

For Immediate Release



波司登國際控股有限公司
Bosideng International Holdings Limited

Bosideng Announces Interim Results for FY2022/23

**Keep its foothold of being the “World’s Leading Expert in Down Apparel”
Achieved Sustainable and Steady Business Growth
Revenue and Profit Attributable to Equity Shareholders
Increased by 14.1% and 15.0% Respectively**

Financial Highlights

<i>RMB' 000</i>	For the six months ended September 30		
	2022	2021	Change
Revenue	6,180,465	5,416,978	+14.1%
Gross profit	3,089,113	2,748,222	+12.4%
Operating profit	945,157	794,606	+18.9%
Profit attributable to equity shareholders	734,286	638,474	+15.0%
Earnings per share (RMB cents)			
- Basic	6.79	5.59	+14.1%
- Diluted	6.74	5.88	+14.6%
Interim dividend (HK cents)	4.5	4.5	—

(November 24, 2022 – Hong Kong) – Bosideng International Holdings Limited (“Bosideng” or the “Company”, stock code: 3998, which together with its subsidiaries is referred to as the “Group”), the largest down apparel company in the People’s Republic of China (“PRC”), announces its unaudited consolidated interim results for the six months ended September 30, 2022 (“the Period”).

Financial Review

In the first half of FY2022/23, the Group adhered to the strategic direction of “focusing on principal business and key brands”, continued to consolidate the four core competencies of “leading brand, innovating products, upgrading channel and adhering to high product quality and quick response”, and achieved sustainable and steady growth. For the six months ended September 30, 2022, the Group’s revenue was approximately RMB6,180.5 million, representing an increase of approximately 14.1% as compared to the corresponding period of last year. The branded down apparel business remained the largest revenue contributor of the Group and accounted for 62.4% of the total revenue. The OEM management business and the ladieswear business accounted for 30.7% and 5.5% of the total revenue, respectively. The diversified apparels business accounted for 1.4% of the total revenue.

During the Period, the Group’s operating profit increased by 18.9% to approximately RMB945.2 million. Operating profit margin up by 0.6 percentage points to 15.3%. Gross profit increased by 12.4% to approximately RMB3,089.1 million. Basic earnings per share were RMB6.79 cents. The Board declared payment of an interim dividend of HKD4.5 cents per ordinary share.

Business Review

Branded Down Apparel Business

In the first half of FY2022/23, with the objective of being the “world’s leading expert in down apparel”, the Group focused on building leading channels, leading commodities, a leading image, and leading retail and user operations. Revenue of the branded down apparel business segment increased by 10.2% to approximately RMB3,857.1 million.

In terms of brand building, the Group continued to focus on the strategic development direction of being the “world’s leading expert in down apparel” and adhere to the “brand-led” development model. It also contributed to its brand building and improvement of operating results by constantly launching large brand promotion events, exporting communication content and uploading it onto compatible media platforms as well as continuously deepening consumer awareness and brand reputation. According to the “Brand Finance Apparel 50 2022” released by Brand Finance, one of the top five international authoritative brand value evaluation consultancies, the *Bosideng* brand once again made the list and improved its ranking to 48th. During the Period, *Bosideng* successfully launched the new generation of Ultralight Down Jackets, setting off a wave of “innovation” in the category.

For supply chain management and commodity management, the ability of Bosideng’s supply chains to provide “high-quality and quick response” is an important competitive strength for its continued success in the industry, as well as one of its core competitive advantages for maintaining the efficient and healthy sustainability of the Group. The supply chains of the Group underwent systematic planning and upgrading in terms of adopting flexible and quick response times, quality operations, scientific technology, resource integration and cost management. As of September 30, 2022, the inventory turnover days decreased by 31 days as compared to the corresponding period of last year.

In new retail operation aspect, the Group continued the use of corporate WeChat to build a more convenient communication bridge with customers. As of September 30, 2022, *Bosideng* brand had approximately 23.24 million fans and approximately 11.07 million members in total on the Tmall and JD.com platforms, and approximately 5.44 million fans on the Douyin platform.

Regarding on R&D of Products, the Group conducted precise development of a different series of products for consumers based on consumer preferences and cognitive models. During the Period, the urban multifunctional jacket of *Bosideng* won the ISPO Award – Global Design Award, and the composite structure camping down apparel and zero-pressure down puff obtained the ISPO Global Design Award and the Red Dot Design Award. The new generation of ultralight down apparel obtained the Golden Novum Design Award. The comfortable outdoor series down apparel of the *Bosideng* brand won five international awards, namely the German Red Dot Award, the ISPO Award Winner 2022, the US IDEA Design Award, the US muse design award and the Italy A award. It recently obtained the international CMF Design award, the German Design Award and the Excellence Innovation Design Award issued by the China Feather and Down Industrial Association.

For channel construction, the Group had been improving the quality of channels to increase their efficiency. Firstly, the Group paid attention to the quality of existing stores and elevated the “single store operation” to the strategic transformation dimension of the Group. Secondly, the Group focused on core cities and business circles and continued to pay attention to the structural layout of channels. Thirdly, the Group widely promoted Top Sellers (“Top Sellers”) among model stores (“Top Stores”) in different store formats by meticulously breaking down retail stores according to different store formats. As at September 30, 2022, the total number of normal retail stores of the Group’s down apparel business (excluding peak season stores) was approximately 3,670. Of which, the self-operated retail stores and those operated by third party distributors accounted for approximately 42.6% and 57.4% of the entire retail network, respectively.

OEM Management Business

In the first half of FY2022/23, despite the impact of the global epidemic, inflation and downturn of global economy, the OEM management business maintained stable and healthy development. During the Period, revenue from the Group's OEM management business increased by 32.7% as compared to that of the corresponding period of last year. Through effective cost management and benefiting from changes in exchange rates so far this Period, the gross margin of the OEM management business slightly increased by 1.3 percentage points to 20.4% compared to that of the corresponding period of last year.

Ladieswear Business

With the outbreak of the sporadic epidemic since 2022, the development of the ladieswear industry has still faced severely challenges, and there were also uncertainties and difficulties in the Group's four ladieswear brands (especially the offline business) against this backdrop.

Diversified Apparels Business

Revenue from the Group's diversified apparels business increased by 22.2% as compared to that of the corresponding period of last year, which mainly refers to the *Sameite* brand school uniform business.

Online Sales

Online sales channels have been a key focus of the Group for vigorous development. Since the Group's strategic transformation in 2018, it continued to show high-quality growth. The Group has currently implemented the online multi-platform operation model. We invested in more resources to actively expand emerging platforms such as Douyin apart from the traditional e-commerce platforms such as Tmall, Vip.com and JD.com. During the Period, revenue from the total online sales of the Group's brands was RMB915.8 million, representing a year-on-year increase of 29.6%. Of which, revenue from the online sales of the branded down apparel business for the Period was approximately RMB872.3 million, representing a year-on-year increase of 32%.

Future Development

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "In the first half of FY2022/23, China's consumer market and textile apparel industry only sustained a moderate recovery as they are faced with considerable downward pressure and challenges amid shrinking global demand, a protracted and volatile pandemic and geopolitical risks. Ahead of the trend, the Group always upholds longtermism and believes in creating value. It perseveres in contributing to the real economy and remains confident about the prospects of its development. The Group has reiterated its commitment to the strategy of 'focusing on principal business and key brands'. Dedicated to its mission and customer-centric, the Group drives its own development with its strong brand and innovation. It stays in touch with consumers and keeps on building up its abilities to run its business prudently and to surmount the volatility in the economic cycle. The Group will set higher standards based on benchmarking, spare no efforts in overcoming difficulties, bravely scale new heights, and strive to enhance its global leading position."

About Bosideng International Holdings Limited:

Bosideng International Holdings Limited (the "Company", which together with its subsidiaries, is referred to as the "Group") is a renowned down apparel company in the People's Republic of China (the "PRC") with down apparel brands, namely *Bosideng*, *Snow Flying* and *Bengen*. The Group caters for different customers and consolidates its leading position in the PRC market with its core brands. Currently, the Group's ladieswear brands include *JESSIE*, *BUOU BUOU*, *KOREANO* and *KLOVA*; and the school uniform brand is *Sameite*.

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