

[For Immediate Release]



## Bossini International Holdings Limited

### Bossini Announces 2018/19 Interim Results

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#### Results Highlights

<i>For the 6 months ended 31 December</i>	<b>2018</b>	2017	<b>Change</b>	
Revenue	<b>HK\$875 mn</b>	HK\$974 mn	- HK\$99 mn	- 10%
Gross profit	<b>HK\$457 mn</b>	HK\$512 mn	- HK\$55 mn	- 11%
Gross margin	<b>52%</b>	53%	- 1% pt	
Loss for the period attributable to owners	<b>(HK\$26 mn)</b>	(HK\$12 mn)	- HK\$14 mn	- 118%
EBITDA	<b>(HK\$15 mn)</b>	HK\$1 mn	- HK\$16 mn	- 1,378%
Basic loss per share attributable to ordinary equity holders	<b>(HK1.57 cents)</b>	(HK0.72 cent)	- HK0.85 cent	- 118%
Interim dividend per share	<b>HK1.22 cents</b>	HK1.22 cents	<b>Nil</b>	

	<b>At 31 December 2018</b>	At 31 December 2017	<b>Change</b>	
Cash and bank balances	<b>HK\$306 mn</b>	HK\$354 mn	- HK\$48 mn	- 14%
Net cash*	<b>HK\$283 mn</b>	HK\$354 mn	- HK\$71 mn	- 20%

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

(Hong Kong, 20 February 2019) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) today announces its interim results for the six months ended 31 December 2018.

Revenue for the Group for the six months ended 31 December 2018 decreased by 10% to HK\$875 million (2017: HK\$974 million). Gross profit decreased by 11% to HK\$457 million (2017: HK\$512 million). Gross margin slipped slightly to 52% (2017: 53%). Loss for the period attributable to owners was HK\$26 million (2017: HK\$12 million loss), while basic loss per share was HK1.57 cents (2017: basic loss per share HK0.72 cent).

The Board of Directors declared an interim dividend of HK1.22 cents (2017: HK1.22 cents) per ordinary share for the six months ended 31 December 2018.

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As of 31 December 2018, the Group's cash and bank balances stood at HK\$306 million (2017: HK\$354 million), with a net cash balance of HK\$283 million (2017: HK\$354 million). Also, the Group held an investment fund of HK\$231 million (2017: HK\$233 million). The inventory turnover days was 124 days (2017: 105 days).

During the period under review, the decrease in profit attributable to owners of the Group was mainly due to the unseasonal warm winter weather and the weak consumer sentiment in several core markets. The escalation of trade tensions between the United States and mainland China appeared to have hurt global business confidence. Also, the devaluation of Renminbi has had a negative impact on the business environment. These unfavourable factors, alongside the downward trend of the property and investment markets in Hong Kong that continued to weigh on the consumer sentiment, brought a reduction in in-store consumption and hence affected our sales for Hong Kong and Macau segment, which accounted for 66% of the Group's consolidated revenue. Overall revenue of the Group decreased by 10%, with a drop of 5% in same-store sales. However, operating profit in Hong Kong and Macau recorded an improvement. Also, as part of the network expansion plan, the Group's export franchising business added 114 stores net during the six months ended 31 December 2018, with footprint across 27 countries.

As of 31 December 2018, the Group had a presence in 31 countries and regions around the world and the total number of stores was 1,063 (30 June 2018: 938). The number of directly managed stores increased to 295 (30 June 2018: 284), while the number of franchised stores was 768 (30 June 2018: 654).

During the period under review, the Group continued to collaborate and crossover with popular brands in various markets, including the launch of two new licensing programmes, namely *bossini Mickey 90* collection and *bossini x Coca-Cola* collection, which were conducive to enhancing the core brand value of "be happy" that promoted a positive and optimistic attitude.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, "The management of the Group remains cautiously optimistic about future prospects. However, in face of the complex and volatile global economy and geopolitics, the outlook is full of uncertainties. As an open economy, Hong Kong is particularly vulnerable to the impact of the global situation. At the same time, the local economy and consumption structure are also gradually changing. Challenges and opportunities coexist. The Group is fundamentally strong with a healthy financial position, which is capable of facing the potential challenges. The export franchising business has been a main focus of the Group. We will further expand and optimise the distribution network, leveraging the economy of scale in market reach and profitability. We will strive to introduce more new products and designs with a focus on functionality as part of our product strategy. Alongside the young adult segment, we will further develop kids' line so to broaden our customer base. In view of the swift market change, we are strengthening the supply chain management to enhance operational efficiencies. Also, we will continue to seek opportunities with popular brands that can create brand synergies in sustaining customer loyalty and winning new customers. Meanwhile, stringent measures in cost control will be taken to reduce operational expenses such as rental and shop fixtures, and non-performing stores will be further consolidated. "

Mr. Mak ended, "Despite the challenges ahead, the Group will remain focus on its core business and competitiveness while continuing to devise strategies in promoting the existing markets and exploring the new ones to unleash future potential."

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## Appendix

### Store Composition by Type and Geographical Location

	At 31 December 2018		At 30 June 2018	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong and Macau	39	--	40	--
Mainland China	177	--	164	--
Taiwan	65	--	64	--
Singapore	14	--	16	--
Other countries and regions	--	768	--	654
<b>Total</b>	<b>295</b>	<b>768</b>	<b>284</b>	<b>654</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 three decades, the Group has rapidly established an extensive international operating platform and distribution network that extends to 1,063 stores covering about 31 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' and kids' wear, which are designed to fit a wide range of customer needs.

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