

[For Immediate Release]

bossini

Bossini International Holdings Limited

Bossini Announces Results for the Period from 1 July 2020 to 31 December 2021 (“Period ended 31 December 2021”)

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Results Highlights

	For the period ended 31 December 2021	For the year ended 30 June 2020	Change	
Revenue	HK\$1,164 mn	HK\$1,092 mn	+ HK\$72 mn	+ 7%
Gross profit	HK\$596 mn	HK\$534 mn	+ HK\$62 mn	+ 12%
Gross margin	51%	49%	+ 2% pts	
Loss for the period/year attributable to owners [#]	(HK\$340 mn)	(HK\$368 mn)	+ HK\$28 mn	+ 7%
Basic loss per share attributable to ordinary equity holders [#]	(HK16.52 cents)	(HK21.83 cents)	+ HK5.31 cents	+ 24%

	At 31 December 2021	At 30 June 2020	Change	
Net cash	HK\$269 mn	HK\$116 mn	+ HK\$153 mn	+ 132%

[#] Including continuing and discontinued operations

(Hong Kong, 18 March 2022) **Bossini International Holdings Limited** (“Bossini” or the “Group”; HKSE stock code: 592) today announces its results for the period ended 31 December 2021.

During the period under review, the Group’s revenue increased by 7% to HK\$1,164 million (for the year ended 30 June 2020: HK\$1,092 million). Gross profit increased by 12% to HK\$596 million (for the year ended 30 June 2020: HK\$534 million), while gross margin increased by 2% points to 51% (for the year ended 30 June 2020: 49%). Loss for the period attributable to owners was HK\$340 million (for the year ended 30 June 2020: HK\$368 million), with HK\$119 million (for the year ended 30 June 2020: HK\$115 million) being non-cash impairment on assets. Basic loss per share amounted to HK16.52 cents (for the year ended 30 June 2020 (restated): HK21.83 cents). The Board of Directors does not recommend payment of any final dividend (for the year ended 30 June 2020: Nil) for the period ended 31 December 2021.

As of 31 December 2021, the Group had net cash of HK\$269 million (at 30 June 2020: HK\$116 million). The Group’s inventory turnover days was 180 days (at 30 June 2020: 123 days).

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The development of COVID-19 pandemic combined with the threat of the more infectious variants, especially the lately known Omicron variant, continued to inflict severe negative impacts on the retail sectors and pose downside risks to the global economic outlook.

In Hong Kong and Macau, the COVID-19 infections at alarming levels induced stricter social distancing measures, which sharply reduced shopping activities and foot traffic as a result. The fifth and most severe wave of COVID-19 outbreak to date has led to further tightening on various social activities and controls on international travel would likely undermine the retail growth prospects in 2022. The recent developments were pushing back the start date for the planned quarantine-free travel corridor between Hong Kong and mainland China, which would weaken the near-term retail consumption from cross-boundary leisure travel and business and hence the recovery of Hong Kong's retail industry. For the period under review, our operations in Hong Kong and Macau remained loss-making significantly consequentially. Despite this challenging operating environment, we are still encountering several landlords unwilling to provide reasonable rent concessions for our stores.

During the period under review, in and out of lockdown ahead of many other countries, the economy in mainland China powered ahead while much of the world was still struggling. However, given the volatility of the pandemic and the emergence of infectious variants, recovery in mainland China market has once again dampened.

Mr. Chang Min Huei, Co-Chief Executive Officer of Bossini, said, "We are of the view that the challenging environment would continue under the new norm that the pandemic would linger, which would result in a prolonged path towards thorough recovery. In spite of the unfavourable external factors, the Group has started establishing new distribution channels in mainland China with shops carrying the new brand "bossini.X" and exhibiting Bossini's new image and character. Going forward, the execution of our network expansion strategy in mainland China would mainly through opening directly managed and franchised stores in appropriate shopping malls and distribution channels in various provinces and cities. Since "bossini.X" is set to have a fresh brand positioning, we are targeting at whole new distribution channels, and the products will be substantially different from the brand "bossini". We expect that this investment period would span over the next few years with focus in particular on product development and channel expansion, while we also anticipate the potential downside risks involved. Taking these internal and external factors into account, we are in the view that the Group could possibly continue to incur losses during the investment period."

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