

[For Immediate Release]

bossini

Bossini International Holdings Limited

Bossini Announces 2023 Annual Results

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Results Highlights

<i>For the year ended 31 December</i>	2023	2022	Change	
Revenue	HK\$604 mn	HK\$585 mn	+ HK\$19 mn	+ 3%
Gross profit	HK\$305 mn	HK\$273 mn	+ HK\$32 mn	+ 12%
Gross margin	50%	47%	+ 3% pts	
Loss for the year attributable to owners	(HK\$223 mn)	(HK\$132 mn)	- HK\$91 mn	- 69%
Basic loss per share attributable to ordinary equity holders	(HK7.31 cents)	(restated) (HK5.32 cents)	- HK1.99 cents	- 37%

	At 31 December 2023	At 31 December 2022	Change	
Net cash	HK\$185 mn	HK\$93 mn	+ HK\$92 mn	+ 99%

(The Hong Kong Special Administrative Region, China (“Hong Kong SAR”), 20 March 2024) **Bossini International Holdings Limited** (the “Group”; HKSE stock code: 592) today announces its results for the year ended 31 December 2023.

During the year under review, the Group’s revenue increased by 3% to HK\$604 million (2022: HK\$585 million). Gross profit increased by 12% to HK\$305 million (2022: HK\$273 million), while gross margin increased by 3% points to 50% (2022: 47%). Loss attributable to owners of the Company increased by 69% to HK\$223 million (2022: HK\$132 million). The increase of loss was primarily attributable to the one-off gain on disposal of the assets held for sale of HK\$174 million for the year ended 31 December 2022. If the one-off gain on disposal of the assets held for sale was excluded, the loss attributable to owners of the Company for the year ended 31 December 2022 was HK\$306 million and the loss attributable to owners of the Company during the year under review was reduced by 27% accordingly. The reduction of loss is mainly due to the (i) improved gross margin, (ii) lower impairment of property, plant and equipment and right-of-use assets, and (iii) effective cost control of expenses for the year ended 31 December 2023. Basic loss per share amounted to HK7.31 cents (2022 (restated): HK5.32 cents). The Board of Directors does not recommend payment of any final dividend (2022: Nil) for the year ended 31 December 2023.

As of 31 December 2023, the Group had net cash of HK\$185 million (2022: HK\$93 million). The Group’s inventory turnover days was 177 days (2022: 201 days).

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Since 2023, the post-epidemic market has gradually recovered and the foot traffic of stores has continued to improve. The overall performance of the retail market in mainland China, Hong Kong SAR and The Macau Special Administrative Region, China (“Macau SAR”) showed positive signs of recovery in varying degrees.

The retail market in Hong Kong SAR gradually recovered from the impact of the COVID-19 pandemic, the public’s overall willingness to consume increased, and the number of tourists to Hong Kong SAR also rebounded to 60% of the level in 2019. The wave of recovery has breathed new life into the retail market and had positive impact on the customer traffic of the Group’s stores.

During the year under review, with most of the epidemic prevention and border quarantine measures in mainland China lifted, citizens’ life gradually returned to normal and reconnected with the international market. However, the unstable economic growth, slowdown in GDP growth and a deflation trend in the national consumer price index in mainland China represented the overall uninspiring economic activities. People became more prudent in their spending and gradually changed their consumption patterns. Thus, the overall consumption in mainland China remained weak and the rebound of the retail market was slower than expected. Meanwhile, the Group managed the stock level by increasing discounts. From the perspective of cost control, the Group adjusted its sales network as appropriate to reduce all unnecessary expenses, thus to improve operational efficiency.

Mr. Cheung Chi, Chief Executive Officer of Bossini, said, “The Group is focusing our resources on rebranding of “bossini.X”, conducting optimisation and adjustment in brand positioning, product development, pricing system, and sales channels. By making professional cycling the core of the product design and using professional sports technology materials, the development of sports outerwear and light outdoor apparel and footwear products that are easy to wear, clean up and be paired with, will attract a wider audience of energetic young consumers. In Hong Kong SAR and Macau SAR, the Group will continue to optimise the sales network to increase the sales points of the “bossini.X” brand through appropriate channels to increase its exposure and achieve gradual brand integration between “bossini” and “bossini.X”. The newly positioned products are expected to be fully launched on the market in the second half of 2024, with the goal of making “bossini.X” the most influential Chinese apparel brand in cycling.”

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