



Bosideng Announces Interim Results for FY2024/25

**Achieved Stable and High-quality Growth
Revenue and Profit Attributable to Equity Shareholders
Increased by 17.8% and 23.0% Respectively
Introduced the “Four Reinforcements” Initiative for Branded Down Apparels
Business to Comprehensively Build up its Operational Capability and Profitability**

Financial Highlights

RMB' 000	For the six months ended September 30		Change
	2024	2023	
Revenue	8,804,128	7,471,665	+17.8%
Gross profit	4,391,320	3,733,477	+17.6%
Operating profit	1,471,805	1,230,967	+19.6%
Profit attributable to equity shareholders	1,129,698	918,637	+23.0%
Earnings per share (RMB cents)			
- Basic	10.35	8.47	+22.2%
- Diluted	10.13	8.35	+21.3%
Interim dividend (HK cents)	6.0	5.0	+20.0%

(November 28, 2024 – Hong Kong) – Bosideng International Holdings Limited (“Bosideng” or the “Company”, stock code: 3998, which together with its subsidiaries is referred to as the “Group”), the largest down apparel company in China, announces its unaudited consolidated interim results for the six months ended September 30, 2024 (“the Period”).

Financial Review

In the first half of FY2024/25, by focusing on its core business of down jackets and led by brand building, the Group strived to innovate products, upgrade its retail business and maintain high product quality in quick responses as well as the digital transformation of its operation, and achieved sound and high-quality growth. For the six months ended September 30, 2024, the Group’s revenue amounted to approximately RMB 8,804.1 million, representing an increase of approximately 17.8% year-on-year. The Group’s main business segments achieved stable and high-quality growth. Among which, the branded down apparel business remained the biggest revenue contributor of the Group, accounting for 68.9% of the total revenue. The OEM management business and the ladieswear apparel business accounted for 26.3% and 3.5% of the total revenue respectively. The diversified apparel business accounted for 1.3% of the total revenue.

During the Period, the Group’s operating profit increased steadily by 19.6% to approximately RMB1,471.8 million with operating profit margin further grew to 16.7%. The gross profit up by 17.6% year-on-year to RMB4,391.3 million. Profit attributable to equity shareholders of the Company increased by 23.0% year-on-year to approximately RMB1,129.7 million. Basic earnings per share were RMB10.35 cents. The Board of Directors declared payment of an interim dividend of HKD6.0 cents per ordinary share. (FY2023/24: HKD5.0 cents).

The Group achieved solid cash flow from operating activities and kept enhancing its current asset management capabilities. Due to the Group further optimized and improved its channel merchandise management capabilities, aiming to implement a responsive supply chain management capable of “small orders in quick response” to better meet consumer demand in the uncertain market environment in the second half of the year. Therefore, the Group deliberately slowed down its delivery pace and frequency to distributors during the first half of the financial year. As of September 30, 2024, the average inventory turnover days increased by 29 days year-on-year to 189 days, the average trade and bills receivables turnover days decreased by 1 day as compared to that of the same period last year, and the average trade and bills payables turnover days increased by 41 days year-on-year.

Business Review

Branded Down Apparel Business

In the first half of FY2024/25, the Group continued to solidify its brand image of being “the world’s leading expert in down apparel”, adhering to a brand-led development model and elevating its brand perception from a global leader in down apparel in terms of sales volume to a truly global leader in all respects in the down apparel industry. The Group introduced the “four reinforcements” initiative to “enhance brand leadership, product category management, channel operation, and customer experience” to comprehensively build up its operational capability and profitability in FY2024/25. The Bosideng brand under the Group’s branded down apparel business recorded a year-on-year increase of 19.4% in revenue to approximately RMB 5,279.9 million. Revenue of the overall branded down apparel business segment increased by 22.7% year-on-year to approximately RMB6,062.7 million.

In terms of brand building, the Group improved both branding and sales by integrating brand strategy, creative visuals, public relations experiences and digital content, pursuing the strategy of brand leadership, and conducting brand marketing campaigns. Through its promotion and creation of best-selling products (“Top Sellers”) and effort to attract foot traffic to the Top stores with top sales performance, the Group facilitated the implementation of its brand strategy and continuously deepened the consumer awareness and its brand reputation, thereby realizing the brand-led consumer perception and maximizing the results of branding and sales. According to the “Brand Finance Apparel 50 2024” released by Brand Finance, one of the top five international authoritative brand value evaluation consultancies, the Bosideng brand once again made it to the list and, rising one spot to the 46th place. At the same time, the World Brand Lab announced the Asia’s 500 Most Influential Brands Ranking of 2024, the Bosideng brand steadily climbed to the 268th. The brand was also selected as one of the top ten most favoured brands by consumers in China. Furthermore, in the “2024 Brand Strength Evaluation Result of World Apparel Brands” released by the International Academy of Brand Science, the Bosideng brand ranked 8th in the list of the world’s Top 100 Apparel Brand Strength, achieving the highest ranking among Chinese brands on the list. During the Period, Bosideng put the sun-protective clothing as the focus of category breakthrough and launched a new line of sun-protective clothing products. The trendy designs and excellent sun protection performance have garnered widespread attention and positive consumer feedback upon release. Through continuous efforts, the Bosideng brand has gradually increased the influence of its sun-protective clothing line, resulting in rapid revenue growth and strengthening the brand’s category extension. In September 2024, capitalizing on the growing consumer interest in outdoor activities, Bosideng launched the “Metamorphosis” series of windbreaker down jackets, successfully entering the outdoor warming market.

For supply chain management and merchandise management, the ability of the Group’s supply chain to enable “delivery of high-quality products in quick responses” is an important competitive strength that has led to its continued success in the industry, and is also one of its core competitive advantages with which the Group maintaining efficient, healthy and sustainable development. In FY2024/25, the supply chain of the Group continuously underwent systematic planning and upgrading in terms of flexibility and capability and quick responses, excellent operation, scientific research and technology, resources integration and cost leadership. During the Period, the Group further optimized and improved its channel merchandise management capabilities, and hopes to

realize the supply chain management mode of “production by sales” driven by the market through the rapid response supply chain system of “small orders in quick responses” as far as possible, with the idea of “integrated operation of all-channel commodities”. The Group aimed to cope with the uncertain consumer environmental changes through continuous adjustment of order structure and merchandise management in the second half of the year.

In user management aspect, the Group has been continuously building a consumer-centric, omnichannel user management system in recent years, as well as kept using various channels to build a more convenient bridge for communication with customers. As of September 30, 2024, the Bosideng brand had approximately 19.0 million members in total on the Tmall and JD.com platforms. In the meantime, the Bosideng brand had over 9.5 million fans in total on the Douyin platform. Through digital empowerment, the Group has created a closed-loop operation model featuring precise multi-touchpoint reach, intelligent user analysis, and differentiated experiential interaction, thereby enhancing the users’ shopping experiences and brand loyalty.

Regarding on research and development of products, product enhancement and expansion are the cornerstones for the development of the Bosideng brand. The Group engages in the precise development of a different series of products based on consumers’ preferences, behavior and traits to satisfy their needs in different scenarios. Through end-to-end integration of development for a series of design processes, the Group endeavored to present new series of products to consumers. During the Period, two products of the Bosideng brand, i.e., the “Women Tech Shell” and the “Polar Workwear Parka” won the ISPO Award-Global Design Award. Five products of the Bosideng brand, including the “TMP Management Outdoor Down Jacket”, the “Detachable 3-in-1 Functional Jacket” and the “Easy Pack, Easy Go 3-in-1 Functional Jacket”, won the Red Dot Design Award. Three products of the Bosideng brand, including “Champion Thermostatic Comfortable Ski Down Jacket”, won the IDEA Finalist Award and the “Eco-Design Circular Lightweight Functional Down Puffer Jacket” won the IDEA Bronze Award.

In terms of the development of offline sales channels, the Group continued to optimize the quality of sales channels and increase their efficiency. On the one hand, the Group further consolidated and expanded its Top Stores system by customizing strategies for each store. Meanwhile, the Group engaged in deep collaboration with key Top Stores managers, forming clear implementation plans to steadily improve channel management capabilities and operational efficiency. By developing important leading Top Stores, the Group aims to create replicable and scalable models. On the other hand, the Group iterated its channel stratification management system and strengthened the differentiated matching of resources among different store levels to better meet diverse customer needs, significantly improving refined store operations. In terms of solidifying single-store operations, the Group constructed a three-tier organizational management methodology with high targets as the driving force and customer demand as the origin and forged ahead with its “store-centric and customer value-oriented business” process transformation, thereby achieving an effective implementation of a closed-loop single-store operational strategy. As of September 30, 2024, the total number of regular retail stores of the Group’s down apparel business (excluding peak-season stores) was 3,188. Of which, the self-operated retail stores and those operated by third-party distributors accounted for 36.2% and 63.8% of the entire retail network respectively. During the Period, the Group also had established nearly 700 peak-season stores, with popular seasonal products such as Top Sellers as the mainstay products for sale, and mainly located in core business districts and sports venues.

OEM Management Business

In the first half of FY2024/25, despite the impact of multiple challenges such as geopolitical risks and downturn in some regional consumer markets, the OEM management business maintained stable and healthy development. Thanks to the steady increase in orders from existing core customers, the cultivation of more new, high-quality customers, quick response to orders from OEM management customers, and the continuous upgrade of its efficient and open management mechanism, the revenue from the OEM management business grew by 13.4% year-on-year to RMB 2,316.4 million. The gross profit margin of the OEM management business reached approximately

20.1%, representing a decrease of 0.3 percentage points as compared to the same period of the previous financial year.

Ladieswear Apparel Business

In the first half of FY2024/25, affected by the persistently sluggish market environment, the revenue from the Group's ladieswear apparel business was approximately RMB 308.1million, representing a decrease of 21.5% year-on-year. The contribution from the ladieswear apparel business to the Group's total revenue was 3.5%, with the proportion continuing to decline along with a sustained drop in profitability.

Diversified Apparel Business

Benefiting from the stable growth of the Sameite brand school uniform business, revenue from the Group's diversified apparel business increased by 21.3% year-on-year to approximately RMB116.9 million.

Online Sales

During the Period, the traditional e-commerce platform market was entering into a phase characterized by market share competition. Brand competition dynamics and strategies continued to evolve. The Group focused on enhancing online platforms capabilities and operational efficiency through strategies including prioritizing core product categories, executing integrated brand campaigns, focusing on content innovation, implementing cross-category marketing initiatives and refining operational processes to achieve high-quality growth. For the Period, revenue from the total online sales conducted by the Group's brands was RMB1,395.8 million, representing a year-on-year increase of 23.2%. Revenue from the online sales of the branded down apparel business was RMB1,350.6million, accounting for 22.3% of the revenue of that business segment.

Future Development

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "In the first half of FY2024/25, the Chinese economy demonstrated resilient growth momentum and a continued upward trend, injecting strong vitality into the consumer market. As the effects of various policies gradually materialize and market demand has further unleashed, China's textile and apparel industry is embracing new development opportunities. The Group, closely following these trends, has focused on its core business, adhered to brand leadership, strengthened innovation-driven development and practiced its corporate culture to achieve stable and high-quality growth. Looking ahead, the increasing number of positive factors is gradually reshaping the ecosystem of China's textile and apparel industry, driving it towards higher quality, higher efficiency, and greater sustainability. As a leading industry player, the Group is oriented to people's new demands and expectations for a better life, maintaining a long-term vision and prioritizing value creation. 'Focusing on the mainstay business of down jackets as well as fashionable and functional apparel enhanced with technology' is the way forward for the Group's development. We are enhancing our core capabilities for strategic planning, research, development and innovation, collaborative supply, and management system. We also have enhanced our brand leadership, product category management, sales channel operation, and customer experience. Guided by high standards and a commitment to innovation, we are embarking on a new journey of sustainable, high-quality development."

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About Bosideng International Holdings Limited:

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

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