

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2016/17 Annual Results

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Results Highlights

| For the year ended 30 June | 2017 | 2016 | Change | |
|---|---------------------|---------------|------------------------|-----------------------|
| Revenue | HK\$2,020 mn | HK\$2,319 mn | - HK\$299 mn | - 13% |
| Gross profit | HK\$1,023 mn | HK\$1,107 mn | - HK\$84 mn | - 8% |
| Gross margin | 51% | 48% | + 3% pts | |
| Profit for the year attributable to owners | HK\$5 mn | HK\$292 mn | - HK\$287 mn | - 98% |
| EBITDA | HK\$42 mn | HK\$356 mn | - HK\$314 mn | - 88% |
| Basic EPS attributable to ordinary equity holders | HK0.30 cent | HK17.87 cents | - HK17.57 cents | - 98% |
| Dividend per share | | | | Nil |
| - Special interim | HK1.22 cents | HK1.22 cents | | + HK1.22 cents |
| - Final | HK1.22 cents | Nil | | - HK0.61 cent |
| - Special final | HK0.61 cent | HK1.22 cents | | |

| | At 30 June 2017 | At 30 June 2016 | Change | |
|------------------------|-------------------|-----------------|---------------------|--------------|
| Cash and bank balances | HK\$396 mn | HK\$512 mn | - HK\$116 mn | - 23% |
| Net cash* | HK\$396 mn | HK\$512 mn | - HK\$116 mn | - 23% |

*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 20 September 2017) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) today announces its annual results for the year ended 30 June 2017.

During the year under review, the Group's revenue decreased by 13% to HK\$2,020 million (2016: HK\$2,319 million) year-on-year. Gross profit fell 8% to HK\$1,023 million (2016: HK\$1,107 million), while gross margin rose by 3% points to 51% (2016: 48%). Profit for the year attributable to owners totalled HK\$5 million (2016: HK\$292 million), with basic earnings per share at HK0.30 cent (2016: HK17.87 cents). The board recommended a final dividend of HK1.22 cents per share (2016: Nil) and a special final dividend of HK0.61 cent per share (2016: HK1.22 cents). Together with the special interim dividend, the total dividends for the year under review amounted to HK3.05 cents (2016: HK2.44 cents) per share.

As of 30 June 2017, the Group's financial position remained healthy with a net cash balance of HK\$396 million (2016: HK\$512 million), an investment fund of HK\$233 million (2016: HK\$233 million) and a note receivable of HK\$39 million (2016: Nil). The Group's inventory turnover days was 87 days (2016: 78 days).

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The decrease in profit attributable to owners was primarily due to two reasons. Firstly, there was a non-recurring gain of approximately HK\$265 million on the disposal of property recognised in profit or loss of the Group for the year ended 30 June 2016. No similar item was recorded for the year under review. Besides, there was a significant decrease in revenue which was attributable to the continuous weak consumer sentiment and severe competition in several core markets where the Group operates.

During the year under review, facing several external uncertainties and challenges, the Group recorded a reduction in retail sales. The Group's overall same-store sales slipped 8% (2016: 6% decline) and same-store gross profit declined by 5% (2016: 11% decline). As of 30 June 2017, the Group had a presence in 30 countries and regions around the world and operated a total of 940 (2016: 947) stores, comprised of 284 (2016: 280) directly managed stores and 656 (2016: 667) franchised stores.

The Group maintained a firm focus on its "be happy" core brand value by continuing to provide quality everyday apparels and associated accessories, while simultaneously developing and organising various initiatives. Bossini is celebrating its 30th anniversary in 2017, a major milestone that the Group is commemorating with massive campaigns and events, including setting up a temporary pop-up store in Causeway Bay, holding a photo competition and launching a series of new TV commercial together with online campaigns. The Group also launched the "30th Anniversary - MOVE ON n' BEYOND" campaign with the "On-The-Go" collection, which targets at the continuously expanding market for travelling and outdoor apparels. The campaigns garnered enthusiastic responses from the public and will undoubtedly continue to boost our "be happy" core brand value.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, "The Group has accordingly developed a comprehensive plan and strategies to take maximum advantage of the anticipated change in economic conditions. We will continue to expand and develop our share of the affluent young adult market while developing and offering more products with a focus on functionality. The product fit and grading system will also be further refined to target a wider customer segment. The kids' line will be further developed by expanding size choices in the mainland China market, which remains our core focus as the end of one-child policy led to a surge of demand for kids' clothing. Operational efficiency will be increased by strengthening our supply chain management. Further promising export franchising markets will be identified, nurtured and developed to build on the current wave of success."

Mr. Mak ended, "The Group will also continue to launch innovative, attractive and customer-engaging co-branded and licensing programmes, further amplifying our "be happy" core brand value. Finally, a variety of cost control initiatives such as negotiations for rental reduction, simplifying shop renovation, furniture and fixtures will help reduce overheads, thus boosting the Group's earnings and profitability in the years ahead."

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

| | At 30 June 2017 | | At 30 June 2016 | |
|-----------------------------|-------------------------|-------------------|-------------------------|-------------------|
| | Directly managed stores | Franchised stores | Directly managed stores | Franchised stores |
| Hong Kong and Macau | 40 | -- | 42 | -- |
| Mainland China | 163 | 5 | 147 | 39 |
| Taiwan | 63 | -- | 70 | -- |
| Singapore | 18 | -- | 21 | -- |
| Other countries and regions | -- | 651 | -- | 628 |
| Total | 284 | 656 | 280 | 667 |

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 940 stores covering about 30 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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