, being the expected amount of small down apparel products orders requiring quick responses based on past experience. The cost of raw materials is predicted to account for approximately 65% of the overall unit cost. We have reviewed the cost analysis of the down apparel products during the Review Period provided by the Company, and noted that the costs of raw materials represent approximately 65% of the total unit cost. In view of the above and that the reliance on the Parent Group for procurement of raw materials will provide flexibility to the Group for placing orders of small quantities and quick turnaround time in response to the market demand of the Group's products, we consider such growth to be fair and reasonable;

(iii) the unit cost for the manufacturing and processing work of down apparel products for each of FY2026/27 and FY2027/28 represents an annual growth rate of approximately 8%;

(iv) the estimated transaction amount with the Parent Group for the down apparel products will have a year-on-year increase of approximately 96% for FY2025/26 and approximately 25% for each of FY2026/27 and FY2027/28. The substantial increase for the estimated transaction amount for FY2025/26 is mainly due to the increase in raw material cost and the expected increase in volume of down apparel products to be manufactured and processed by the Parent Group as explained in paragraphs (a)(i) and (a)(ii) above. The increase in the estimated transaction amount for FY2026/27 and FY2027/28 is mainly attributable to the estimated increase in unit cost of 8% and the expected increase in volume of down apparel products to be manufactured and processed by the Parent Group of 15% per annum as explained in paragraphs (a)(i) and (a)(iii) above.

(b) OEM Products

(i) the expected volume of OEM products to be processed by the Parent Group for each of the three years ending March 31, 2028 represents an annual growth rate of approximately 16%. We consider the expected annual growth rate reasonable, given the compound annual growth rate of the Company's revenue generated from OEM management business from FY2020/21 to FY2023/24 was approximately 19.7%;

(ii) the unit cost for the manufacturing and processing work of OEM products for each of the three years ending March 31, 2028 represents an annual growth rate of approximately 9%;

(iii) the estimated transaction amount with the Parent Group for the OEM products for each of the three years ending March 31, 2028 will increase year-on-year by approximately 27%.

Unit cost of Down Apparel Products and OEM Products

We have discussed with the Management and noted that manufacturing and processing work is labor intensive and labor costs represent a significant proportion of the total production costs of down apparel products and OEM products. In addition, down is the key contributor to the costs of raw material of down apparel products and OEM products.

For labor costs, according to the Wind Financial Terminal, the average annual salary of private sector employee in Eastern PRC (where most of the Parent Group's production bases are located) between 2019 and 2023 are as follows:

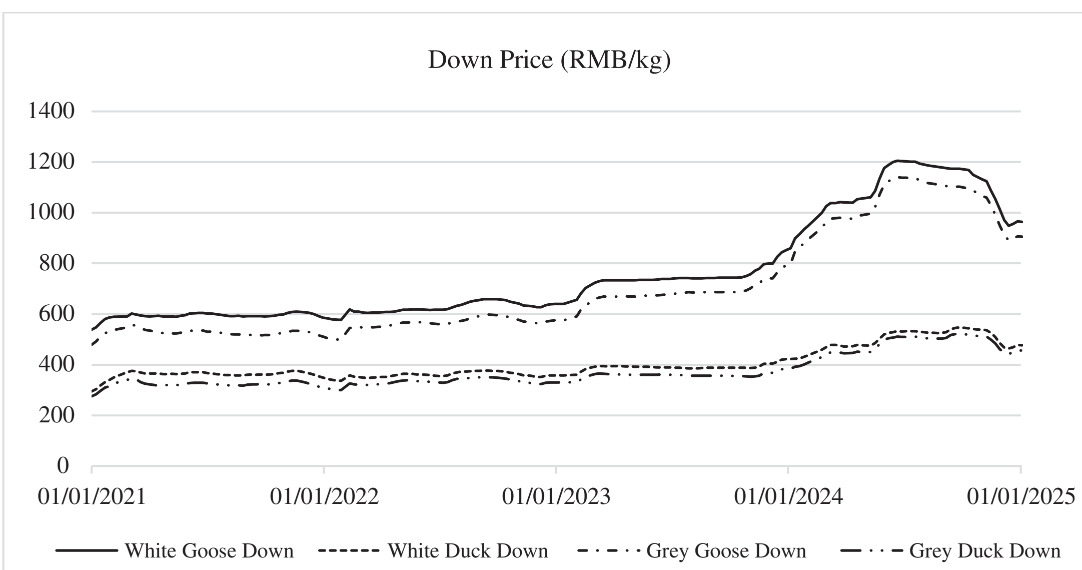
Table-4

	2019	**2020**	**2021**	**2022**	**2023**
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
Average annual salary of private sector employees in Eastern PRC	59,471	63,601	69,706	72,965	76,017
Annual growth rate	–	6.9%	9.6%	4.7%	4.2%

As shown in Table-4 above, the average annual salary of private sector employees in Eastern PRC recorded year-on-year increases during each of the year 2020, 2021, 2022 and 2023, representing a compound annual growth rate of approximately 6.3%.

For costs of down, based on figures published by the China Feather and Down Industrial Association, set out below are the historical prices of down from 2021 to 2024:

Table-5



As shown in Table-5 above, there has been an increasing trend in the prices of different types of down from 2021 to 2024. We have calculated the non-weighted average price of white goose down, grey goose down, white duck down and grey duck down for each of 2021, 2022, 2023 and 2024, the compound annual growth rates range from 11.5% to 24.9%.

Since the labor cost and the costs of down are key components of the unit costs of down apparel products and OEM products, the unit costs of down apparel products and OEM products are expected to increase in line with the labor cost and the price of down.

Growth rates of the estimated transaction amount

It is noted that the actual transaction amount of approximately RMB1,648.5 million for FY2023/24 represents a year-on-year growth of about 8.5%, while the actual transaction amount of approximately RMB2,011.4 million for the nine months ended December 31, 2024 represents a growth of about 22.0% as compared with the total transaction amount for the twelve months of that of FY2023/24.

We also noted from the Annual Cap Calculation that the estimated transaction amount for FY2024/25 represents an increase of approximately 40% as compared to the actual transaction amount for FY2023/24, reflecting the Group's demand for the Parent Group's services driven by the increase in sales of both down apparel products and OEM products. The estimated transaction amount for each of the three years ending March 31, 2028 represents an annual increase of approximately 26% to 34%, as a result of the combined effect of the expected rise in unit cost and the increase in expected volume of down apparel products and OEM products to be manufactured and processed.

Buffer

We noted from the Annual Cap Calculation that a buffer of around 10% has been included for FY2025/26, FY2026/27 and FY2027/28, respectively, on top of the projected transaction amounts to accommodate uncertainties in the future such as unexpected surges in demand for the Group's down products and production costs. Having taken into account that (i) the revenue of the Group increased by approximately 38.4% for FY2023/24 as compared to FY2022/23 and approximately 17.8% for the six months ended September 30, 2024 as compared to the last corresponding year due to an increase in market demand for the Group's down products; and (ii) the increasing trend of down prices in the past four years, we consider that the buffer of around 10% is reasonable and acceptable to accommodate any unexpected surge in sales of the Group's down products as well as production costs.

In light of the above, we consider that the proposed annual caps for the three years ending March 31, 2028 fair and reasonable.

Shareholders should note that as the proposed annual caps are related to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to March 31, 2028, and they do not represent forecasts of costs arising from the continuing connected transactions between the Group and the Parent Group ("**CCTs**"). Consequently, we express no opinion as to how closely the actual cost arising from the CCTs will correspond with the proposed annual caps.

IV. Reasons for and Benefits of Entering into the Proposed Transaction

As disclosed in the FY2024/25 Interim Report, the Group maintained the production model of "fulfilling small orders in quick responses on a rolling basis which would match the demand for orders, and products would be produced according to actual demand" during the sales process in peak seasons based on sales performance and under the premise of ensuring that the proportion of first orders remained at a low level. Under such strategy, each batch of down apparel products orders placed by the Group achieves the target of maintaining high product quality and quick response while maintaining demand-pull mechanism, quickly updating and ordering small quantities at a quick turnaround time. The Parent Group which is flexible enough will help take up these manufacturing orders of small quantities placed by the Group in a timely manner.

The Parent Group has adopted strict quality assurance procedure for its manufacturing and processing services to ensure that all products are manufactured and processed with care and precision. Based on the quality assurance of the Parent Group in the field of down apparel manufacturing over the years, there are increasing specific demand from the OEM customers of the Group for the down apparel products to be manufactured by the Parent Group. The Company also conducts regular site visits to the factories of the Parent Group to perform quality checks, ensuring the down apparel products are produced in accordance with its requirements.

The factories of the Parent Group align with the Group's requirements to a high degree in terms of quality assurance, process innovation, and high-quality quick responses, based on its successful automation transformation in the past few years, in particular, with high-quality factory management and improvement of factory efficiency, while ensuring production capacity, which also strengthen its cost advantage.

As disclosed in the Letter from the Board, the entering into of the New Agreement will enable the Group to continue to use the more flexible manufacturing services offered by the Parent Group for its down apparel products, OEM products and down related materials, take advantage of the quality assurance of the Parent Group in the field of down apparel manufacturing over the past years and respond to the increasing customer requirements for improved quality of down garments in recent years and the specific demand from the OEM customers of the Group for the down apparel products to be manufactured by the Parent Group, so as to increase its competitiveness.

Taking into account (i) the historical relationship of the Parent Group with the Group where the transactions contemplated under the Existing Agreement was renewed from the previous contracts signed by the Parent Group and the Group in September 2007, even before the Group was listed on the Main Board of the Stock Exchange on October 11, 2007, (ii) the reasons and factors analyzed above, in particular, the reliance on Parent Group for procurement of raw materials will provide flexibility to the Group for placing orders of small quantities and quick turnaround time in response to the market demand of the Group's products; and (iii) the non-exclusive nature of the New Agreement allows the Group to appoint other outsourcing manufacturers if the terms offered by the Parent Group are less favorable, we concur with the Directors that the transactions contemplated under the New Agreement are in ordinary and usual course of business of the Group, it is fair and reasonable to renew the Existing Agreement and transactions contemplated under the New Agreement are in the interests of the Company and the Shareholders as a whole.

V. Internal Controls

To ensure that the transactions contemplated under the New Agreement are carried out in accordance with the regulatory guidelines and terms, the Company has adopted the following internal control procedures and mechanism for each and every transaction:

1. a detailed cost calculation will be carried out through the Company's large scale computerized automated system with pre-set technology parameters and cost estimation formulas with reference to the costs of materials, products and labor, etc. Costs to be incurred for the relevant batch of down apparel products by the Parent Group will be determined by a number of internal departments of the Company;

2. the Company keeps a record of the costs of raw materials on a regular basis as the Company also provides raw materials to the Parent Group for the manufacturing and processing of its down apparel products from time to time. The Company procures such raw materials from independent third party suppliers and is provided with a breakdown of the procurement costs, including the costs of raw materials and other fees, such as agency fees (if any). The procurement costs charged by independent third party suppliers serve as a reference for the Company when determining the Estimated Costs. Coupled with publicly available industry information relating to the costs of raw materials, such as the price of down, the Company can easily estimate the suitable costs of raw materials for the calculation of the Estimated Costs, without taking into consideration any agency fees for the procurement of raw materials. The relevant department of the Company also conducts regular reviews to ensure that no agency fee for raw materials procured by the Parent Group will be included in the Estimated Costs;

3. after the Estimated Costs have been determined, the Company will then invite at least two to three independent third parties to consider if they are able to provide the processing services and/or procure the required raw materials on similar terms (i.e. quality, turnaround time and payment terms) at a fixed price (being the Estimated Costs) or any lower price they can offer. Such quotations will be reviewed and evaluated from both technical and commercial perspectives by qualified personnel of the Group (those personnel who are independent from the Parent Group and familiar with information on processing fees and costs of raw materials and have a good understanding of the suppliers, in particular the general manager of the cost control management center of the Company) and compared against the Estimated Costs quoted by the Group, so as to ensure the processing services, together with the procurement services (if any), provided by the Parent Group will only be used if the price and terms offered are competitive and comparable to those offered by independent third parties; and

4. the finance department of the Company will closely monitor the actual transaction amounts and the corresponding utilization rate on the proposed annual caps on a monthly basis to ensure that the transactions complied with the terms of the New Agreement. The INEDs will also conduct review on the utilization of the proposed annual caps on a semi-annual basis. If the utilization rate exceeds 80% of the proposed annual caps at any time of the year, the finance department of the Company will promptly report to the Board to carry out necessary and appropriate actions to ensure the proposed annual caps will not be exceeded.

The Company will conduct semi-annual checks to ensure that the actual prices for the transactions contemplated under the New Agreement are on normal commercial terms and on terms no less favorable to the Group than those available from independent third parties; and to review and assess whether the processing services have been provided in accordance with regulatory guidelines and the terms of the New Agreement.

In addition, the INEDs and the auditor of the Company will regularly be provided with the (i) New Agreement; (ii) agreements entered into between the Group and independent third parties for the processing of the same type of down apparel products, OEM products and/or down related materials; and (iii) fee quotations provided by independent third parties for the processing of the same type of down apparel products, OEM products and/or down related materials for review and comparison purposes including to consider whether the terms of the New Agreement are no less favorable to the Group than those available from independent third parties. The INEDs will also review and compare the relevant payment terms, payment method and price payable under these agreements to ensure that the transactions contemplated under the New Agreement are conducted on normal commercial terms.

The auditor of the Company will review and confirm the transactions contemplated under the New Agreement are conducted in accordance with the terms of the New Agreement.

We have randomly selected a total of twelve sets of transactions under the Existing Agreement during the Review Period (two sets of down apparel transaction and two sets of OEM product transaction for each of FY2022/23, FY2023/24 and for the nine months ended December 31, 2024) (the "**Sample Transactions**"), and reviewed (a) the quotation of the Sample Transactions provided by the Parent Group; (b) quotations obtained from independent third party suppliers; and (c) outsourcing agreements entered between the Group and the Parent Group relating to the Sample Transactions. Such Sample Transactions, which are randomly selected and cover both types of products processed by the Parent Group during the Review Period, are considered to be sufficient, fair and representative. Based on the aforesaid documents as provided by the Company, we noted that the prices charged to the Group by the Parent Group were no less favorable than those offered by independent third parties for similar transactions. As such, we are of the view that the prices charged by the Parent Group is fair and reasonable and is in the interest of the Company and its Shareholders as a whole.

As disclosed in the annual report of the Company for FY2023/24 and as confirmed by the Management:

1. the INEDs have reviewed, among other things, the CCTs during the financial year and confirmed, among other things, that the CCTs were entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on better terms to the Group than terms available from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and

2. the Board engaged the Company's auditor to perform certain agreed-upon procedures in respect of the CCTs set out above on a sample basis. The auditor reported their factual findings on the selected samples based on the agreed procedures to the Board and confirmed that, among other things, the CCTs have complied with the requirements under Rule 14A.56 of the Listing Rules.

Based on the above, we are of the view that reasonable internal control procedures and mechanism are in place (including the exclusion of agency fee for raw materials procured by the Parent Group) to ensure fair pricing of the transactions contemplated under the New Agreement.

RECOMMENDATION

Having considered the principal factors analyzed above, we are of the opinion that (i) the terms of the New Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the New Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the New Agreement (including the corresponding proposed annual caps) and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favor of the resolution in this regard.

Yours faithfully,
For and on behalf of
YU MING INVESTMENT MANAGEMENT LIMITED

Warren Lee
Managing Director

Mr. Warren Lee of Yu Ming Investment Management Limited is a responsible officer of Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has been active in the field of corporate finance advisory for over 20 years, and has been involved in and completed various corporate finance advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST

(A) Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them had taken or were deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in the Company

Name of Director	**Nature of interest**	**Number of Shares held**	**Approximate percentage of interest in the Company** *(Note 1)*
Mr. Gao Dekang	Interest of controlled corporation *(Note 2)*	262,479,999	2.27%
	Deemed interest *(Note 3)*	2,763,697	0.02%
	Founder of discretionary trust *(Note 4)*	1,314,862,385	11.37%
	Founder of discretionary trust *(Note 5)*	611,656,857	5.29%
	Founder of discretionary trust *(Note 6)*	2,836,311,202	24.53%
	Founder of discretionary trust *(Note 7)*	2,000,000,000	17.30%

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of interest in the Company *(Note 1)*
Ms. Mei Dong	Deemed interest *(Note 2)*	262,479,999	2.27%
	Beneficial owner *(Note 3)*	2,763,697	0.02%
	Beneficiary of discretionary trust *(Note 4)*	1,314,862,385	11.37%
	Beneficiary of discretionary trust *(Note 5)*	611,656,857	5.29%
	Beneficiary of discretionary trust *(Note 6)*	2,836,311,202	24.53%
	Beneficiary of discretionary trust *(Note 7)*	2,000,000,000	17.30%
Ms. Huang Qiaolian	Beneficial owner *(Note 8)*	16,763,697	0.14%
Mr. Rui Jinsong	Beneficial owner *(Note 9)*	88,874,242	0.77%
Mr. Gao Xiaodong	Beneficiary of discretionary trust *(Note 4)*	1,314,862,385	11.37%
	Beneficiary of discretionary trust *(Note 5)*	611,656,857	5.29%
	Beneficiary of discretionary trust *(Note 6)*	2,836,311,202	24.53%
	Beneficiary of discretionary trust *(Note 7)*	2,000,000,000	17.30%

Notes:

1. The percentage represents the number of the Shares interested divided by the total number of the issued Shares as at the Latest Practicable Date of 11,563,370,473.

2. These Shares were directly held by Kong Bo Development Limited. Kong Bo Development Limited is owned as to 80% by Lucky Pure Limited, which is in turn wholly owned by Mr. Gao Dekang. As Ms. Mei Dong is the spouse of Mr. Gao Dekang, Ms. Mei Dong is deemed to be interested in the 262,479,999 Shares interested by Mr. Gao Dekang under the SFO.

3. Mr. Gao Dekang is the spouse of Ms. Mei Dong. Thus, he is deemed to be interested in the 2,763,697 Shares held by Ms. Mei Dong under the SFO.

4. These Shares were directly held by New Surplus International Investment Limited ("**New Surplus**") the ordinary shares of which are wholly owned by Topping Wealth Limited. Topping Wealth Limited is wholly owned by Kova Group Limited, which is wholly owned by a trust, the trustee of which is Cititrust Private Trust (Cayman) Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO. Further, Topping Wealth Limited had conferred and assigned all its voting rights in New Surplus to Bo Flying Limited, which is wholly owned by Bosideng Corporation Limited,

which in turn is owned as to 75.04% by Kangbo Holdings Group Co., Ltd. and 24.46% by Jiangsu Kangbo Investment Co., Ltd (a company wholly owned by Mr. Gao Dekang). Kangbo Holdings Group Co., Ltd is owned as to 81.56% by Jiangsu Kangbo Investment Co., Ltd and 18.44% by Mr. Gao Dekang, who is deemed to be interested in such Shares under the SFO. Accordingly, each of Topping Wealth Limited, Kova Group Limited, Cititrust Private Trust (Cayman) Limited, Bo Flying Limited, Bosideng Corporation Limited, Kangbo Holdings Group Co., Ltd and Jiangsu Kangbo Investment Co., Ltd is deemed to be interested in 1,314,862,385 Shares held by New Surplus under the SFO. Mr. Gao Dekang is a director of each of New Surplus, Topping Wealth Limited, Lucky Pure Limited, Bo Flying Limited, Blooming Sky Ventures Limited, Kong Bo Investment Limited, Jiangsu Kangbo Investment Co., Ltd., Bosideng Corporation Limited and Kangbo Holdings Group Co., Ltd. Mr. Gao Xiaodong is a director of Bosideng Corporation Limited and Kangbo Holdings Group Co., Ltd., and a general manager of Jiangsu Kangbo Investment Co., Ltd.

5. These Shares were directly held by Topping Wealth Limited (as mentioned in Note 4 above).

6. These Shares were directly held by Kong Bo Investment Limited. Kong Bo Investment Limited is owned as to 90% by Blooming Sky Ventures Limited, which is wholly owned by Blooming Sky Investment Limited, which is in turn wholly owned by a trust, the trustee of which is BOS Trustee Limited. The trust is a discretionary trust set up by Mr. Gao Dekang as founder, for the benefit of his family members (including Ms. Mei Dong and Mr. Gao Xiaodong). Accordingly, each of Mr. Gao Dekang, Ms. Mei Dong and Mr. Gao Xiaodong is deemed to be interested in such Shares under the SFO.

7. These Shares were directly held by Blooming Sky Ventures Limited (as mentioned in note 6 above).

8. Ms. Huang Qiaolian was interested in an aggregate of 16,763,697 Shares, including 5,000,000 share options.

9. Mr. Rui Jinsong was interested in an aggregate of 88,874,242 Shares, including 38,300,000 share options.

(B) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, save as disclosed below, according to the register of interests kept by the Company under section 336 of the SFO, and so far as was known to the Directors or chief executive of the Company, no other persons, other than Directors or chief executive of the Company, had an interest or short position in the Shares which would require to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company:

Name of shareholder	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Company *(Note 6)*
Jiangsu Kangbo Investment Co., Ltd.	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.37%
Kangbo Holdings Group Co., Ltd.	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.37%
Bosideng Corporation Limited	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.37%
Bo Flying Limited	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.37%
New Surplus	Beneficial interest *(Note 1)*	1,314,862,385	11.37%
Topping Wealth Limited	Interest of controlled corporation *(Note 1)*	1,314,862,385	11.37%
	Beneficial interest *(Note 2)*	611,656,857	5.29%
Kova Group Limited	Interest of controlled corporation *(Note 3)*	1,926,519,242	16.66%
Cititrust Private Trust (Cayman) Limited	Trustee *(Note 3)*	1,926,519,242	16.66%
BOS Trustee Limited	Trustee *(Note 4)*	4,836,311,202	41.82%
Blooming Sky Investment Limited	Interest of controlled corporation *(Note 4)*	4,836,311,202	41.82%

Name of shareholder	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Company *(Note 6)*
Blooming Sky Ventures Limited	Interest of controlled corporation *(Note 4)*	4,836,311,202	41.82%
Kong Bo Investment Limited	Beneficial interest *(Note 5)*	2,836,311,202	24.53%

Notes:

1. Same as the interests as disclosed in note 4 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

2. Same as the interests as disclosed in note 5 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

3. Same as the interests as disclosed in notes 4 and 5 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

4. Same as the interests as disclosed in notes 6 and 7 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

5. Same as the interests as disclosed in note 6 in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above.

6. The percentage represents the number of the Shares interested divided by the total number of the issued Shares as at the Latest Practicable Date of 11,563,370,473.

(C) Material Interests

The Group entered into the following transactions with the Parent Group.

(a) Framework Integrated Service Agreement

The Company entered into a framework integrated service agreement dated September 15, 2007 with Mr. Gao Dekang, pursuant to which the Parent Group agrees to provide the Group with various ancillary services, which currently include the provision of hotel accommodation and property management services, which includes repair and maintenance, security and general cleaning, for the properties occupied by the Group located in the PRC.

The framework integrated service agreement has a term of three years, and is renewable at the option of the Company for another term of three years by giving at least three months' notice prior to the expiry of the term. The framework integrated service agreement was entered into on terms no less favorable to the Group than terms available from independent third parties. The agreement will be further renewed for a term of three years from September 15, 2025.

(b) Property Lease Agreement and the Supplemental Property Lease Agreements

The Company entered into a property lease agreement with Mr. Gao Dekang dated September 15, 2007, pursuant to which Mr. Gao Dekang shall procure the Parent Group to lease properties to the Group. The properties leased under this agreement will be used as the Group's regional offices, stores, warehouses, archival room and showrooms.

The term of each lease granted under the property lease agreement is no more than 20 years from the date of the property lease agreement. Under the property lease agreement, the Group is able to terminate a lease of any premise at any time prior to its expiry at the sole discretion of the Company without any penalty, provided that a 30-day prior notice is given to the Parent Group. The Parent Group cannot terminate any lease without the Group's consent. The Company and Mr. Gao Dekang also entered into a supplemental property lease agreement on April 22, 2013 pursuant to which the Parent Group agreed to lease additional premises in the PRC to the Group from time to time for a term not more than three years and the supplemental property lease agreement has been renewed and extended to April 21, 2025. The rental payable under the property lease agreement and the supplemental property lease agreements are to be reviewed annually taking into account market conditions, and should not be higher than the rent applicable to a third party tenant at the relevant time. The supplemental property lease agreement will be further renewed for a term of three years from April 22, 2025.

(c) New Agreement

The details of the New Agreement are set out in the "Letter from the Board" as set out in this circular.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was significant in relation to the business of the Group taken as a whole.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or any professional advisers named in paragraph 6 of this Appendix had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since March 31, 2024, being the date of the latest published audited financial statements of the Company.

(D) Competing Interests

As at the Latest Practicable Date, none of the Directors and his/her respective associates (as defined in the Listing Rules) was interested in any business apart from the Group's business that competes or is likely to compete (either directly or indirectly) with the Group's business.

3. SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation, other than statutory compensation.

4. MATERIAL ADVERSE CHANGE

Save as disclosed herein, as at the Latest Practicable Date, the Directors confirmed that there had not been any material adverse change in the financial or trading position of the Company since March 31, 2024, being the date of the latest published audited financial statements of the Company.

5. QUALIFICATIONS AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions or advice contained in this circular:

Name	Qualification
Yu Ming Investment Management Limited	A corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO

Yu Ming has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Yu Ming was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

6. MISCELLANEOUS

(a) The company secretary of the Company is Ms. Liang Shuang, a member of the Hong Kong Chartered Governance Institute and the Hong Kong Institute of Certified Public Accountants.

(b) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(c) The head office of the Company is 25/F New Shanghai City Plaza, 33 South Henan Road, Shanghai 200002, PRC.

(d) The place of business in Hong Kong of the Company is Unit 5709, 57/F, The Center, 99 Queen's Road Central, Central, Hong Kong.

(e) The English text of this circular and the accompanying proxy form shall prevail over the Chinese text.

7. DOCUMENTS ON DISPLAY

Copy of the New Agreement will be available on the Stock Exchange's website and the Company's website at www.hkexnews.hk and https://company.bosideng.com from the date of this circular up to and including the date of EGM.

波司登
BOSIDENG

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Bosideng International Holdings Limited (the "**Company**") will be held on Thursday, March 27, 2025 at 10:00 a.m. virtually using Computershare Online Platform at http://meetings.computershare.com/Bosideng_EGM2025 for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

1. "**THAT**:

   (a) the proposed annual caps for each of the three years ending March 31, 2028 and the renewal of the transactions contemplated under the New Agreement as set out in the circular to the shareholders of the Company dated March 7, 2025 be approved; and

   (b) any one director of the Company be and is hereby authorized on behalf of the Company to execute all such documents, in such final form or with such amendments as that director may deem appropriate, and to do all such acts or things, as he/she may in his/her absolute discretion consider necessary or desirable, to give effect to the New Agreement and the transactions contemplated therein."

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

Hong Kong, March 7, 2025

Notes:

1. The Company will conduct the EGM virtually using Computershare Online Platform (the "**Online Platform**"), which allows shareholders of the Company (the "**Shareholders**") to participate in the EGM online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form at the EGM online via their mobile phones, tablet or computers.

2. Shareholders can refer to the enclosed letter and the Online Meeting User Guide posted on the Company's website for details of online voting at the EGM. If you have any queries on the above, please contact the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Saturday and Hong Kong public holidays).

3. Shareholders who wish to attend the EGM and exercise their voting rights can achieve this in one of the following ways:

   (a) attend the EGM via the Online Platform which enables live streaming and interactive platform for Q&A and submit their voting online; OR

   (b) appoint the chairman of the EGM or other persons as their proxy to attend the EGM via the Online Platform and submit their voting online.

   Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians, nominees or the Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians or nominees (as the case may be) to assist them in the appointment of proxy. Non-registered Shareholders will be able to view the live video broadcast, participate in voting and submit questions via the Online Platform. In this regard, they should liaise with their banks or brokers or custodians or nominees (as the case may be) for the necessary arrangements.

4. A Shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a Shareholder.

5. In the case of joint holders, the vote of the senior who tenders a vote, whether personally or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

6. In order to be valid, a form of proxy must be deposited with Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. The completion and return of the form of proxy shall not preclude a Shareholder from attending and voting via the Online Platform at the EGM (or any adjourned meeting thereof) if they so wish, and in such event the instrument appointing the proxy shall be deemed to be revoked.

7. The register of members of the Company will be closed, for the purpose of determining the Shareholders' entitlement to attend and vote at the EGM, from March 24, 2025 to March 27, 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to attend and vote at the EGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on March 21, 2025.

8. The ordinary resolution as set out above will be determined by way of a poll.

As at the date of this notice, the executive Directors are Mr. Gao Dekang, Ms. Mei Dong, Ms. Huang Qiaolian, Mr. Rui Jinsong and Mr. Gao Xiaodong; and the independent non-executive Directors are Mr. Dong Binggen, Mr. Wang Yao and Dr. Ngai Wai Fung.