

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2019/20 Interim Results

Results Highlights

<i>For the 6 months ended 31 December</i>	2019	2018	Change	
Revenue	HK\$699 mn	HK\$875 mn	- HK\$176 mn	- 20%
Gross profit	HK\$356 mn	HK\$457 mn	- HK\$101 mn	- 22%
Gross margin	51%	52%	- 1% pt	
Loss for the period attributable to owners	(HK\$94 mn)	(HK\$26 mn)	- HK\$68 mn	- 264%
EBITDA	HK\$25 mn	(HK\$15 mn)	+ HK\$40 mn	+ 266%
Basic loss per share attributable to ordinary equity holders	(HK5.71 cents)	(HK1.57 cents)	- HK4.14 cents	- 264%
Interim dividend per share	Nil	HK1.22 cents	- HK1.22 cents	

	At 31 December 2019	At 31 December 2018	Change	
Cash and bank balances	HK\$262 mn	HK\$306 mn	- HK\$44 mn	- 14%
Net cash*	HK\$232 mn	HK\$283 mn	- HK\$51 mn	- 18%

*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 19 February 2020) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) today announces its interim results for the six months ended 31 December 2019.

Revenue for the Group for the six months ended 31 December 2019 decreased by 20% to HK\$699 million (2018: HK\$875 million). Gross profit decreased by 22% to HK\$356 million (2018: HK\$457 million). Gross margin slipped slightly to 51% (2018: 52%). Loss for the period attributable to owners was HK\$94 million (2018: HK\$26 million loss), while basic loss per share was HK5.71 cents (2018: HK1.57 cents).

The Board does not recommend payment of any interim dividend (2018: HK1.22 cents per ordinary share) for the six months ended 31 December 2019.

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As of 31 December 2019, the Group's cash and bank balances stood at HK\$262 million (2018: HK\$306 million), with a net cash balance of HK\$232 million (2018: HK\$283 million). The inventory turnover days was 142 days (2018: 124 days).

During the period under review, the loss for the period attributable to owners of the Group was mainly due to a sharp decline in inbound visitors in Hong Kong, the mainland China-United States trade disputes, the weakened consumer sentiment and the unseasonal warm winter weather in several core markets where the Group operates. These unfavourable factors continued to weigh on the consumer sentiment, bringing a reduction in in-store consumption and hence impacting our sales for Hong Kong and Macau segment, which accounted for 58% of the Group's consolidated revenue during the period under review. The overall revenue of the Group decreased by 20%, with a drop of 10% in same-store sales. As part of the network expansion plan, the Group's export franchising business added 24 stores net, with a footprint across 26 countries.

As of 31 December 2019, the Group had a presence in 30 countries and regions around the world and the total number of stores was 1,086 (30 June 2019: 1,061). The number of directly managed stores increased to 287 (30 June 2019: 286), while the number of franchised stores was 799 (30 June 2019: 775).

During the period under review, the Group continued to collaborate and crossover with popular brands in various markets, including the launch of three new licensing programmes, namely *bossini x Miffy* collection, *bossini x LYCHEE & FRIENDS* collection and *bossini x Sanrio* collection, which were strategically negotiated so as to synergise with Bossini to create maximised brand visibility and customer loyalty.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, "We are committed to lead the Group to weather the challenges. The Group has always adhered to a prudent financial management principle and is in a healthy financial position. The export franchising business has been a main focus of the Group. We will continue to optimise the distribution network, better market reach, toughen up brand awareness, and leverage the resources advantage in market positioning and brand image. As we move into 2020, we are on our way to implementing the plans and measures for the goal of attaining sustainable business development. We will reinvent products that are designed to bring out a brand identity of Urban Athleisure that further reflects our core brand value. Furthermore, we will drive and implement a "Designed to Sell" concept that will allow us a closer touch with the customers and facilitate our market competitiveness that, in return, improves profitability. In mainland China, we are striving to turnaround and grow business as we see the dynamic and rewarding potential. We will also continue to diligently explore opportunities in Southeast Asia, a market that is vigorous with a driving force. As part of the initiatives, we will create business value through "4D": Digitisation, Digitalisation, Digital Transformation, and Data Intelligence to improve processes, productivity, culture and customer experiences, eventually moving towards a customer-driven strategic business. We are rejuvenating our operational systems by maximising the economy of scale in operation and synergising internal and external resources, so as to attain enhanced operational efficiencies."

Mr. Mak ended, "For the foreseeable future, the Group will remain seeking out sustainable growth drivers, as we have been attentive to the opportunities that can be potentially contributive to the future advancement of the business and exploring the new ones to unleash future potential."

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Appendix

Store Composition by Type and Geographical Location

	At 31 December 2019		At 30 June 2019	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong and Macau	39	--	39	--
Mainland China	180	--	175	--
Taiwan	51	--	57	--
Singapore	17	--	15	--
Other countries and regions	--	799	--	775
Total	287	799	286	775

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 1,086 stores covering about 30 countries and regions worldwide.

Renowned for its comfortable, easy to mix-and-match, colourful and energetic style, Bossini offers, 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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