

For immediate release



波司登國際控股有限公司

Bosideng International Holdings Limited

Bosideng Announces Annual Results for FY2020/21
Emphasized the Strategy Direction of “Focusing on our Principal Business and Key Brands”

Achieved Operating Results Far Above the Industry Growth Level
Revenue and Profit Attributable to Equity Shareholders
Increased by 10.9% and 42.1% Respectively

Financial Highlights

RMB' 000	For the year ended March 31		Change
	2021	2020	
Revenue	13,516,513	12,190,535	+10.9%
Gross profit	7,924,266	6,708,646	+18.1%
Operating profit	2,224,606	1,598,678	+39.2%
Profit for the Year	1,704,966	1,195,276	+42.6%
Profit attributable to shareholders	1,709,566	1,203,184	+42.1%
Earnings per share (RMB cents)			
- Basic	15.98	11.27	+41.8%
- Diluted	15.77	11.06	+42.6%
Dividend per share (HK cents)			
- Final	10.0	6.0	+66.7%
- Interim	3.5	3.0	+16.7%
- Full-year	13.5	9.0	+50.0%

(June 23, 2021 – 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 annual results for the year ended March 31, 2021 (the “Year”).

Financial Review

In FY2020/21, the Group has emphasized the strategic direction of “focusing on our principal business and key brands” and adhered to the development model of “ensuring brand development leads the way of future expansion” to link to the development trends of the times. The Group continued to use its brand in all aspects to lead its products, channels and supply chain, fully stimulating the brand’s strength accumulated for many years, and successfully achieved the operating results far above industry level in terms of growth and realized its goal of sustained, stable and high-growth development.

For the Year, the Group’s revenue hit a record high and amounted to approximately RMB13,516.5 million, representing an increase of approximately 10.9% as compared to that of the corresponding period of last year. The branded down apparel business remained the largest revenue contributor of the Group and accounted for 80.5% of the total revenue. OEM management business and ladieswear business accounted for 11.4% and 7.0% of the total revenue, respectively. Diversified apparels business accounted for 1.1% of the total revenue.

During the Year, the Group’s operating profit significantly increased by 39.2% to approximately RMB2,224.6 million. Operating profit margin up by 3.4 percentage points to 16.5%. Gross profit

increased by 18.1% to approximately RMB7,924.3 million. Gross profit margin increased by 3.6 percentage points to 58.6%. Profit attributable to equity shareholders of the Company increased by 42.1% to approximately RMB1,709.6 million. Basic earnings per share were RMB15.98 cents. The Board of Directors recommended a final dividend of HKD10.0 cents per ordinary share. (FY2019/20: HKD6.0 cents).

Business Review

Branded Down Apparel Business

During the reviewing year, the Group actively responded to the adverse impact caused by the COVID-19 pandemic by focusing on “brand, product, channel and terminal” to carry out systematic construction from all angles. Revenue of the overall branded down apparel business increased by 14.5% to approximately RMB10,889.1 million. Specifically, revenue from sales of down apparel under the *Bosideng* brand rose by 18.9% to approximately RMB9,993.7 million.

In terms of brand building, the Group continued to implement the competitive strategy of “top-selling down apparel expert in the world” and further enhanced brand power through upgrades of marketing and publicity, content innovation, new media optimization and other measures. According to the “2021 Brand Finance Apparel 50 2021” released by Brand Finance, one of the top five international authoritative brand value evaluation consultancy, Bosideng was selected for the first time and ranked 50th in the apparel brand list. **For digital operation**, by virtue of Alibaba Data Center technology, the Group focused on the two areas of retail and commodities to implement digital exploration, which primarily comprises the establishment of a membership tag system, the reconstruction of the automatic replenishment system for offline stores and the attempt to precision marketing. **In new retail operations aspect**, the Group continued the use of corporate WeChat to build a more convenient communication bridge with customers and achieved over 9.3 million new corporate WeChat fans. The Group had over 6.7 million followers on its WeChat account. The number of registered members of *Bosideng* in Tmall platform was over 4.76 million, an increase of more than 160% as compared to that of the end of the last financial year. **For logistics and delivery**, in October 2020, the Group acquired the entire equity interest in Suzhou Bosideng Logistics Co. Limited. The integration of the Group’s existing logistics management system with logistics plant and warehousing systems will play a key role in the continuous upgrade of the Group’s future integrated construction of logistics parks, the improvement of operational efficiency and the establishment of a smart central delivery centre. **Regarding on R&D of products**, the Group conducted precise development of different series of product for consumers based on consumer preferences and cognitive models. In the Year, *Bosideng*’s climbing series of down apparels won the gold medal award in China Excellent Industrial Design, becoming the first independent clothing brand in China receiving the honor. **For channel construction**, it mainly focused on optimizing the existing channel structure and migrating to the mainstream channels of the times as the main construction ideas, which included opening large-scale stores and image stores in mainstream business circles and core areas, and closing low-efficiency stores. As of March 31, 2021, the total number of selling points of the Group’s down apparel business (net) decreased by 716 to 4,150. The self-operated and third party distributor-operated selling points as a percentage of the overall selling points were 43.5% and 56.5%, respectively.

OEM Management Business

The Group endeavored to maintain the stickiness of core customers and rapidly expanded new customer resources as well as seized the opportunity arising from the pandemic and exported some anti-pandemic supplies. Therefore, the overall decline in the OEM management business was much better as compared to the overall decline in the industry. The Group also continued to expand the production capacity in Vietnam and other Southeast Asian regions. Thus, the quality management of the newly added production capacity and the control of the production process of orders were rapidly enhanced to effectively cope with the impact of uncertainties brought about by future policy changes, and to ensure the sustainable growth of the OEM management business in the future. For the year ended March 31, 2021, revenue from the Group’s OEM management business amounted to approximately RMB1,536.1 million, representing 11.4% of the Group’s revenue. Through various measures to strictly control costs and expenses, gross profit margin of the OEM management business increased by 1.1 percentage points to approximately 19.6%.

Ladieswear Business

The Group's ladieswear business, relying on deep brand accumulation, mature marketing strategies and continuous optimization of design and development, has a large loyal and high-quality customer base. During the Year, ladieswear business was approximately RMB946.6 million, representing a decrease of 3.7% as compared to that of the corresponding period of last year, contributed 7.0% to the Group's total revenue. As of March 31, 2021, the total number of retail outlets of the Group's ladieswear business decreased by 22 to 477, self-operated retail outlets decreased by 19 to 354 and net retail outlets operated by third party distributors decreased by 3 to 123 as compared to the same period of last year, respectively. Self-operated retail outlets and those operated by third party distributors accounted for 74.2% and 25.8% of the entire retail network, respectively.

Diversified apparels business

The growth of diversified apparels business was mainly due to the remarkable performance growth from the school uniform business under Sameite. During the Year, contract orders and revenue from the school uniform business under Sameite represented an increase of 146% and 143.3%, respectively, as compared to that of the corresponding period of last year.

Online Sales

In the past year, the Group's online sales business continued to develop vigorously and achieved outstanding results. In particular, the online direct sales channels performed well, and the sales on Tmall and Vipshop continued to show rapid growth. During the reviewing Year, revenue from the total online sales of the Group's brands was approximately RMB3,582.9 million, representing a year-on-year increase of 52.8%. Revenue from the online sales of branded down apparels business and ladieswear business for the year was approximately RMB3,488.9 million and RMB77.2 million, accounting for 32.0% and 8.2% of the revenue of each business, respectively.

Future Development

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "The year 2021 marks the 45th anniversary of Bosideng's business, and it is also the beginning of a new three-year struggle to become the 'world's leading down apparel expert' as well as the last year of the first stage of the Group's new ten-year strategic plan. The management and all employees were determined to develop their entrepreneurial spirit of working arduously and innovatively to pursue excellence and attain the best result under concerted efforts. The Group firmly grasped the 'four core competencies' of upgrading brand, upgrading retail, innovating products and adhering to high product quality and quick response, we actively differentiated and established the "two security systems" in relation to an organization, mechanism, culture and talent construction system, and also a digital information system, and derived business growth ahead of the industry."

In the future, the Group will adopt different strategies for developing its businesses as follows:

Down Apparel Business: The Group will continue to focus on positioning itself as the "world's leading down apparel expert", take its customer-value-oriented approach and implement the "brand-led" development model. At the same time, we will deploy our mid-end *Snow Flying* and cost-effective and affordable brand *Bengen* down apparel, and take the initiative to strive for online channels through model innovation to stabilize and expand market share.

OEM Management Business: The Group will deepen the strategic partnership with core customers and improve its service capabilities by integrating overseas production resources, while further expanding the share of down products, and expand related functional apparel business cooperation, in order to strengthen the long-term and stable strategic cooperation relationship with core customers.

Ladieswear Business: Through the gradual improvement of the product, channel and brand power and other aspects of the ladieswear brands, the operational and management efficiency of the ladieswear business unit will be boosted, thereby achieving the healthy growth of the ladieswear business.

Mr. Gao Dekang, Chairman and CEO of Bosideng, concluded, “With the accelerated pace of consumption upgrading, the scale of China’s down apparel market has grown significantly, the brand concentration is getting higher and higher, the trend of high-end down apparel is obvious, and the siphon effect of head brands has become more apparent. As a leading Chinese brand down apparel company, Bosideng will assess and take advantage of the environment, see the future from the perspective of passing through the times, apply future resources and methods to the current operation and management, continue to build the core competitiveness of the corporate, and strive to enhance its global leading position.”

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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 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 includes *Sameite*.

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