

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2015/16 Interim Results

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Profit for the Period Attributable to Owners Decreased 84% to HK\$14 Million Financial Position Remained Healthy

Results Highlights

<i>For the 6 months ended 31 December</i>	2015	2014	Change	
Revenue	HK\$1,146 mn	HK\$1,319 mn	- HK\$173 mn	- 13%
Gross profit	HK\$543 mn	HK\$665 mn	- HK\$122 mn	- 18%
Gross margin	47%	50%	- 3% pts	
Profit for the period attributable to owners	HK\$14 mn	HK\$87 mn	- HK\$73 mn	- 84%
EBITDA	HK\$50 mn	HK\$128 mn	- HK\$78 mn	- 61%
Basic EPS attributable to ordinary equity holders	HK0.86 cent	HK5.37 cents	- HK4.51 cents	- 84%
Dividend per share - Interim - Special interim	Nil HK1.22 cents	HK2.70 cents Nil	- HK2.70 cents + HK1.22 cents	- 100% n/a

	At 31 December 2015	At 31 December 2014	Change	
Cash and bank balances	HK\$340 mn	HK\$446 mn	- HK\$106 mn	- 24%
Net cash*	HK\$340 mn	HK\$446 mn	- HK\$106 mn	- 24%

*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 24 February 2016) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) announces today its interim results for the six months ended 31 December 2015.

Revenue for the Group for the six months ended 31 December 2015 witnessed a decrease of 13% to HK\$1,146 million (2014: HK\$1,319 million). Gross profit for the period under review was HK\$543 million (2014: HK\$665 million), with a gross margin down by 3% points to 47% (2014: 50%). Profit for the period attributable to owners was HK\$14 million (2014: HK\$87 million), while basic earnings per share was HK0.86 cent (2014: HK5.37 cents).

The Board of Directors declared a special interim dividend of HK1.22 cents (2014: interim dividend of HK2.70 cents) per ordinary share for the six months ended 31 December 2015.

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The Group's financial position remained healthy, with cash and bank balances of HK\$340 million (2014: HK\$446 million), and a net cash balance of HK\$340 million (2014: HK\$446 million) as of 31 December 2015. Meanwhile, the Group had an inventory turnover day of 113 days (2014: 92 days).

During the period under review, the Group recorded a decrease in operating profit due to a strong Hong Kong dollar and fewer visitors to Hong Kong and Macau, which led directly to less consumption in the cities. Together with the unseasonably warm winter weather during late 2015 in several core markets where the Group operated, competition within the apparel retail industry became fiercer. This was reflected in the Hong Kong and Macau retail operation, with same-store sales declined by 14% (2014: 5% growth). Meanwhile, the same-store sales of mainland China dropped by 8% (2014: 2% growth), while Taiwan and Singapore recorded same-store sales of 14% decline (2014: 8% growth) and 1% decline (2014: flat), respectively. Overall same-store sales for the Group fell by 12% (2014: 4% growth).

The Group had presence in 33 countries and regions worldwide as of 31 December 2015. These were represented by a total of 267 (30 June 2015: 257) directly managed stores and 678 (30 June 2015: 681) franchised stores with the total store count of 945 (30 June 2015: 938) of the Group. The export franchising business of the Group continued to expand its footprint throughout the period by adding 15 new franchised stores, and brought the total number of stores to 615 (30 June 2015: 600) across 29 countries as of 31 December 2015.

The Group continued with the launch of its licensing programmes, which is one of our major strategies, with STAR WARS Collection and Frozen Collection, and collaborated with Ocean Park Halloween Bash again in the first half of the financial year 2015/16, which received enthusiastic responses.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, "Due to the anticipated continuation of slowing economies globally, we expect the demand for value-for-money apparel to grow. To cope with this, we intend to offer more items which are easy for mix-and-matching, as well as products with better functions under a more competitive pricing strategy over the coming years. The Group will also continue to implement further cost control measure in the future, and focus on expanding our operations further afield of Hong Kong and Macau to achieve a more balanced portfolio. We shall also continue to devote energy to expanding our apparel lines for kids, which has consistently been our competitive edge and would also perfectly complement the recently announced end to the one-child policy in mainland China. Furthermore, we will launch "bossini" eyewear in mainland China through franchise arrangements, which would help diversify our revenue streams and enhance our brand penetration, leveraging on a vast network of third-party optical stores."

Mr. Mak concluded, "Going forward, the Group will continue to create appealing, competitive and quality everyday wear that drives sustainable growth, profitability and customer satisfaction. With a firm focus on our "be happy" core brand value, we will continue to strengthen our competitive edge and endeavour to enhance the value that we offer to our shareholders."

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

	At 31 December 2015		At 30 June 2015	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong and Macau	41	--	40	--
Mainland China	131	63	120	81
Taiwan	72	--	69	--
Singapore	23	--	28	--
Other countries and regions	--	615	--	600
Total	267	678	257	681

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 two decades, the Group has rapidly established an extensive international operating platform and distribution network that extends to 945 stores covering about 33 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', youth and kids' wear, which are designed to fit a wide range of customer needs.

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