

[For Immediate Release]

bossini

Bossini International Holdings Limited

Bossini Announces 2022 Interim Results

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Results Highlights

<i>For the six months ended 30 June</i>	2022	2021	Change	
Revenue	HK\$295 mn	HK\$380 mn	- HK\$85 mn	- 22%
Gross profit	HK\$132 mn	HK\$189 mn	- HK\$57 mn	- 30%
Gross margin	45%	50%	- 5% pts	
Profit/(loss) for the period attributable to owners [#]	HK\$22 mn	(HK\$68 mn)	+ HK\$90 mn	+ 132%
Basic earnings/(loss) per share attributable to ordinary equity holders [#]	HK0.89 cent	(HK3.34 cents)	+ HK4.23 cents	+ 127%

	At 30 June 2022	At 30 June 2021	Change	
Net cash	HK\$256 mn	HK\$373 mn	- HK\$117 mn	- 31%

[#] Including continuing and discontinued operations

(Hong Kong, 12 August 2022) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) today announces its interim results for the six months ended 30 June 2022.

During the period under review, the Group's revenue decreased by 22% to HK\$295 million (2021: HK\$380 million) period-on-period. Gross profit fell by 30% to HK\$132 million (2021: HK\$189 million), while gross margin decreased by 5% points to 45% (2021: 50%). Profit for the period attributable to owners was HK\$22 million (2021: HK\$68 million loss), with HK\$174 million (2021: Nil) being a one-off gain from disposal of investment properties. Basic earnings per share amounted to HK0.89 cent (2021: HK3.34 cents loss). The Board of Directors does not recommend payment of any interim dividend (2021: Nil) for the six months ended 30 June 2022.

As of 30 June 2022, the Group had net cash of HK\$256 million (2021: HK\$373 million). The Group's inventory turnover days was 176 days (2021: 136 days).

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The ongoing outbreak of novel coronaviruses and a new global outbreak of highly infectious variants such as Omicron continue to pose a major challenge to the recovery of retail industry.

Hong Kong once again faced a new wave of the novel coronavirus epidemic. The fifth wave of the epidemic broke out on a large scale, hitting the local economy hard. Hong Kong's real GDP contracted by 4.0% year-on-year in the first quarter of this year. Due to the severity of the epidemic, the government has adopted a series of strict social distancing measures, including banning dine-in restaurants and requiring citizens to undergo mandatory nucleic acid testing. In addition, there have been many rumors that The Government of the Hong Kong Special Administrative Region plans to implement a "city lockdown" and universal testing, discouraging citizens from going out. Except for purchasing food, daily necessities and anti-epidemic supplies, the overall spending desire of the public is weak, and the local retail industry has entered a cold winter. According to government data, in the first quarter of this year, the total sales value of the local retail sector fell by 7.6% year-on-year.

Many provinces and cities in mainland China were hit by a new wave of epidemics, resulting in the lockdown of various cities. In the first half of the year, a number of stores of the Group in mainland China were forced to close down. Although the Group has responded quickly by setting up micro-business sales during the period when the stores were forced to close, the overall sales performance was still greatly affected due to the epidemic infecting many courier companies during the same period. In addition, we have taken the initiative to request rent reductions, which have been granted by some landlords.

Mr. Cheung Chi, Co-Chief Executive Officer of Bossini, said, "We are of the view that in general, the operational situation will remain difficult in the second half of the year. To enhance the competitiveness of the Group in the long run, we are committed to reinventing our brand image, focusing on the development of the "bossini.X" brand, integrating street and trendy culture and adding sports elements to the design to attract the new generation of consumers, aiming to increase the number of "bossini.X" brand stores to over 100 within this year. We are also aware of the trend of e-commerce and therefore will actively develop online sales, with the goal of increasing the proportion of e-commerce in overall sales from the current approximately 8% to approximately 30%. In addition to rebranding, the Group will also explore the possibility of collaborating with other brands, including the launch of co-branded products such as footwear, apparel, handbag and accessories. In the coming years, the "bossini.X" brand will be in an investment period of product development and channel expansion. Given the uncertainties of the pandemic and the economy, the Group may continue to incur losses during the investment period."

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