

For immediate release



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

Bosideng Announces FY2021/22 Interim Results

**Consolidate the Objective of being “A World Leading Expert in Down Apparel”
Achieved Stable Business and Quality Growth
Revenue and Profit Attributable To Equity Shareholders
Increased By 15.6% And 31.4% Respectively**

Financial Highlights

| <i>RMB'000</i> | For the six months ended September 30 | | Change |
|--|--|-------------|---------------|
| | 2021 | 2020 | |
| Revenue | 5,389,533 | 4,661,116 | +15.6% |
| Gross profit | 2,720,777 | 2,227,342 | +22.2% |
| Operating profit | 797,049 | 666,364 | +19.6% |
| Profit attributable to equity shareholders | 638,474 | 486,031 | +31.4% |
| Earnings per share (RMB cents) | | | |
| - Basic | 5.95 | 4.54 | +31.1% |
| - Diluted | 5.88 | 4.51 | +30.4% |
| Interim dividend (HK cents) | 4.5 | 3.5 | +28.6% |

(November 25, 2021 – Hong Kong) – Bosideng International Holdings Limited (“Bosideng” or the “Company”, stock code: 3998, or together with its subsidiaries collectively referred to as the “Group”), the largest down apparel company in the PRC, announces its unaudited consolidated interim results for the six months ended September 30, 2021 (“the Period”).

Financial Review

In FY2021/22, the Group established the objective of being “A World Leading Expert in Down Apparel”. By centering on users and being guided by brands, the Group focused on building leading channels, leading commodities, a leading image, leading retails, and leading user operations, which in turn realized the stable and quality growth of the branded down apparel business. For the six months ended September 30, 2021, the Group’s revenue was approximately RMB5,389.5 million, representing an increase of approximately 15.6% as compared to the corresponding period of last year. The branded down apparel business remained the largest revenue contributor of the Group and accounted for 64.5% of the total revenue. OEM management business and ladieswear business accounted for 26.5% and 7.7% of the total revenue, respectively. Diversified apparels business accounted for 1.3% of the total revenue.

During the Period, the Group’s operating profit increased by 19.6% to approximately RMB797.0 million. Operating profit margin up by 0.5 percentage points to 14.8%. Gross profit increased by 22.2% to approximately RMB2,720.8 million. Gross profit margin increased by 2.7 percentage points to 50.5%. Profit attributable to equity shareholders of the Company increased by 31.4% to approximately RMB638.5 million. Basic earnings per share were RMB5.95 cents. The Board declared payment of an interim dividend of HKD4.5 cents per ordinary share (1H FY20/21: HKD3.5 cents).

Business Review

Branded Down Apparel Business

In the first half of FY2021/22, the Group continued to focus on its ‘brands, products, channels and terminals’ to carry out systematic construction from all angles. Revenue of the branded down apparel business segment increased by 16.2% to approximately RMB3,473.4 million. Of which, revenue from sales of down apparel under the Bosideng brand rose by 19.1% to approximately RMB3,246.3 million.

In terms of brand building, the Group continued to consolidate its brand position as a “down apparel expert”, center 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 and further enhance its competitive strength. According to 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. As shown in the results, the down apparel scale of Bosideng Group ranked first around the world, and also ranked first in terms of sales revenue and sales volume, which meant that Bosideng Group ranks in the first echelon of global down apparel brands. **For digital operation**, the Group has 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. **In new retail operation aspect**, the Group continued to use corporate WeChat to build a more convenient communication bridge with customers and achieved 1.52 million new corporate WeChat fans during the Period. 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. **For logistics and delivery**, the Group continued to stick to the management model of its smart central delivery centre which serves all offline direct stores, franchised stores and e-commerce online to offline (i.e. O2O) businesses throughout the country. Through an integrated inventory management platform, the Group adopted dynamic and static methods of inventory count during the process in order to continuously optimize the availability of replenished goods in accordance with market sales conditions in conjunction with different strategies that allocate and store commodities. **Regarding the R&D of Products**, the Group conducted precise development of different series of products for consumers based on consumer preferences and cognitive models. In addition, the Group also attaches great importance to cooperation with international designers and well-known IPs, and develops new products by continuously introducing new ideas and concepts, and combining the unique brand genetic characteristics of the Bosideng brand. During the Period, the urban multifunctional jacket of Bosideng won the ISPO Award – Global Design Award. The professional warmth series sponsored the 38th Antarctic expedition mission of the Chinese Antarctic expedition team. **For channel construction**, the Group has been improving the quality of channels to increase their efficiency. Firstly, the Group paid more attention to the channel structural layout and targeted “2+13”, i.e. 15 first-tier and new first-tier cities in total. Secondly, the Group established better stores in shopping malls, popular business areas and core areas of cities by “closing down small stores and opening large-scale ones”. Thirdly, the Group further enhanced the layout of multi-level markets to start sales in local markets. As at September 30, 2021, the total number of selling points of the Group’s down apparel business (net) decreased by 149 to 4,001 as compared to that of the end of last financial year. The self-operated and third party distributor-operated selling points as a percentage of the overall selling points were 45.2% and 54.8%, respectively.

OEM Management Business

During the period under review, the overall development of the OEM management business was benign and the number of orders from core customers has maintained a steady growth. During the first half of FY2021/22, production in parts of Southeast Asia was affected by the local pandemic. On the 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, the Group’s resident team in Vietnam worked closely with local factories to improve management efficiency and minimize adverse impacts. On the whole, in the past half year, the Group has optimized and adjusted the efficiency and capabilities of upstream production as much as possible while continuing to maintain its core group of customers and achieve steady growth in orders, so as to match the increasing order demand for OEM management. During

the Period, revenue from the OEM management business amounted to approximately RMB1,428.0 million, accounting for 26.5% of the Group's revenue. Through various measures adopted by the Group to strictly control costs and expenses, gross profit margin increased by 1.0 percentage points to 19.1%.

Ladieswear Business

The Group has won the favor of Chinese female consumers through its rich product hierarchy image and brand positioning. During the Period, revenue from the Group's ladieswear business was approximately RMB416.4 million, representing a slight increase of 1.0% as compared to that of the corresponding period of last year. As at September 30, 2021, the total number of retail outlets of the Group's ladieswear business (net) decreased by 11 to 466, self-operated retail outlets (net) increased by 6 to 360 and net retail outlets operated by third party distributors (net) decreased by 17 to 106, respectively. Of the total retail outlets of the Group's ladieswear business, approximately 60.3% are located in first- and second-tier cities (i.e. Beijing, Shanghai, Guangzhou, Shenzhen and provincial capital cities in China) and approximately 39.7% are located in third-tier cities or below.

Diversified apparels business

The school uniform business developed by the Group in 2016 recorded a significant growth in the first half of the financial year. Therefore, the proportion of the overall diversified apparels business in the Group's total revenue increased slightly to 1.3% from the previous financial year. During the Period, revenue from the diversified apparels business was approximately RMB71.8 million, representing an increase of 129.2% as compared to that of the corresponding period of last year. 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, and revenue amounted to approximately RMB55.8 million, representing an increase of 348.7% as compared to that of the corresponding period of last year.

Online Sales

Online sales channel has been a key focus of the Group for vigorous development. In the past six months, the Group gradually expanded through Jingdong, Douyin and other channels. Based on the online omnichannel layout, the Group had realized sales in more channels. Meanwhile, the Group also focused on improving the operating efficiency of online distributors by streamlining, efficiency improvement and operation refinement. During the period under review, revenue from the total online sales of the Group's brands was RMB706.9 million, representing a year-on-year increase of 31.5%. Revenue from the online sales of the branded down apparels and ladieswear businesses for the Period was approximately RMB661.0 million and RMB41.7 million, accounting for 19.0% and 10.0% of the revenue of each business, respectively.

Future Development

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "2021 is the opening year of the Group's new three-year strategic plan. From the perspective of China's economic development in the post-epidemic era, with the strong recovery of China's economy, China's international voice and the influence of Chinese brands in the world grow stronger day by day. The rise of a great power is unstoppable. From the perspective of down wear category development, with the upgrading of consumption, the scale of China's down apparel market has grown significantly, international professional down wear brands and four-season brands have competed to develop in the Chinese market, with increasingly high brand concentration, obvious high-end trend of down apparel, and more apparent siphon effect of leading brands. From the perspective of Chinese brand development, standing at the new starting point of the '14th Fiveyear Plan', Chinese brands have ushered in the golden age of the rise of 'new domestic products', greeted the Chinese era of consumer heart dividend of domestic goods brand era. We will consolidate the leading target, think the future with the perspective of crossing times, and make sure that we predict for ten years, think for three years and carefully practice every year. We will make leading breakthroughs on key point and climb to a new peak for 'world leading' brand and results through innovation, high quality supply and innovative new consumption needs. We strive to win in the fight of brand upgrading and high quality development, which allows us to develop in the gobal market with a slogan of 'World Down Apparel, China Bosideng'."

The Group will adopt different development strategies for the following business segments:

Down apparel business: By focusing on positioning itself as “A World Leading Expert in Down Apparel”, the Group took its customer-value-oriented approach, continued to insist on the “Brand Leadership” development model, and used its brand power to lead the products, channels, retail, supply chain and other aspects to work together, which gained favor by mainstream consumers. At the same time, the Group deployed its 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 its market share.

OEM management business: Continuously deepening the strategic partnership with core customers, the Group improved its service capabilities by further integrating overseas production resources, while further expanding the share of down products making use of its advantages in down apparel production, in order to strengthen the long-term and stable strategic cooperation relationship with core customers.

Fashionable ladieswear business: The Group will continue to take advantage of its unique advantages to develop each of its ladieswear brand businesses, and expand synergy among brands through resource sharing among brands. Through the gradual improvement in the product, channel and brand power and other aspects of the ladieswear brands, the Group will find the advantages of each brand under the increasingly fierce competitive environment. The Group will continuously boost the operational and management efficiency of ladieswear business units, to achieve the healthy growth of the ladieswear business.

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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*.

For further information, please contact:

Bosideng International Holdings Limited

Investor Relations Centre

Tel: (852) 2866 6918

Email: bosideng_ir@bosideng.com

iPR Ogilvy

Callis Lau / Emily Chiu / Angela Poon

Tel: (852) 2136 6952 / 3920 7659 / 3920 7656

Fax: (852) 3170 6606

Email: bosideng@iprogilvy.com