

Bosideng Announces 2007 Interim Results Net Profit Grew 50.3% to RMB274.3 Million

Results Highlights

For the six months ended 30 September

	2007	2006	Change(%)
Revenue	2,003.3	1,729.3	↑15.9%
Gross Profit	629.2	549.4	↑14.5%
Profit from Operations	328.0	292.9	↑12.0%
Net Profit	274.3	182.6	↑50.3%
Earnings per Share - Basic (RMB)	0.05	0.03	↑66.7%

China's largest down apparel company Bosideng International Holdings Limited ("Bosideng" or the "Company"; stock code: 3998, together with its subsidiaries the "Group") today announced its interim results for the six months ended 30 September 2007 (the "Review Period").

Bosideng's revenue rose 15.9% year-on-year to approximately RMB 2,003.3 million in the Review Period, while gross profit and operating profit for the same period grew 14.5% and 12.0% respectively to approximately RMB629.2 million and RMB328.0 million. Gross profit margin maintained at a stable level of 31.4%. Net profit of the Group rose 50.3% to RMB274.3 million. Basic and diluted earnings per share increased to RMB 0.05, representing an increase of 66.7%. The Board does not recommend payment of interim dividend for the Review Period.

Revenue of the Group was generated from sales of branded down apparel and OEM management business. During the Review Period, sales from brand apparel rose 9.2% to RMB1,508.2 million, accounting for 75.3% of the Group's revenue. The OEM management business also posted satisfactory growth, sales of which increased 42.4% to RMB495.0 million, accounting for 24.7% of the Group's revenue.

Commenting on the results, Mr. Gao Dekang, Chairman and CEO of Bosideng, said "The success of the Bosideng brand and the Group's competence in brand management has enabled it to generate respectable and sustainable sales growth. In September 2007, Bosideng was the only apparel brand awarded "China's World Famous Brand" by the PRC General Administration of Quality Supervision, Inspection and Quarantine. This further attested to the Group's outstanding execution capability in brand building and marketing, making Bosideng synonymous with quality down apparel in China."

The Group differentiates its products from other rivals by their design and quality, placing emphasis to advance profitability rather than driving sheer volume growth. To achieve this, the Group's design focus has shifted increasingly from function to fashion, integrating colourful design, new fabrics and trendy styles to produce versatile light-weighted garment. A broadened range of products catered to the demands of consumers of different age groups and with varying tastes.

The Group's products are distributed through an immense retail distribution network in the PRC. As at September 30, 2007, the total number of retail stores increased to 7,120, an increase of 276 retail stores as compared to the end of March 2007, paving the way to capture opportunities in the peak sales season in the coming winter. The Group strategically changed the channel mix by adding an increased number of concessionary stores to enhance of the overall brand and store image.

Going forward, Bosideng's primary goal is to further strengthen and expand its leading position in the PRC down apparel industry and to further capitalize on the rising demand for down apparel. The Group aims to achieve the goals through a business strategy with different dimensions. The Group will continue tailoring its marketing efforts to different consumer segments to further strengthen its brand image. It will also expand the research, design and development team and continue to foster collaboration with international fashion design institutes. Also, the Group will enhance the efficiency of the retail outlets in cities where it has a strong presence and expand its retail network coverage in cities with growth potential. At the same time, the Group will continue to upgrade its management information system, to extend its operational scope to both upstream and downstream segments of the supply chain gradually within three years. The Group is exploring opportunities in overseas markets such as Russia, Canada and the United States.

As to business expansion, Mr. Gao said "We will selectively diversify into non-down apparel products that are less sensitive to seasonality patterns. The Group is actively expanding its brand portfolio associated with new products to meet the varying needs of different consumer segments and products for four seasons. And the Group intends to enrich its product portfolio and introduce new brands to the market in the future to fully capture growth opportunities in the increasingly expanding PRC market."

About Bosideng

Bosideng is the largest down apparel company in the PRC. Its retail distribution network comprises approximately 7,000 retail outlets covering 67 cities across the nation, selling its six core brands including "Bosideng", "Snow Flying", "Kangbo", "Bingjie", "Shuangyu" and "Shangyu". According to China Industrial Information Issuing Centre ("CIIC"), in terms of sales in 2006, "Bosideng", "Snow Flying" and "Kangbo" down apparel products achieved a combined market share of 36.1% among the 30 largest brands in the PRC. "Bosideng" was the leading down apparel brand in the PRC for 12 consecutive years from 1995 to 2006,

according to CIIC and the National Bureau of Statistics of China. The "Bosideng" brand was named one of "China's Top 10 Brands in World Market" in 2006 by the World Confederation of Productivity Science, Chinese Association of Productivity Science and World Productivity Congress. In 2007, "Bosideng" was the only apparel brand awarded amongst "China's World Famous Brands" by the PRC General Administration of Quality Supervision, Inspection and Quarantine.

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