

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2017/18 Annual Results

* * *

Results Highlights

For the year ended 30 June	2018	2017	Change	
Revenue	HK\$1,958 mn	HK\$2,020 mn	- HK\$62 mn	- 3%
Gross profit	HK\$1,036 mn	HK\$1,023 mn	+ HK\$13 mn	+ 1%
Gross margin	53%	51%	+ 2% pts	
Profit/(loss) for the year attributable to owners	(HK\$29 mn)	HK\$5 mn	- HK\$34 mn	- 693%
Basic earnings/(loss) per share attributable to ordinary equity holders	(HK1.77 cents)	HK0.30 cent	- HK2.07 cents	- 690%
Dividend per share				
- Interim	HK1.22 cents	Nil	+ HK1.22 cents	
- Special interim	Nil	HK1.22 cents	- HK1.22 cents	
- Final	HK1.22 cents	HK1.22 cents	Nil	
- Special final	Nil	HK0.61 cent	- HK0.61 cent	

	At 30 June 2018	At 30 June 2017	Change	
Cash and bank balances	HK\$341 mn	HK\$396 mn	- HK\$55 mn	- 14%
Net cash*	HK\$341 mn	HK\$396 mn	- HK\$55 mn	- 14%

*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 19 September 2018) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) today announces its annual results for the year ended 30 June 2018.

During the year under review, the Group's revenue decreased by 3% to HK\$1,958 million (2017: HK\$2,020 million) year-on-year, mainly due to a decrease in sales from the export franchising business. Gross profit increased by 1% to HK\$1,036 million (2017: HK\$1,023 million), with gross margin rising 2% points to 53% (2017: 51%). Loss for the year attributable to owners was HK\$29 million (2017: profit of HK\$5 million), with basic loss per share amounted to HK1.77 cents (2017: basic earnings per share of HK0.30 cent). The board recommended a final dividend of HK1.22 cents (2017: a final dividend of HK1.22 cents and a special final dividend of HK0.61 cent) per share. Together with the interim dividend, the total dividends for the year under review amounted to HK2.44 cents (2017: HK3.05 cents) per share.

As of 30 June 2018, the Group's cash and bank balances stood at HK\$341 million (2017: HK\$396 million), with a healthy net cash position of HK\$341 million (2017: HK\$396 million). Also, the Group held an investment fund of HK\$230 million (2017: HK\$233 million) and a note receivable of HK\$39 million (2017: HK\$39 million). The inventory turnover days improved to 80 days (2017: 87 days).

~ More ~

The Group's operating profits from retail business in Hong Kong and Macau, mainland China, Taiwan and Singapore market recorded improvements during the year under review. Nevertheless, the profit attributable to owners recorded a decline, which was mainly attributable to the foreign exchange fluctuation arising from Renminbi. The decrease in the profit derived from the export franchising business, as a result of the continuously weak and competitive apparel retailing environment, was another reason for the drop.

During the year under review, the Group's overall same-store sales slipped by 1% (2017: 8% decline) and the overall same-store gross profit grew by 1% (2017: 5% decline) for the year, with an improvement from the 3% decline experienced in the first half of the financial year to 5% growth in the second half of the financial year. As of 30 June 2018, the Group had a presence in 29 countries and regions around the world, and had 938 (2017: 940) stores comprised of 284 (2017: 284) directly managed stores and 654 (2017: 656) 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 to share the "be happy" brand philosophy with its customers and business partners. During the year under review, 4 new licensing programmes were launched, namely *bossini x Emoji*, *bossini x LINE FRIENDS*, *bossini x PEANUTS* and *bossini x Rilakkuma*. The Group has become well known for the co-branded and licensed products that set it apart from its competitors and will continue to work closely with successful, high profile characters such as these in order to maintain the strong market visibility that boost the "be happy" core brand value.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, "The Group remains confident that it is well placed to maximise its opportunities regardless of the economic climate. The current footprint across 29 countries and regions also enables the Group to serve a growing number of increasingly affluent consumers. The Group plans to expand its market share for young adults by developing and introducing more products with a focus on functionality. Product fit and the grading system will be refined to target a wider customer segment, while the kids' line will be developed further. Supply chain management will also be strengthened to increase operational efficiencies while further expanding the export franchising business which offers potential for future growth. We will continue to launch the co-branded and licensing programmes that have proven successful to date."

Mr. Mak ended, "The Group is confident that maintaining and increasing the focus on core business while continuing to implement the proven strategy of developing existing and new markets will further enhance our potential and profitability in the years to come."

~ End ~

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

	At 30 June 2018		At 30 June 2017	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong and Macau	40	--	40	--
Mainland China	164	--	163	5
Taiwan	64	--	63	--
Singapore	16	--	18	--
Other countries and regions	--	654	--	651
Total	284	654	284	656

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 938 stores covering about 29 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.

For further information, please contact:

Porda Havas International Finance Communications Group

Kelly Fung / Phoenix Fung / Mandy Leung / Louise Liu / Christy Ng / Mila So

Tel: (852) 3150 6763 / (852) 3150 6773 / (852) 3150 6732 / (852) 3150 6753 / (852) 3120 6515 / (852) 3150 6726

Fax: (852) 3150 6728

Email: bossini@pordahavas.com