

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2017/18 Interim Results

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Positive Growth in Same-store Sales in the Second Quarter

Results Highlights

<i>For the 6 months ended 31 December</i>	2017	2016	Change	
Revenue	HK\$974 mn	HK\$1,022 mn	- HK\$48 mn	- 5%
Gross profit	HK\$512 mn	HK\$519 mn	- HK\$7 mn	- 1%
Gross margin	53%	51%	+ 2% pts	
Profit / (loss) for the period attributable to owners	(HK\$12 mn)	HK\$17 mn	- HK\$29 mn	- 170%
EBITDA	HK\$1 mn	HK\$38 mn	- HK\$37 mn	- 97%
Basic earnings / (loss) per share attributable to ordinary equity holders	(HK0.72 cent)	HK1.03 cents	- HK1.75 cents	- 170%
Dividend per share - Interim - Special interim	HK1.22 cents Nil	Nil HK1.22 cents	n/a - HK1.22 cents	

	At 31 December 2017	At 31 December 2016	Change	
Cash and bank balances	HK\$354 mn	HK\$431 mn	- HK\$77 mn	- 18%
Net cash*	HK\$354 mn	HK\$431 mn	- HK\$77 mn	- 18%

*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 21 February 2018) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) today announces its interim results for the six months ended 31 December 2017.

Revenue for the Group for the six months ended 31 December 2017 fell by 5% to HK\$974 million (2016: HK\$1,022 million). Gross profit slipped 1% to HK\$512 million (2016: HK\$519 million) while gross margin climbed 2% points to 53% (2016: 51%). Loss for the period attributable to owners was HK\$12 million (2016: profit of HK\$17 million) and basic loss per share was HK0.72 cent (2016: basic earnings per share of HK1.03 cents).

The Board of Directors declared an interim dividend of HK1.22 cents (2016: a special interim dividend of HK1.22 cents) per ordinary share for the six months ended 31 December 2017.

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As at 31 December 2017, the Group's cash and bank balances stood at HK\$354 million (2016: HK\$431 million), with net cash position of HK\$354 million (2016: HK\$431 million). Also, the Group held an investment fund of HK\$233 million (2016: HK\$231 million) and a note receivable of HK\$39 million (2016: HK\$39 million). The inventory turnover days improved to 105 days (2016: 113 days) as supply chain refinements were implemented.

During the period under review, the Group recorded a decrease in profit attributable to owners mainly due to the decrease in the profit derived from the retail and export franchising business in Hong Kong and Macau segment, which was a result of the continuously weak and competitive apparel retailing environment and foreign exchange fluctuation. The Group recorded a 5% decline in overall revenue and 2% decline in same-store sales. However, the same-store sales showed positive growth in the second quarter of the financial year 2017/18. Gross margin improved by 2% points to 53% due to effective sales and marketing strategies. Meanwhile, the performance of the mainland China market and the Taiwan market was improving with positive growth in same-store sales.

As of 31 December 2017, the Group had a presence in 29 countries and regions around the world and the total number of stores was 940 (30 June 2017: 940). The number of directly managed stores slightly decreased to 282 (30 June 2017: 284), while the number of franchised stores was 658 (30 June 2017: 656).

During the period under review, the Group launched two new licensing programmes, namely *bossini x Emoji* and *bossini x LINE FRIENDS*, which received enthusiastic responses and encouraged the continued development of the fun-filled clothing that inevitably enhanced the "be happy" core brand value.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, "In view of the positive growth in same-store sales in the second quarter of the financial year 2017/18 in Hong Kong and Macau, mainland China and Taiwan, the Group is in hope of having rebound in the financial performance. The Group will accelerate several initiatives, including launching more products with a focus on functionality, expanding market share for young adults, continuing our focus on the mainland China market, nurturing growing and promising export markets, further developing the kids' line, strengthening supply chain management to increase operational efficiencies, continuing to launch co-branded and licensing programmes and developing a new generation of shop concept to enhance branding and encourage traffic flow."

Mr. Mak ended, "Close and constant control of these essential business elements coupled with a remitting focus on the steady development of existing and new markets will ensure the Group's enjoyment of a successful and profitable future."

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Appendix

Same-store Sales by Quarter and Geographical Location

2017/18	First Quarter	Second Quarter	First Half
Hong Kong and Macau	- 9%	1%	- 4%
Mainland China	3%	13%	9%
Taiwan	- 1%	11%	5%
Singapore	- 10%	- 7%	- 8%
Total	- 7%	3%	- 2%

Store Composition by Type and Geographical Location

	At 31 December 2017		At 30 June 2017	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong and Macau	41	--	40	--
Mainland China	164	2	163	5
Taiwan	61	--	63	--
Singapore	16	--	18	--
Other countries and regions	--	656	--	651
Total	282	658	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 940 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.

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