

To: Financial Editors

【For Immediate Release】



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

Bosideng Net Profit Reaches
Approximately RMB 50.9 million in 1H2008/09

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Down Apparel as Core Products
Launch Non-seasonal Apparel to Broaden Product Offering

2008/09 Unaudited Financial Highlights			
For the six months ended 30 September	2008 (RMB mn)	2007 (RMB mn)	Change
Revenue	1,240	2,003	↓ 38.1%
Profit attributable to equity holders	50.9	274	↓ 81.4%
Earning per share - basic (RMB cents)	0.64	5.22	↓ 87.7%
Special dividend per share (RMB cents)	3.8	n.a.	n.a.
Net cash generated from operating activities	254	365	↓ 30.4%
Net cash on hand (as at 30 September)	3,492	814	↑ 329.0%

【15 December 2008 – Hong Kong】China's largest down apparel company, **Bosideng International Holdings Limited** ("Bosideng" or the "Company"; stock code: 3998, together with its subsidiaries the "Group"), announced its unaudited interim results for the six months ended 30 September 2008 (the "review period").

Control the quantity and selling prices of inventories in the low season

The review period was the low season of the down apparel industry. The Group's revenue during the period under review amounted to RMB 1,240 million, a decline of 38.1% as compared to the same period of previous year. This is mainly due to the Group's strategic sales plan to control the quantity and the selling price of inventories sold in the low season sales period in order to prevent adverse effect on the sales of the new winter collection in the upcoming peak season, causing a short period of sales decrease. Profit attributable to equity holders therefore decreased to approximately RMB50.9 million. Basic earnings per share was RMB0.64 cents. The Board of Directors recommended payment of a special dividend of RMB3.8 cents per ordinary share.

The net cash generated from operating activities reached approximately RMB253.5 million during the review period. The Group is in a strong financial position, with a net cash of approximately RMB3,491.5 million as at 30 September 2008.

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Commenting on the interim results, Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "In the first half of 2008, China experienced a number of serious natural disasters. The financial crisis which broke out in the second half of the year affected the global economy. Although the global economic environment has been grim, China's economy is poised to grow steadily by the implementation of various macro-economic policies. The competition among manufacturers of down apparel in the PRC has been fierce recently. Owing to the late arrival of the winter season in 2007/08, many regional down apparel manufacturers in mainland China were knocked out of the market due to high stock levels and the lack of working capital, leading to a large-scale consolidation and transformation of the down apparel market. As a leading down apparel enterprise, leveraging the Group's strong brand advantage, the Group will benefit from market consolidation. In addition, the Group adjusted its sales strategy in the low season sales period, avoiding price-cutting competition with peers and effectively lowering the inventory level."

"Bosideng" has been the leading down apparel brand in the PRC in term of sales for 13 consecutive years since 1995, according to the China Industrial Information Issuing Centre ("CIIC") and the National Bureau of Statistics of China. According to CIIC's report issued in 2007, amongst the top 30 down apparel brands, the market share of Bosideng's portfolio of brands, namely "Bosideng", "Snow Flying", "Kangbo" and "Bingjie", accounted for 39.9% of market share in aggregate. "Bosideng" alone accounted for 25.9% of market share in 2007. Furthermore, "Bosideng", "Snow Flying", "Kangbo" and "Bingjie" were all recognized as China's top ten down apparel brands.

During the review period, the Group continued to focus on brand building and marketing to convey the brand concepts and the uniqueness of the Group's products and to enhance the recognition of the products among target consumers. The advertising and promotion cost increased sharply during the period of Beijing Olympic. Therefore, in terms of percentage to revenue, the distribution expenses constituted 20.7%, signifying a growth of 6.4 percentage points compared with 14.3% in the same period last year.

In addition, the Group continued to develop its research and development, product design and quality control system in order to maintain the core competitive edge of its products. The Group re-adjusted its design focus from sheer functional apparel to value-added fashionable casual clothing that integrates colourful designs, new fabrics and trendy styles. In line with its strategy of broadening its product offering to appeal to consumers of different age groups and with varying tastes, the Group also added versatile light-weight items that are suitable for late autumn and early spring.

Launched non-seasonal apparel to diversified product portfolio

To diversify existing product portfolio and further improve profitability, the Group has formulated a development strategy of launching "non-seasonal apparel" products. In September 2008, the first non-seasonal apparel franchised store of the Group was opened in Changshu of the Jiangsu Province. In the same month, the new product debut conference of "Bosideng 2008 Fashion Carnival" was held in Changshu, in which the Group's first series of non-seasonal apparel targeting the middle-to-high-end market was officially launched.

The Group continued to take pro-active measures to enhance its store image and to optimize its distribution network. During the review period, distributors which were not qualified were terminated, while retail stores which under-performed or were small in floor area were relocated to better locations with bigger floor space. At a result, the Group's network comprised a total of 5,796 stores as at 30 September 2008, representing a net decrease of 1,321 outlets as compared to 31 March 2008. To strengthen its online management capability and shorten lead times to replenish products at the retail level, the Group implemented an enhancement programme to upgrade its ERP system.

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Going forward, the Group is optimistic about its prospects. It will further strengthen its retail network by enhancing the quality of its existing points of sales, opening new concessionary stores at modern mid to high-end department stores and establishing new self-operated retail stores in first-tier cities, provincial capitals, and other major cities for brand building purpose. In terms of marketing, the Group will continue to regularly review its branding strategies and monitor their effectiveness. The Group intends to develop into an integrated and international enterprise and its ultimate goal is to bolster the brand equity and extend the influence of “Bosideng” brand to other segments in the apparel sector. The Group will also continue to expand and strengthen its research, design and development team so as to strengthen its product competitiveness. In the meanwhile, the Group plans to further upgrade its management information system in phases, enhance the coverage and analytical functions of its ERP system and extend the operational scope to both upstream and downstream segments of the supply chain with three years.

In term of development of non-down apparel products, Mr. Gao Dekang said, “The launch of non-seasonal products will complement the existing product portfolio and increase the market share and profitability of the Group. Following the opening of the first non-seasonal apparel franchised store in Changshu of the Jiangsu Province, the Group will establish more non-seasonal apparel retail stores in first-tier and second-tier cities and continuously implement the significant transformational strategy of introducing non-seasonal products. It is expected that the number of non-seasonal apparel retail stores of the Group will increase to approximately 50 by the end of March 2009.”

“Meanwhile, leveraging its wealth of experience in the down apparel sector and in-depth market understanding, as well as an extensive retail network in the PRC market, the Group will continue to identify appropriate opportunities for mergers and acquisitions of premium and renowned apparel brands that offer good development potential for brand expansion and a broadened product portfolio. We believe that the business of the Group will further develop and maximize the return to our shareholders.”

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About Bosideng

Bosideng is the largest down apparel company in the PRC. Its retail distribution network comprises about 5,800 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 2007, “Bosideng”, “Snow Flying”, “Kangbo” and “Bingjie” down apparel products achieved a combined market share of 39.9% among the 30 largest down apparel brands in the PRC. “Bosideng” was the leading down apparel brand in the PRC for 13 consecutive years from 1995 to 2007, 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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