

**For immediate release**



波司登國際控股有限公司

## **Bosideng International Holdings Limited**

**Bosideng Posts Interim Net Profit of RMB 60.6 million  
Improved Gross Profit Margin to 33.5%**

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The Board recommended the payment of an interim dividend of RMB3.8 cents per ordinary share to offer a higher reward to shareholders

### ***Financial Highlights***

<i>RMB '000</i>	For the six months ended 30 September		Change
	<b>2009</b>	2008	
Revenue	<b>1,564,855</b>	1,240,193	+26.2%
Gross profit	<b>524,873</b>	374,868	+40.0%
Gross profit margin (%)	<b>33.5</b>	30.2	+3.3pts
Profit attributable to equity holders	<b>60,622</b>	50,927	+19.0%
Basic and diluted EPS (RMB cents)	<b>0.78</b>	0.64	+21.9%
Interim/special dividend per share (RMB cents)	<b>3.8</b>	3.8	-

**(9 December 2009 – Hong Kong) – Bosideng International Holdings Limited** ("Bosideng", or the "Company", stock code: 3998, or together with its subsidiaries collectively referred to as the "Group"), the largest down apparel company in the PRC, announces the unaudited consolidated interim results for the six months ended September 30, 2009.

For the six months ended September 30, 2009, the Group recorded revenue of approximately RMB1,564.9 million (2008: approximately RMB1,240.2 million), representing an increase of 26.2% as compared with the corresponding period last year. The increase was mainly driven by the 22.4% growth in branded down apparel business, due to the effective sales plan to control the quantity and selling price of inventories to be sold in the off-peak season and the 19.9% growth in OEM management business, due to the fully utilization of the Group's resources during the off-peak season. Gross profit margin of the Group increased by 3.3 percentage

points to 33.5%. This was mainly attributable to the stringent cost control measures and the Group's strategy of maintaining profitability. Net profit attributable to equity holders of the Company increased by 19.0% to RMB60.6 million. To offer a higher reward to the shareholders, the Board has recommended the payment of an interim dividend of RMB3.8 cents per ordinary share for the six months ended September 30, 2009.

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "Dampened by the global financial crisis and cyclical downturn of the domestic economy, the apparel industry of the PRC has declined since the second-half of last year and recorded continuous negative growth for months. Nevertheless, the general economic condition of the PRC has shown signs of recovery recently after the central government implemented a series of stimulus economic policies. During the reporting period, domestic demand contributed most to apparel consumption in the PRC. Spending on casual apparel continued to increase and consumers have attached more importance on branding and the shopping experience."

During the period, in order to diversify beyond its product portfolio of seasonal apparel products, reduce risks of operation, explore new source of profit growth and enhance profitability of the Company, the Group has adopted a strategy to develop non-seasonal apparel products and expand its brand and product portfolio by acquiring non-down apparel brands with high development potential and good reputation when attractive opportunities arise.

As the first step of the transformation of the "Bosideng" brand from offering seasonal apparel products to non-seasonal apparel products, the Group expanded into the menswear business by acquiring Jiangsu Bosideng Garment Development Co., Ltd. (previously known as Jiangsu Kangbo Clothing Co., Ltd.) ("Menswear Company") for a maximum aggregate cash consideration of up to RMB650,000,000 in May 2009. With the support of "Bosideng" brand and the Group, the Menswear Company has made significant progress in the development and design, sales and marketing and brand promotion of the brand "Bosideng Man".

The Group also entered into a joint venture agreement in May 2009 to establish a joint venture engaging in the production, sale, advertising and promotion of "Rocawear" branded male and female apparel and accessories in the Greater China Region (including China, Hong Kong, Macau Special Administration Region and

Taiwan). The joint venture is actively undergoing pre-operational work.

Going forward, Mr. Gao said: "While maintaining its leading market position and excellent results in the down apparel market, the Group will implement and expedite the development strategies of non-seasonal apparel products to further increase the proportion of non-seasonal apparel products to our total sales. Apart from boosting the development of the "Bosideng Man" menswear apparel business and the "Rocawear" brand in the Greater China Region, the Group will seek for cooperation opportunities with renowned garment companies (other than down apparel business) which are of strong growing potential through mergers and acquisitions, distributorships, joint ventures and collaboration with external retail channels to actively promote the change in product portfolio by providing products for all seasons."

He continued: "The Group will increase the number of "Bosideng" self-operated stores to improve profit margin. The Group will open "gallery-styled" large brand flagship stores in major cities such as Beijing and Shanghai to display the full range of products under the brands of "Bosideng", and utilise its new image visual system for retail outlets to provide a comprehensive shopping experience to consumers, thus establishing a new milestone for the image of our retail outlet store image. The Group will further consolidate the sales channels of its down apparel products while expanding the market of non-seasonal products. In particular, the Group plans to increase the number of retail outlets of Bosideng's menswear business from currently over 600 to approximately 800 by the end of March in the year 2010 and reach approximately 1,200 by 2011. The Group will also develop the "Rocawear" brand by opening more than 300 "Rocawear" free-standing stores and shop-in-shop concepts in the Greater China Region by 2013."

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## **About Bosideng International Holdings Limited:**

Bosideng International Holdings Limited is the largest down apparel company in the PRC. Its retail distribution network comprises 5,855 retail outlets covering more than 65 cities across the nation, selling down apparel under its six core brands including "Bosideng", "Snow Flying", "Kangbo", "Bingjie", "Shuangyu" and "Shangyu". Through these brands, the Group offers a wide range of down apparel products targeting various consumer segments, strengthening and expanding its leading position in the PRC down apparel industry. According to China Industrial Information Issuing Centre ("CIIIC"), in terms of sales in 2008, "Bosideng", "Snow Flying", "Kangbo" and "Bingjie" down apparel products achieved combined market share<sup>#</sup> of 39.5% in the PRC.

"Bosideng" was the leading down apparel brand in the PRC for 14 consecutive years from 1995 to 2008, according to the CIIIC and the National Bureau of Statistics of China. To further optimize its product mix and increase profitability, the Group has gradually begun to implement a "non-seasonal product" development strategy. In May 2009, the Group acquired a menswear company and made its entry into the menswear business. In the same month, the Group formed a joint venture company to engage in the sales, promotion and development of an international brand "Rocawear" in the Greater China Region.

<sup>#</sup> Among the 30 largest down apparel brands

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