

[For Immediate Release]



## Bossini International Holdings Limited

### Bossini Announces 2015/16 Annual Results

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#### Challenging Retail Conditions in Hong Kong and Macau

##### Results Highlights

<i>For the year ended 30 June</i>	<b>2016</b>	2015	<b>Change</b>	
Revenue	<b>HK\$2,319 mn</b>	HK\$2,523 mn	<b>- HK\$204 mn</b>	<b>- 8%</b>
Gross profit	<b>HK\$1,107 mn</b>	HK\$1,264 mn	<b>- HK\$157 mn</b>	<b>- 12%</b>
Gross margin	<b>48%</b>	50%	<b>- 2% pts</b>	
Profit for the year attributable to owners	<b>HK\$292 mn</b>	HK\$115 mn	<b>+ HK\$177 mn</b>	<b>+ 153%</b>
EBITDA	<b>HK\$356 mn</b>	HK\$177 mn	<b>+ HK\$179 mn</b>	<b>+ 101%</b>
Basic EPS attributable to ordinary equity holders	<b>HK17.87 cents</b>	HK7.08 cents	<b>+ HK10.79 cents</b>	<b>+ 152%</b>
Dividend per share				
- Interim	<b>Nil</b>	HK2.70 cents	<b>- HK2.70 cents</b>	
- Special Interim	<b>HK1.22 cents</b>	Nil	<b>+ HK1.22 cents</b>	
- Final	<b>Nil</b>	HK4.38 cents	<b>- HK4.38 cents</b>	
- Special final	<b>HK1.22 cents</b>	Nil	<b>+ HK1.22 cents</b>	

	<b>At 30 June 2016</b>	At 30 June 2015	<b>Change</b>	
Cash and bank balances	<b>HK\$512 mn</b>	HK\$476 mn	<b>+ HK\$36 mn</b>	<b>+ 8%</b>
Net cash*	<b>HK\$512 mn</b>	HK\$476 mn	<b>+ HK\$36 mn</b>	<b>+ 8%</b>

\*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 21 September 2016) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) today announces its annual results for the year ended 30 June 2016.

During the year under review, the Group's revenue decreased by 8% to HK\$2,319 million (2015: HK\$2,523 million) year-on-year. Gross profit fell 12% to HK\$1,107 million (2015: HK\$1,264 million), while gross margin dropped by 2% points to 48% (2015: 50%). Profit for the year attributable to owners totalled HK\$292 million (2015: HK\$115 million), with basic earnings per share at HK17.87 cents (2015: HK7.08 cents). After excluding a gain of HK\$268 million (2015: Nil) on the disposal of property and leaseback arrangement recognised in profit and loss in the year under review, the profit attributable to owners would be HK\$25 million (2015: HK\$115 million). The board recommended a special final dividend of HK1.22 cents (2015: Final dividend of HK4.38 cents) per share. Together with the interim dividend, the total dividends for the year under review amounted to HK2.44 cents (2015: HK7.08 cents) per share.

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As of 30 June 2016, the Group's financial position remained healthy. The year saw a record-high net cash position with an increase by 8% to HK\$512 million (2015: HK\$476 million). Meanwhile, the Group improved the inventory turnover days to 78 days (2015: 83 days).

The decrease in revenue and gross profit was attributed to several factors. Throughout the financial year 2015/16 there were fewer visitors to Hong Kong and Macau and this, coupled with a strong Hong Kong dollar, led to reduced consumption from visitors in Hong Kong and Macau. Compounding this, weak local sentiment, unseasonably warm winter weather during late 2015 in Hong Kong and Macau and intensified competition in our core markets added further to the challenges faced.

During the financial year 2015/16, facing challenging retail landscape, the Group experienced a decrease in same-store sales of 6%. However, the second half of the financial year recorded a narrowed decline of 1% in same-store sales which was an improvement on the first half of the financial year when the same-store sales figure stood at 12% decline. All regions recorded improvements in same-store sales in the second half when compared with the first half of the financial year.

As of 30 June 2016, the Group had presence in 32 countries and regions worldwide with the overall store count of 947 (2015: 938). Among these, 280 (2015: 257) were directly managed stores and 667 (2015: 681) were franchised stores.

The Group continued to work on strengthening its brand and strived to gain recognition as a quality everyday wear brand. During the year under review, several licensing programmes were in operation, namely the refreshing *bossini x Frozen Collection* for boys and girls; the various holiday-themed costumes with Ocean Park Halloween Bash once again; the *bossini x STAR WARS Collection*, setting to accommodate with the release of the ever-popular STAR WARS film series; the adorable *bossini x Sanrio Characters*, brought everyone's favourite character Hello Kitty to eye-catching apparel; the *Yb by bossini x Skittles & Doublemint* crossover series, launched by the diffusion line "Yb by bossini" for young boys and girls this summer; and also the *bossini x Finding Dory Collection* for kids. All these licensing programmes received enthusiastic responses from the public, helping to enhance the Group's brand value.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, "To cope with challenges we are now facing, we will expand our market share for young adults and develop more products that focus on better functionality, of which the market demand is solid. We will also refine our product fit and grading system to target a wider customer segment, and develop our line for kids even further. Furthermore, we will strengthen our supply chain management to increase overall operational efficiency. We will also nurture several export markets with high-growth potential and will implement cost control initiatives across the Group."

Mr. Mak ended, "We will continue to launch co-branded and licensing programmes of apparel and accessories that reinforce the core brand value "be happy", striving to build "bossini"'s reputation as a vibrant, valued and competitive go-to brand."

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**Appendix - Store composition by type and geographical location is detailed as below:**

	At 30 June 2016		At 30 June 2015	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong and Macau	42	--	40	--
Mainland China	147	39	120	81
Taiwan	70	--	69	--
Singapore	21	--	28	--
Other countries and regions	--	628	--	600
<b>Total</b>	<b>280</b>	<b>667</b>	<b>257</b>	<b>681</b>

**About Bossini International Holdings Limited**

Bossini is a leading apparel brand owner, retailer and franchiser in the region. Headquartered in Hong Kong, Bossini launched its first retail store in 1987. Over the past two decades, the Group has rapidly established an extensive international operating platform and distribution network that extends to 947 stores covering about 32 countries and regions worldwide.

Renowned for its comfortable, easy to mix-and-match, colourful and energetic style, Bossini offers good value for money, casual wear apparel products including men's, ladies', youth and kids' wear, which are designed to fit a wide range of customer needs.

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