



Bosideng Announces Interim Results for FY2023/24

**Achieved Sustainable and Steady Profit Growth with
Operational Efficiency Improvement
Revenue and Profit Attributable to Equity Shareholders
Increased by 20.9% and 25.1% Respectively**

**Consistent Product Innovation of Branded Down Apparels Leads to Success
in Newly Developed Businesses**

Financial Highlights

<i>RMB' 000</i>	For the six months ended September 30		Change
	2023	2022	
Revenue	7,471,665	6,180,465	+20.9%
Gross profit	3,733,477	3,089,113	+20.9%
Operating profit	1,230,967	945,157	+30.2%
Profit attributable to equity shareholders	918,637	734,286	+25.1%
Earnings per share (RMB cents)			
- Basic	8.47	6.79	+24.7%
- Diluted	8.35	6.74	+23.9%
Interim dividend (HK cents)	5.0	4.5	+11.1%

(November 27, 2023 – 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, 2023 (“the Period”).

Financial Review

In the first half of FY2023/24, the Group adhered to the strategic direction of “focusing on principal business and key brands” and also continued to consolidate the four core competencies of “leading brand, upgrading products, upgrading channel and adhering to high product quality and quick response”. As a result, the Group achieved sustainable and steady growth, showing its resilience in business development. For the six months ended September 30, 2023, the Group’s revenue amounted to approximately RMB7,471.7 million, representing an increase of approximately 20.9% as compared to that of the same period of last year. The branded down apparels business remained the biggest revenue contributor of the Group, accounting for approximately 66.1% of the total revenue. The OEM management business and the ladieswear apparels business accounted for 27.3% and 5.3% of the total revenue respectively. The diversified apparels business accounted for 1.3% of the total revenue.

During the Period, the Group’s operating profit increased steadily by 30.2% to approximately RMB1,231.0 million with operating profit margin reached a new high at 16.5%. The gross profit up by 20.9% to approximately RMB3,733.5 million year-on-year. Profit attributable to equity shareholders of the Company increased by 25.1% to approximately RMB918.6 million as compared to the corresponding period of last year. Basic earnings per share were RMB8.47 cents. The Board of Directors declared payment of an interim dividend of HKD5.0 cents per ordinary share. (FY2022/23: HKD4.5 cents).

The Group achieved strong and solid cash flow from operating activities, and enhanced its current asset management capabilities, with steady improvement in inventory, trade and bills receivables turnover days. As of September 30, 2023, the average inventory turnover days and the average trade and bills receivable turnover days decreased 21 days and 20 days, respectively, as compared to that of the same period last year.

Business Review

Branded Down Apparels Business

In the first half of FY2023/24, the Group continued to solidify its brand image of being the “world’s leading expert in down apparel” and upgraded its brand perception from a global leader by sales volume in the down apparel industry into a global leader in all respects in the down apparel industry. The Branded Down Apparels Business successfully expanded its newly developed business and achieved high-quality growth. The Bosideng brand under the Group’s branded down apparel business recorded a year-on-year increase of 25.5% in revenue to approximately RMB4,421.0 million. Revenue of the overall branded down apparel business segment increased by 28.1% year on year to approximately RMB4,939.7 million.

In terms of brand building, the Group integrated brand strategy, creative visuals, public relations experiences and digital content, and with the strategy of brand marketing campaigns, and improving both brands and sales, the Group continuously deepened consumer awareness and brand reputation, and achieved the goal of brand-driven consumer perception and maximizing the outcomes in brands and sales. As a result, the Group achieved the goals of enhancing consumer perception by branding and of maximizing the outcomes in both branding and sales. According to the “Brand Finance Apparel 50 2023” 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, improving its ranking to 47th place in the apparel brand list. During the Period, the Group launched a new line of sun-protective clothing tailored to the needs of consumers. These new products’ trendy style and excellent performance in sun protection have attracted widespread attention upon their release, earning favor with consumers. In September 2023, the Group held a stunning global show in Milan. With the design concept of making the down jackets “more diverse, more fashionable, lighter and warmer”, the Group once again redefined the light down jacket, thus setting off a “wave of innovation” in the field of down jackets.

For supply chain management and merchandise management, the ability of the Group’s supply chains to provide “high quality and quick response” is an important competitive strength for its continued success in the industry, and is one of its core competitive advantages for maintaining the efficient operation and healthy, sustainable development of the Group. The Group underwent systematic planning and upgrading in terms adopting flexible and quick response times, quality operations, science and technology, resource integration and cost management. During the Period, in particular, the Group’s products gained favor with consumers in the emerging market for functional apparel such as sun-protective clothing, for which orders grew rapidly, ensuring the achievement of sales performance for the functional category. The further effective reduction of inventory turnover days during the Period not only demonstrated the Group’s strong resilience in its business operation in the face of uncertain risk factors but also provided the Group a more flexible foundation and space for the continuous implementation of “small orders and quick reorders”, demand-pull replenishment and full-channel commodity integrated operation mechanism.

In new retail operation aspect, the Group continued the use of corporate WeChat to build a more convenient communication bridge with customers. As of September 30, 2023, the Bosideng brand had over 37.6 million fans and over 14.6 million members in total on the Tmall and JD.com platforms, and had over 9.0 million fans on the Douyin platform. Through digital empowerment, the Group has formed a closed-loop operation with multi-channel touchpoints, precise insight analysis, and differentiated content interaction, enhancing member shopping experiences and member value.

Regarding on research and development of products, product optimization 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. During the Period, the constant temperature skiing down jacket of Bosideng won the ISPO Award – Global Design Award; the down jacket for mountaineering of Bosideng won the Red Dot Design Award; and the technology-driven constant temperature outdoor down jacket of Bosideng won the ISPO Global Design Award and the Red Dot Design Award, among other honors.

In terms of the development of offline sales channels, the Group further improved the quality of sales channels to increase their efficiency. The Group steadily enhanced the management capabilities and operational efficiency of the sales channels by systematizing and refining the hierarchical market and store formats management on one hand, it also focused on the ongoing creation of Top Stores and allocated resources precisely to achieve rapid and effective growth in the business of Top Stores. Furthermore, by centering on store operations, the Group consolidated the operational and organizational mechanisms and formed an operational link for a single-store operation. As of September 30, 2023, the total number of regular retail stores of the Group's down apparel business (excluding the peak-season stores) was 3,313. Of which, the self-operated retail stores and those operated by third-party distributors accounted for 36.4% and 63.6% of the entire retail network respectively. During the Period, the Group also had nearly 400 peak-season stores, mainly in provincial capitals, with popular seasonal Top Sellers as the mainstay products for sale, and mainly located in core business districts and sporting venues.

OEM Management Business

During the Period, the development OEM management business maintained stable and healthy despite the global economic weakness and the downturn in the global consumer market. Thanks to the steady growth of orders from the existing core customers, the establishment of a mechanism for fulfilling quickly the orders from the customers of its OEM management business, and the continuous upgrades of the OEM management capabilities, revenue from the OEM management business grew by 7.8% to approximately RMB2,042.9 million. Through effective cost management, the gross profit margin of the OEM management business was 20.4%, similar to that for the same period of the previous financial year.

Ladieswear Apparels Business

Though the development of the ladieswear industry in the post-pandemic era still faces many challenges and uncertainties, the ladieswear business segment of the Group can still achieve steady and healthy growth through brand leadership, product innovation, and optimization of sales channels. In the first half of FY2023/24, revenue from the Group's ladieswear business was approximately RMB392.7million, representing an increase of 15.4% as compared to that of the same period of last year. The Group actively expanded its online businesses by making breakthroughs on online multi-platforms and by planning the development of new retail platforms. During the Period, the online segment was able to achieve a year-on-year growth of approximately 6.0%.

Diversified Apparels Business

Benefiting from the stable growth of the Sameite brand school uniform business, revenue from the Group's diversified apparel business increased by 9.8% year on year to approximately RMB96.4 million.

Online Sales

Online sales channels have been a key focus of the Group for vigorous development. Since the Group's strategic transformation in 2018, it has continued to show the trend of high-quality growth. The Group focused on enhancing the capabilities and operational efficiency of its online platforms through the strategies such as emphasizing core product categories, aggregating brand campaigns, and refining operations. During the Period, revenue from the total online sales at all of the Group's brands increased by 23.8% year-on-year to approximately RMB1,133.3 million. Of which, revenue from the online sales of the branded down apparels business was approximately RMB1,088.4 million, accounting for 22.0% of the revenue of that business segment.

Future Development

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, “For the past six months, facing the evolving international political and economic landscapes, it has become the biggest challenge for many companies to seek certainty in a market environment full of complexities and uncertainties. In the first half of FY2023/24, we took a right approach to coping with the complicated and uncertain business environment by adhering to our set strategy of development and building up our core competencies. As a result, we made steady progress in terms of key performance indicators and achieved the goals in business operation and management in the first half of the financial year with high qualities.”

“Focusing on the new positioning of science and technology, fashion, green industry, Chinese textile and apparel brands have firmly grasped the consumption upgrade, accelerated the return to the essence of the industry, and vigorously promoted high-quality development. As a leading enterprise in the industry, Bosideng will, based on the long-termism, value creation concept, people’s new needs and expectations for a better life, uphold the original development intention of ‘warming the whole world’, firmly adhere to the strategic vision of ‘becoming the world’s most respected fashion and functional apparel group’, anchor the strategic direction of ‘focusing on the main track, focusing on the main brand’, set our foot on the right path of realizing breakthrough and high-quality development of brands, build the core capabilities of ensuring stable operation across cycles, and innovate the value co-existence, co-creation and sharing mechanism, so as to write a new chapter of China’s Bosideng leading the new trend in global down jackets.”

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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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