

2021/22

Interim Result

November 26, 2021

波司登
BOSIDENG

Bosideng
International
Holdings Limited

Incorporated in the
Cayman Islands with
limited liability

Stock Code: 3998



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Contents

- Financial Review
- Business Review
- Future Development Plan



Financial Review

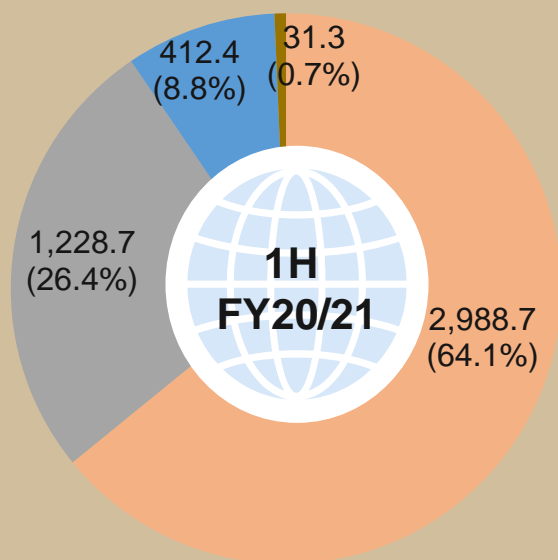
Financial Highlights

(RMB million)	For the six months ended Sep 30		Change
	2021	2020	
Revenue	5,389.5	4,661.1	+15.6%
Gross profit	2,720.8	2,227.3	+22.2%
Profit from operations	797.0	666.4	+19.6%
Profit attributable to equity holders of the Company	638.5	486.0	+31.4%
Earnings per share (RMB cents)			
– Basic	5.95	4.54	+31.1%
– Diluted	5.88	4.51	+30.4%
Dividend per share (HKD cents)			
– Interim	4.5	3.5	+28.6%

Revenue Breakdown

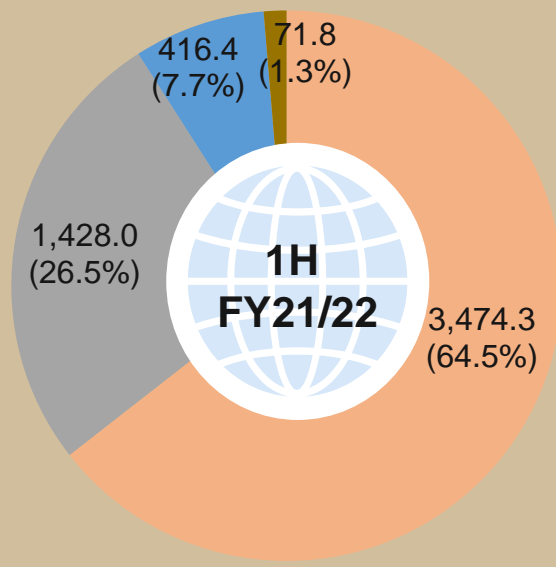
RMB 4,661.1 million

(RMB million)



RMB 5,389.5 million

(RMB million)



Revenue
increased by

+15.6%

■ Branded down apparel
 ■ OEM management
 ■ Ladieswear
 ■ Diversified apparels
 (% of revenue)

The Group's revenue increased mainly due to:

- The core business segment of the branded down apparel, especially the Bosideng brand, has developed systematically in the aspects of brand, product channels, terminal and digital information system, driving the stable revenue growth.

Revenue Breakdown by Business

(RMB million)	For the six months ended Sep 30		Change
	2021	2020	
Branded down apparel	3,473.3	2,988.7	+16.2%
OEM management	1,428.0	1,228.7	+16.2%
Ladieswear	416.4	412.4	+1.0%
Diversified apparels	71.8	31.3	+129.2%
Total	5,389.5	4,661.1	+15.6%

Revenue Breakdown - Branded Down Apparel Business

(RMB million)	For the six months ended Sep 30		Change	% Change
	2021	2020		
Bosideng	3,246.3	2,725.8	+520.5	+19.1%
Snow Flying	112.4	102.7	+9.7	+9.5%
Bengen	28.1	108.6	-80.5	-74.1%
Other*	86.5	51.6	+34.9	+67.8%
Total	3,473.3	2,988.7	+484.6	+16.2%

* Represents sales of raw materials related to down apparel products, etc.

Revenue Breakdown - Ladieswear Business

(RMB million)	For the six months ended Sep 30		Change	% Change
	2021	2020		
JESSIE	123.1	133.9	-10.8	-8.0%
BUOU BUOU	112.0	107.3	+4.7	+4.4%
KOREANO & KLOVA	181.3	171.2	+10.1	+5.9%
Total	416.4	412.4	+4.0	+1.0%

Revenue Breakdown - Diversified Apparels Business

(RMB million)	For the six months ended Sep 30		Change	% Change
	2021	2020		
Sameite	55.8	12.4	+43.4	+348.7%
Others brands and others	16.0	18.9	-2.9	-15.3%
Total	71.8	31.3	+40.5	+129.2%

* Included children's wear and menswear

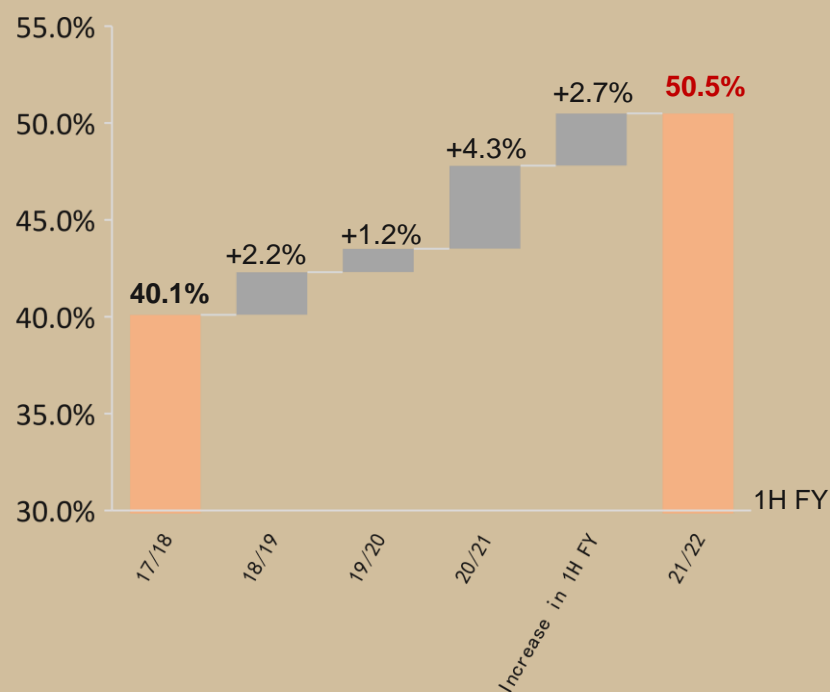
Gross Margin

Business	For the six months ended Sep 30		Change
	2021	2020	
Branded down apparel	61.1%	56.4%	+4.7ppt.
OEM management	19.1%	18.1%	+1.0ppt.
Ladieswear	73.6%	73.6%	0.0ppt.
Diversified apparels	28.2%	49.3%	-21.1ppt.
The Group	50.5%	47.8%	+2.7ppt.

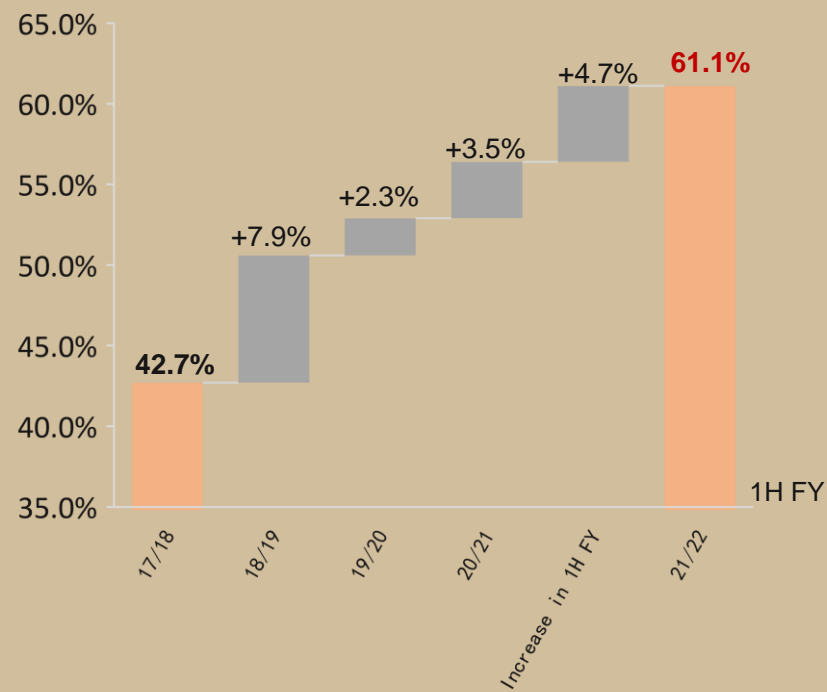
Gross Margin (cont.)

Gross profit margin level of the Group and branded down apparel business have steadily increased YoY

Gross Profit Margin of 1H FY of the Group



Gross Profit Margin of 1H FY of Branded Down Apparel Business



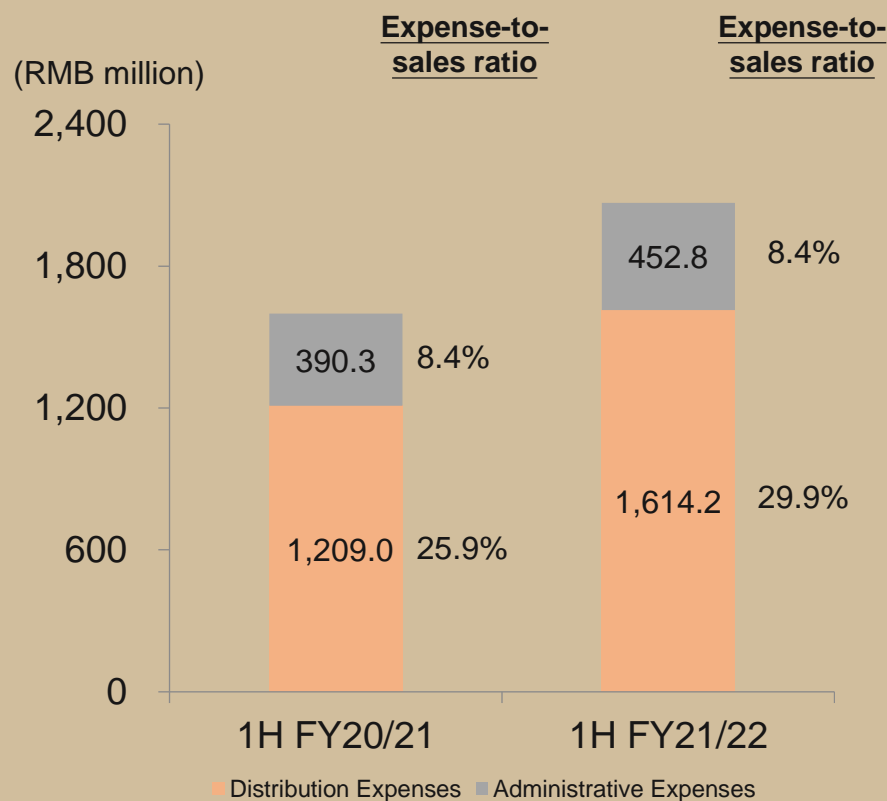
Gross Margin - Branded Down Apparel

	For the six months ended Sep 30		Change
	2021	2020	
Bosideng	62.6%	57.1%	+5.5ppt.
Snow Flying	41.1%	42.4%	-1.3ppt.
Bengen	6.2%	45.7%	-39.5ppt.
Branded Down Apparel	61.1%	56.4%	+4.7ppt.

Gross Margin - Ladieswear

	For the six months ended Sep 30		Change
	2021	2020	
JESSIE	67.4%	69.3%	-1.9ppt.
BUOU BUOU	68.8%	71.7%	-2.9ppt.
KOREANO & KLOVA	80.8%	78.1%	+2.7ppt.
Ladieswear	73.6%	73.6%	0.0ppt.

Operation Expenditure



- Distribution Expenses:** mainly comprising of advertising and promotion expenses, contingent rents and sales personnel expenses. The increase was mainly due to the efforts in the construction of terminal stores for the branded down apparel business, as well as the enhanced brand promotion and marketing efforts in the first half of the financial year.
- Administrative Expenses:** mainly comprising of salary and welfare of Executives, amortization of option fees, depreciation and consultancy expenses. The increase was mainly due to the amortization incurred from the options granted to third parties during the period. The proportion of administrative expenses to the Group's total revenue was basically the same as the corresponding period of last year.

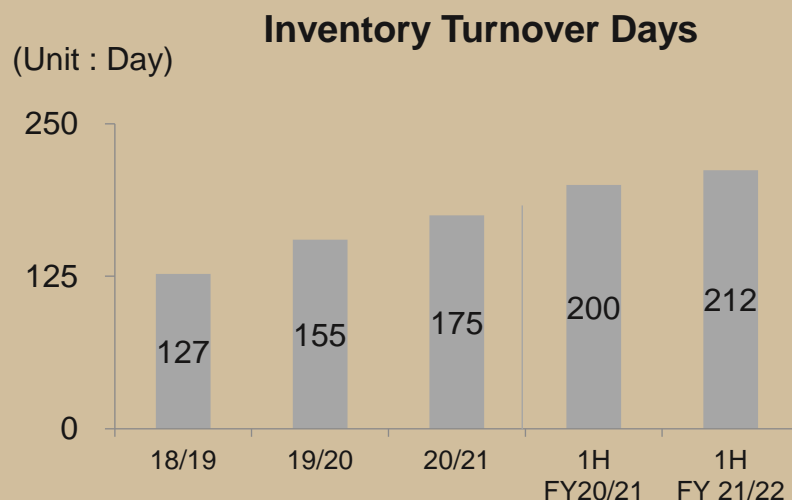
Inventories

(RMB million)	As at Sep 30, 2021	As at Mar 31, 2021	As at Sep 30, 2020	Interim % Change
Raw materials	1,254.6	795.1	657.3	+90.9%
Work in progress	41.7	11.9	22.9	+82.4%
Finished goods	2,247.8	1,838.9	1,924.8	+16.8%
Total	3,544.1	2,645.9	2,605.0	+36.1%

Working Capital Management – Inventory Turnover Days

	For the six months ended Sep 30		Change
	2021	2020	
Average inventory turnover days*	212	200	+12 days

* Calculated as average inventory divided by cost of sales, multiplied by 365 days/2



- Inventory turnover days increased as compared to the corresponding period of last year, mainly due to:
 - ✓ Spring Festival of 2022 is earlier than that of the corresponding period of last year; based on the needs of epidemic prevention and control and the stabilization of supply chains, the purchase and order production arrangement of the Group has become more advanced as compared to last year, thus, the total amount of work in progress represented an increase of 82.4% as compared to the corresponding period of last year.
 - ✓ Considering the increasing costs of raw materials, the Group prepared part of the raw materials in advance according to the annual quantitative plan demand, which resulted in an increase of 90.9% in the total amount of raw materials as compared to the corresponding period of last year.

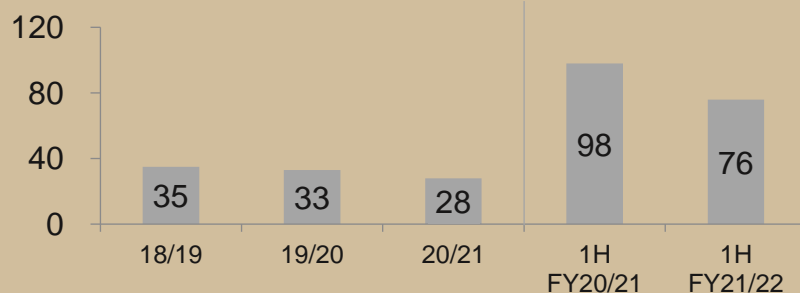
Working Capital Management – Trade and Bills Receivables Turnover Days

	For the six months ended Sep 30		Change
	2021	2020	
Average trade and bills receivables turnover days*	76	98	-22 days

* Calculated as average trade and bills receivables divided by revenue, multiplied by 365 days/2

Trade Receivables Turnover Days

(Unit : Day)



- Trade receivables turnover days decreased as compared to the corresponding period of last year, mainly due to:
 - ✓ The intensifying on the bills collections efforts during the period as well as took measures such as optimizing credit policy and encouraging customers to settle the payment

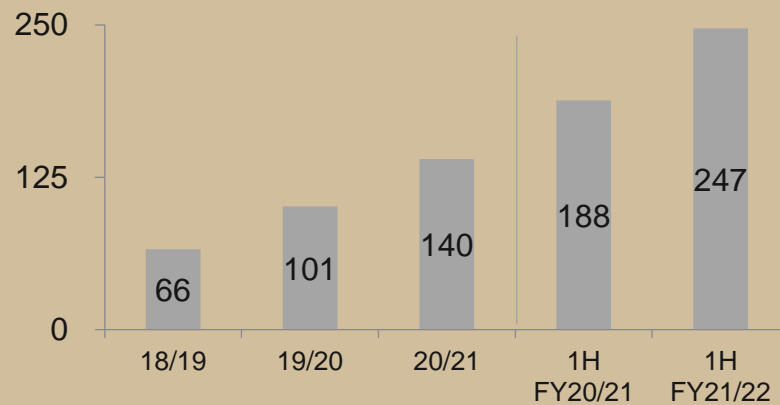
Working Capital Management – Trade Payable Turnover Days

	For the six months ended Sep 30		Change
	2021	2020	
Average trade and bills payables turnover days*	247	188	+59 days

* Calculated as average trade and bills payables divided by cost of sales, multiplied by 365 days/2

Trade Payable Turnover Days

(Unit : Day)



- Trade payable turnover days increased as compared to the corresponding period of last year, mainly due to:
 - ✓ The Group strengthened the use of supply chain finance
 - ✓ Increases in inventory purchase during the period

Total Cash and Net Cash

(RMB million)	As at Sep 30, 2021	As at Mar 31, 2021	As at Sep 30, 2020
Cash and cash equivalents	1,895.4	1,771.3	1,717.6
Time deposits with maturity over 3 months	315.8	539.3	554.5
Pledged bank deposits	1,187.9	657.3	314.8
Other financial assets	3,721.9	5,952.2	3,204.5
Total cash	7,121.1	8,920.1	5,791.4
Minus: Bank borrowings	(1,011.1)	(670.9)	(631.3)
Minus: Convertible Bonds	(1,613.6)	(1,609.5)	(1,636.7)
Net cash	4,496.4	6,639.7	3,523.4

Total Cash and Net Cash (cont.)

(RMB million)	As at Sep 30, 2021	As at Mar 31, 2021	As at Sep 30, 2020
Net cash inflow/(outflow) from operating activities	(1,223.8)	3,133.1	(689.5)
Net cash inflow/(outflow) from investment activities	2,493.0	(3,862.5)	(507.6)
Net cash inflow/(outflow) from financing activities	(1,121.8)	(1,092.3)	(680.2)
Net increase/(decrease) in total cash	147.4	(1,821.7)	(1,877.3)
Liquidity (times) ⁽¹⁾	1.9x	2.4x	2.3x
Gearing ratio (%) ⁽²⁾	23.2%	20.3%	21.9%

Operating activities: including changes of inventory, trades and other receivables and prepayment, etc.

Investment activities: including purchases of other financial assets and fixed assets, etc.

Financing activities: including financing, dividends, changes of pledged bank deposits, etc.

(1) Liquidity (times) is calculated as dividing current assets by current liabilities

(2) Gearing ratio (%) is calculated as dividing the total of interest-bearing borrowings and convertible bonds by total equity



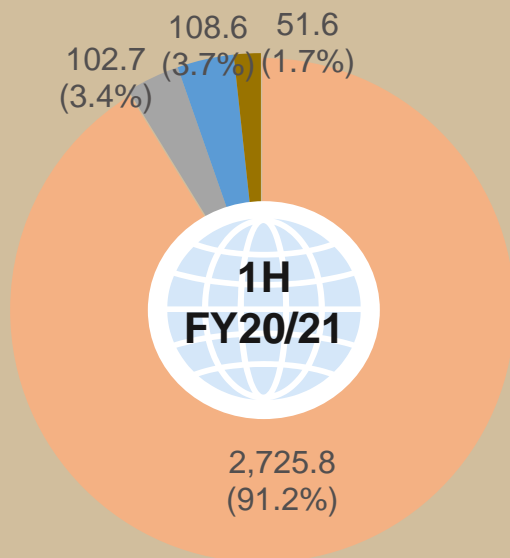
Business Review

Branded Down Apparel Business

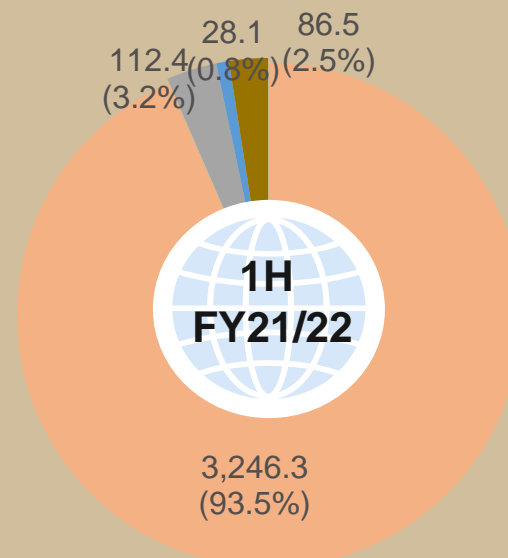
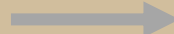
Revenue by brand

RMB2,988.7 million
(RMB million)

RMB3,473.3 million
(RMB million)



Revenue from
Branded Down
Apparel
+16.2%

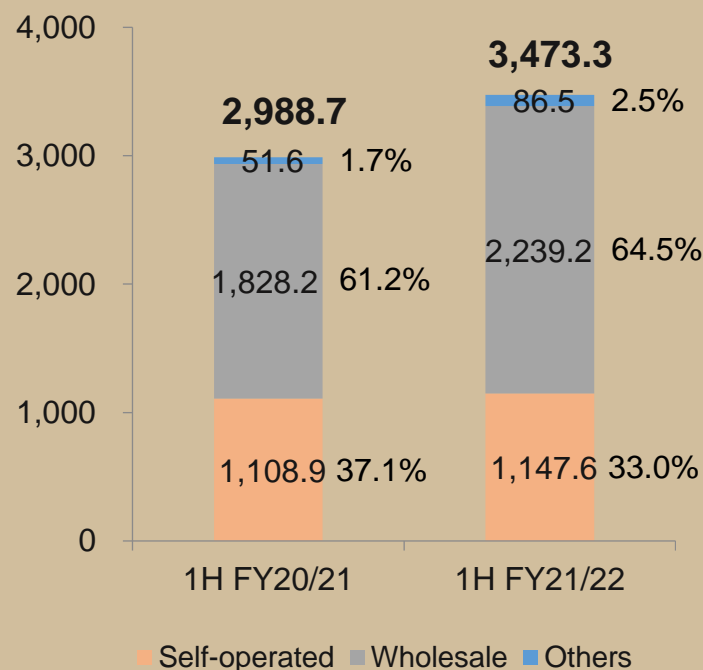


■ Bosideng
 ■ Snow Flying
 ■ Bengen
 ■ Others
 (% of revenue)

Branded Down Apparel Business (cont.)

Revenue by sale category

(RMB million)



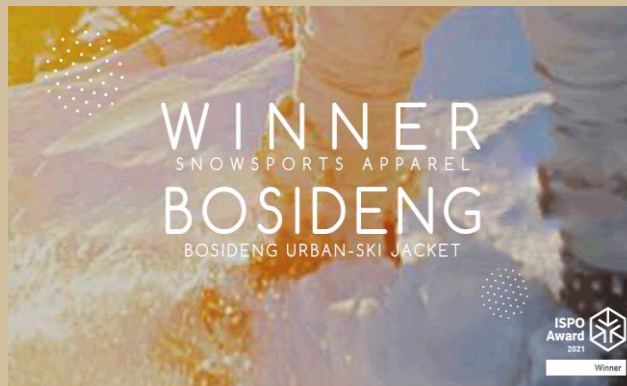
(RMB million)	For the six months ended Sep 30		Change
	2021	2020	
Self-operated	1,147.6	1,108.9	3.5%
Wholesale	2,239.2	1,828.2	22.5%
Others*	86.5	51.6	67.8%
Total	3,473.3	2,988.7	16.2%

* Represents revenue mainly from sales of raw materials, which are related to down apparel products

Branded Down Apparel - Brand Building

Consolidate its brand position as “A World Leading Expert in Down Apparel”

- Focus on the strategic development direction of being “A World Leading Expert in Down Apparel” and adhere to the Brand Leadership development model
- Leveraging on its world-leading market scale and professional strengths, the Group continuously made innovations and breakthroughs, so as to focus on the main business of down apparel
- Improved the brand image by centering on brand event building, empowerment media and new media advertising, quality brand content establishment and other sectors, continuously upgrading digitalized operation capabilities and enhancing sale chains to contribute to the improvement of its results
- Through IP cooperation with the international designers, Walt Disney Company and Marvel, the Group launched brand new products which were well received and sought after among young consumers
- According to the Bosideng brand health tracking report made by Ipsos, Bosideng’s current brand recognition and top-of-mind awareness rate are both among the leaders in China’s apparel industry



Branded Down Apparel - Milestones for Brand Promotion in 1H

September 2021 • **Bosideng brand officially announced its brand spokespersons** and once the Group launched a blockbuster of fashionable series for the new season, it became a hot topic among consumers and received a number of favorable comments.

August 2021 • **Euromonitor International, an authoritative global market research agency, completed the statistics on sales revenue and sales volume of down apparel products from retail channels in 2020. The down apparel scale of Bosideng Group ranked first around the world as well as in terms of sales revenue and sales volume, which meant that Bosideng Group ranks in the first echelon of global down apparel brands.**



Branded Down Apparel - Operation Management

Commodity Management

- Continued to completely separate order placements of direct sales and wholesale
- In the 1H of the financial year, the proportion of first orders placed between the Group and distributors remained at a low level, and the remaining orders shall be replenished based on actual market feedback and demand in the peak seasons
- This demand-pull mechanism has a significant impact on the Group's centralized management of channel inventory and commodity structure during peak seasons
- Continued to use smart central delivery centre to serve all offline direct stores, franchised stores and e-commerce online to offline (i.e. O2O) businesses throughout the country and unified the inventory management of 9 direct large warehouses and 12 small warehouses of distributors through an integrated inventory management platform

Supply Chain Management

- Quick response of the Group's quality supply chains is an important competitive strength for its continued success in the industry and core competitiveness for maintaining the efficient and healthy sustainability of the Group
- Support a quicker turnover cycle and efficiency by demand-pull restocking though quickly launching new products and responding to small orders
- Continuously replenished on a rolling basis during the peak seasons according to market sales data
- In the 1H of the financial year, the supply chains of the Group underwent systematic innovation upgrading in terms of resource integration, flexible and quick response times, excellent quality maintenance and leading costs
- Leveraging Bosideng's brand empowerment, volume and capital advantage, as well as its long-term win-win strategy, the Group established a long-term corporation with raw materials suppliers which in turn ensured stable costs and protection against external abnormal conditions

Branded Down Apparel - Logistics and Delivery

- Continuously adopted a system to automatically match transport and delivery resources for each order based on traffic (mainly based on order quantity, weight and size), combined with limitations such as the advantages of social transport and delivery resources, transport costs and timeliness. The Group also collects and monitors data in respect of each step of the entire process, including collection, distribution, in-transit and sign-off
- Developed an automatic and smart allocation system which based on commodity attributes in conjunction with each carrier's ability and price in all regions of the PRC by way of enhancing the system transportation modules of EWM. Under the premise of maintaining reasonable costs, we maximized our service efficiency and improved users' experience



Branded Down Apparel - Digital Operations

- Significant achievements in digital practices in many aspects, including smart manufacturing, smart logistics and smart commodity operations. In the process of continuous learning on excellent benchmarking enterprises and successful cases, the Group has gradually established the focus on users, retailing and commodities as the starting points for future digital transformation
- Comprehensively formulated a three-year implementation plan for downlisting, upgrading, integrating, reconstructing and newly constructing IT products, and ultimately realized the goals of a mobile office, online business, digital operations and intelligent decision-making, thereby providing powerful technical solving tools or solutions for the Group's digital transformation



Branded Down Apparel - New Retail Operations

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BOSIDENG

- Continued to create customer tags through the Alibaba Data Center, reach customers with high-quality digital content and generate sales through checkout mini programs
- Provided marketing assistance for each corporate WeChat shopping guide and assist them in maintaining good customer relationships
- Achieved 1.52 million new corporate WeChat fans. The Group had over 6.00 million followers on its Bosideng brand WeChat account and over 2.20 million followers on its Douyin official account. The Tmall platform of Bosideng brand has 4.88 million registered members. Among them, the number of young consumers under the age of 30 accounted for approximately 43.2%. Member repurchase amount have accounted for 38.8% of total proportion of member repurchase



Branded Down Apparel - Technological Innovation

- Undertook an Antarctic scientific expedition and research into the technology and quality services of climbing products, applied for an aggregate of 112 patents, including inventions, utilities and appearance patents, and obtained 28 patent certificates applied during previous years, which provided patented technology and endorsement support for down apparel experts
- Applied and put odor-removing down apparel into production on a large scale, and has mastered the core technology of odor-removal
- As of today, the Group has accumulated 311 patents (including invention, utility model and appearance patents)



Branded Down Apparel - R&D of Products

City Sport Collection

Wearing the Goosebumps collection, which integrates function and fashion, will enable a more comfortable, relaxed and natural city life. This season, on top of the original colorful and workwear style, we incorporated more vintage print elements and used 600+ high-loft quality goose down in combination with the trendy silhouette to lead the new fashion.



Stylish Sport Collection

Takes the snowy mountains of nature as the origin, combining fashionable color schemes and 3D streamline shapes to inject a young and energetic style element into the theme products. Meanwhile, it upgrades the process that tightly locks down the craftsmanship spirit to offer downproof and more comfortable apparel to consumers.

Branded Down Apparel - R&D of Products (cont.)



Puff Collection

Defined by fashionable light-sensitive and super-light-and-soft nylon fabric, exquisite structure design, 3D fashion silhouette and waist classic version with hundreds of different models, the collection is stylish, light and fluffy and can maintain warmth for a long time, which can meet all-round demands for people's daily commuting and socials with their friends.

Golf Collection

By using 360-degree high-quality stretch fabric and 3D tailoring, the collection enables people to be comfortable and slim, dynamic and free; the collection is made of 90% high-quality goose down with 600+ fill power, which makes it warm and light with improved quality. In terms of technology, Germany anti-lint technology and anti-drilling sewing technology are adopted as the needle holes to effectively prevent the down cluster from sticking out of needle holes.



Branded Down Apparel - R&D of Products (cont.)

Light Down Apparel Basic Collection

Carrying forward the Bosideng's 45-year classic version, we adopted new 25D super soft yarn and Japan's calendering and softening process to bring a cloud-like gentle touch; we choose fashionable bright colors to meet the needs of different consumers and create a vitality for the winter dreary. The collection is made of 90% high-quality duck down with 600+ fill power, which allows lightness, comfort and health, and brings customers peace of mind. In terms of technology, anti-lint technology and anti-drilling sewing technology are adopted as the needle holes to effectively prevent the down cluster from sticking out of needle holes.



Branded Down Apparel - Channel Building

Offline channels:

- Paid more attention to the channel structural layout and targeted “2+13”, i.e. 15 first-tier and new first-tier cities in total
- Paid more attention to the quality of channels, and established better stores in shopping malls, popular business areas and core areas of cities by “closing down small stores and opening large-scale ones”
- Further enhanced the layout of multi-level markets and established corresponding self-operated stores or dealers’ stores according to options and plans in markets at different levels to start sales in local markets

Online channels:

- Online sales broke the original “either or” restriction and gradually expanded through Jingdong, Douyin and other channels
- Focused on improving the operating efficiency of online distributors by streamlining, efficiency improvement and operation refinement



Branded Down Apparel - Retail Network

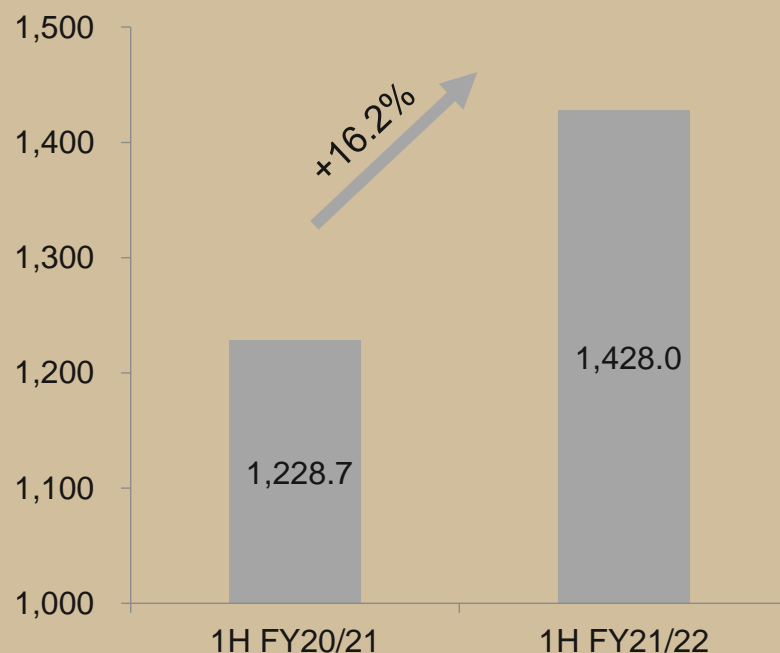
As at Sep 30, 2021	波司登 BOSIDENG		雪中飞 SNOW FLYING		冰洁 BENGEN		Total	
	No. of stores	Change	No. of stores	Change	No. of stores	Change	No. of stores	Change
Specialty stores								
Operated by the Group	1,073	-2	8	4	1	-4	1,082	-2
Operated by third party distributors	1,723	-36	100	-1	8	-62	1,831	-99
Sub-total	2,796	-38	108	3	9	-66	2,913	-101
Concessionary retail outlets								
Operated by the Group	589	23	121	-10	17	-9	727	4
Operated by third party distributors	269	-17	68	-3	24	-32	361	-52
Sub-total	858	6	189	-13	41	-41	1,088	-48
Total	3,654	-32	297	-10	50	-107	4,001	-149

Change: compared with that as at March 31, 2021

OEM Management Business

Revenue of OEM Management Business

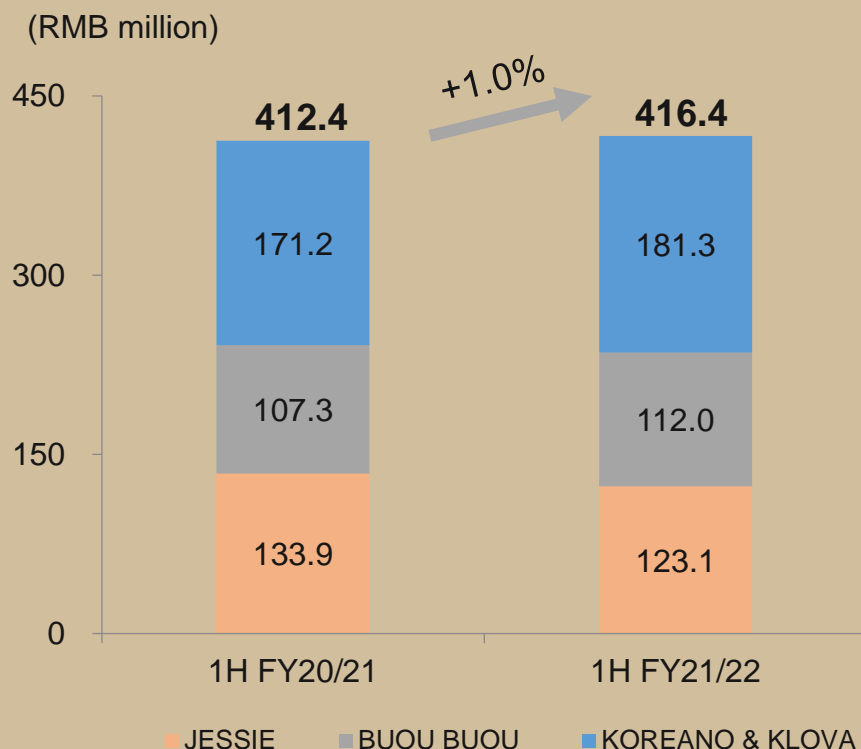
(RMB million)



- During the period, the global pandemic has been controlled to a certain extent as compared to that of the corresponding period of last year. The overall development of the OEM management business was benign and the number of orders from core customers has maintained a steady growth
- Due to production in parts of Southeast Asia was affected by the local pandemic, on one hand, the Group has transferred part of the orders back to the domestic side for production to ensure quality and delivery; on the other hand, its resident team in Vietnam worked closely with local factories to improve management efficiency and minimize adverse impacts
- Strictly control costs and expenses, the gross profit margin increased by 1.0ppt to 19.1%

Ladieswear Business

Revenue by brand



- Operates four mid- to high-end ladieswear brands to cater to customers' dressing needs on different occasions
- In the highly competitive ladieswear market in the PRC, the Group has won the favor of Chinese female consumers through its rich product hierarchy image and brand positioning.
- Ladieswear business revenue increased slightly by 1.0% as compared with the same corresponding period of last year. Of which, revenue from BUOU BUOU increased by 4.4%, revenue from KOREANO and KLOVA increased by 5.9%, while JESSIE's revenue down by 8.0%.

Ladieswear Business - Retail Network

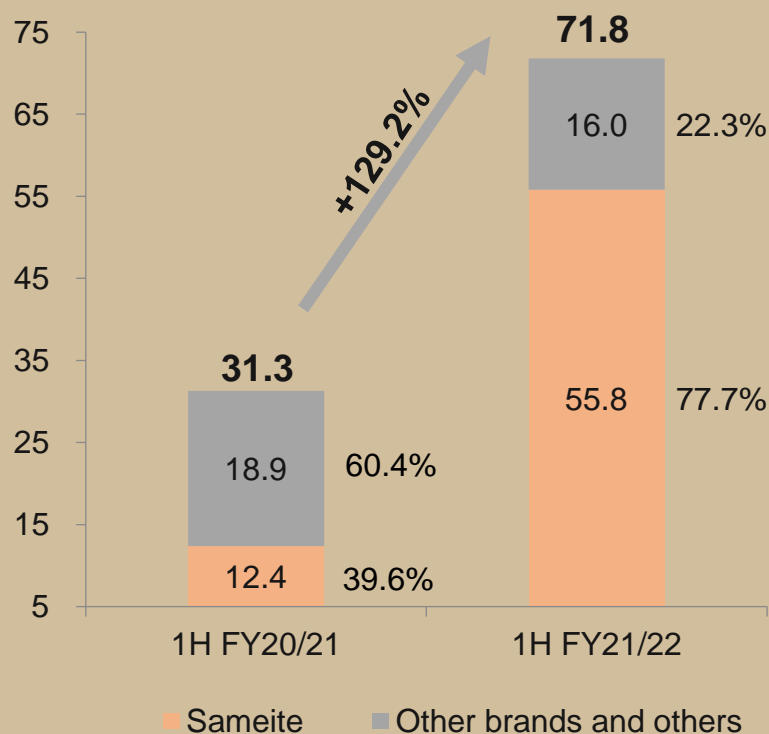
As at Sep 30, 2021	JESSIE		BUOUBUOU		koreano		KLOVA		Total	
	No. of stores	Change	No. of stores	Change	No. of stores	Change	No. of stores	Change	No. of stores	Change
Specialty stores										
Operated by the Group	1	-	12	-	-	-	-	-	13	-
Operated by third party distributors	16	-3	8	-2	-	-	-	-	24	-5
Sub-total	17	-3	20	-2	-	-	-	-	37	-5
Concessionary retail outlets										
Operated by the Group	104	-1	107	2	80	5	56	-	347	6
Operated by third party distributors	66	-7	16	-5	-	-	-	-	82	-12
Sub-total	170	-8	123	-3	80	5	56	-	429	-6
Total	187	-11	143	-5	80	5	56	-	466	-11

Change: Compared with that as at March 31, 2021

Diversified Apparels Business

Revenue by brand

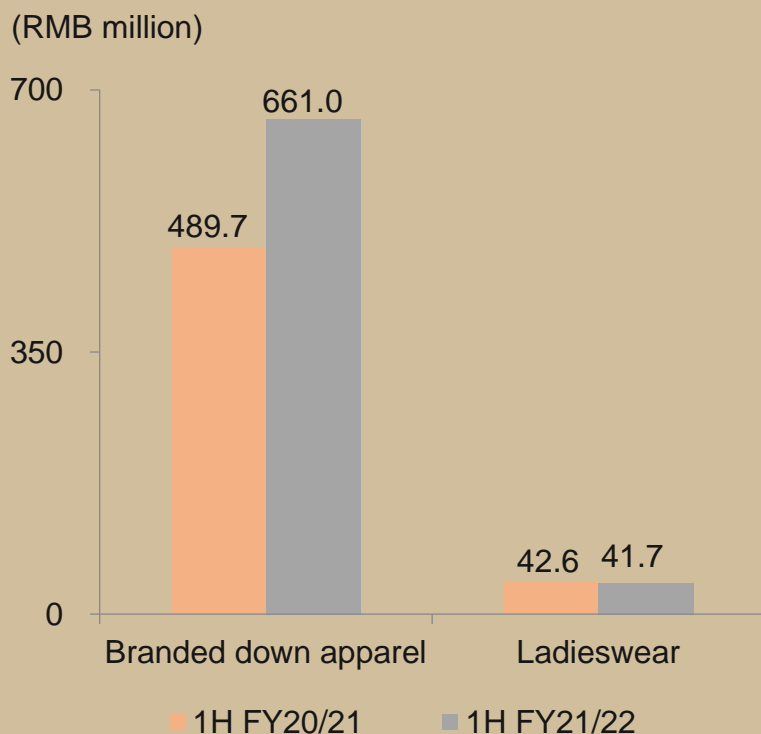
(RMB million)



- Revenue of diversified apparels business increased significantly by 129.2% as compared to that of the corresponding period of last year, of which, revenue from school uniform business of Sameite increased by 348.7%
- The Sameite brand continued to promote the upgrading of channels, and through cooperation with well-known domestic education groups and benchmark schools as well as the innovative independent digital system, to increase revenue and expand market coverage
- During the period, contract orders for the school uniform business of Sameite recorded an increase of 98.8% as compared to that of the corresponding period of last year
- Other businesses include children's wear and Bosideng MAN. For children's wear, the Group mainly cooperated with the Japanese brand of Petit main and expanded its business with a focus on prioritizing the development of online platforms. The Group kept downsizing the Bosideng MAN brands business

Online Sales

Revenue of online sales



- Online channels have been further transformed and expanded. The Group actively broke the inherent thinking and cooperation with emerging short video platforms, and also continued to focus on developing the coverage of online omnichannel live broadcasting businesses
- Revenue from the total online sales of the Group's brands recorded an increase of 31.5%. Revenue from the online sales of the branded down apparels recorded an increase of 35.0% and ladieswear businesses recorded a decrease of 2.1% as compared to the corresponding period of last year
- With further upgrading of the brand and product innovation, the proportion of product sales revenue in the middle and high price segment of the Group had steadily increased

Online Sales (cont.)

Online operation performance of branded down apparel as of “Double 11”

(period-on-period)	Online retail sales performance on “Double 11”	Accumulated online retail sales performance as of Nov 11, 2021 during the financial year
Branded down apparel	▲ 50%+	▲ 50%+
Bosideng Brand	▲ 45%+	▲ 40%+

Tmall’s apparel brand sales ranking
Bosideng Brand
2nd in the apparel industry
1st in domestic apparel brands



Future Development Plan



Future Development - High Quality Sustainable Development

Make leading breakthroughs on core competitiveness
Climb to a new peak for “world leading” brand

Down apparel business

- Focus on positioning itself as “A World Leading Expert in Down Apparel” and insist on the “Brand Leadership” development model
- Deployed the mid-end Snow Flying and cost-effective and affordable Bengen brand down apparel and took the initiative to strive for online channels through model innovation to stabilize and expand our market share
- Channel upgrading - Focused on core stores and further improved channel upgrading; improved innovative digital retail operations to enhance precise customer expansion and membership operations
- Product Leadership – Attached importance to the integration of global superior resources, with a focus on innovative R&D and fashion design, and delivered brand genes with original designs to enhance product value with leading technology, established an end-to-end product development model centered on user value, to drive the steady upgrading of commodity structure, and the products are accurately delivered to customers
- Spread Innovation - By optimizing media advertising and strengthening the effect of brand advertising by digital research and analysis; establish and operate the perception of consumers through quality brand content to contribute to the upgrading of the brand image

OEM management business

- Continuously deepening the strategic partnership with core customers
- Improved its service capabilities by further integrating overseas production resources
- Further expanding the share of down products
- Strengthen the long-term and stable strategic cooperation relationship with core customers

Fashionable ladieswear business

- Continue to take advantage of its unique advantages to develop each of its ladieswear brand businesses
- Expand synergy among brands through resource sharing among brands
- Through the gradual improvement in the product, channel and brand power
- Boost the operational and management efficiency



波司登
BOSIDENG