

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2020/21 Interim Results

Results Highlights

<i>For the six months ended 31 December</i>	2020	2019	Change	
Revenue	HK\$468 mn	HK\$625 mn	- HK\$157 mn	- 25%
Gross profit	HK\$242 mn	HK\$316 mn	- HK\$74 mn	- 24%
Gross margin	52%	51%	+ 1% pt	
Loss for the period attributable to owners [#]	(HK\$87 mn)	(HK\$94 mn)	+ HK\$7 mn	+ 7%
Basic loss per share attributable to ordinary equity holders [#]	(HK5.30 cents)	(HK5.71 cents)	+ HK0.41 cent	+ 7%

	At 31 December 2020	At 31 December 2019	Change	
Net cash	HK\$248 mn	HK\$232 mn	+ HK\$16 mn	+ 7%

[#] Including continuing and discontinued operations

(Hong Kong, 25 February 2021) **Bossini International Holdings Limited** ("Bossini" or the "Group"; HKSE stock code: 592) today announces its interim results for the six months ended 31 December 2020.

During the period under review, the Group's revenue decreased by 25% to HK\$468 million (2019: HK\$625 million) period-on-period. Gross profit fell by 24% to HK\$242 million (2019: HK\$316 million), while gross margin increased by 1% point to 52% (2019: 51%). Loss for the period attributable to owners was HK\$87 million (2019: HK\$94 million), with HK\$30 million (2019: Nil) being non-cash impairment on non-financial assets. Basic loss per share amounted to HK5.30 cents (2019: HK5.71 cents). The Board of Directors does not recommend payment of any interim dividend (2019: Nil) for the six months ended 31 December 2020.

As of 31 December 2020, the Group had net cash of HK\$248 million (2019: HK\$232 million). The Group's inventory turnover days was 143 days (2019: 142 days).

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The pandemic of COVID-19 outbreak continued to adversely affect the local retail sectors and suppress many economic activities globally.

In Hong Kong and Macau, the retail sector continued to record a material decline since mid-2019. According to the statistics from the Census and Statistics Department of The Government of the Hong Kong Special Administrative Region, the wearing apparel retail sales value decreased by 26% on a period-on-period basis for the period from July 2020 to December 2020, and tourist arrivals plunged by 99.7% according to the statistics from the Hong Kong Tourism Board. The third and fourth waves of local COVID-19 infections at alarming levels induced stricter social distancing measures, including but not limited to the banning of evening dine-in services, which sharply reduced shopping activities and foot traffic as a result.

In and out of lockdown ahead of many other countries, the economy in mainland China powered ahead while much of the world was still struggling. Although GDP expanded year-on-year in the fourth quarter of 2020, growth in retail sales towards end of year was less than expected. Our business in mainland China is currently under structural transformation while we are focusing on off-season stock clearance and paving the way for the execution of our new product strategy in the near future.

Mr. Cheung Chi, Co-Chief Executive Officer and Executive Director of Bossini, said, "We anticipate that COVID-19 will continue to impact consumer behaviour, economic activities and business environment globally for a certain period. The Group's performance is expected to remain under significant pressure for the remaining financial year with travel restrictions and social-distancing measures still largely in place. For the Hong Kong and Macau market, the overall shop rental expenses remained at a very unreasonable level with several landlords still unwilling to provide rent concessions, despite some landlords had already switched to pure turnover-rent arrangement. We will continue to renegotiate with landlords to seek rent relief and reduction. Where landlords are reluctant to respond reasonably to our requests, we will close those retail shops accordingly. For the mainland China market, the Group will continue to focus on business expansion and enlarge our footprint in 2021, mainly focusing on opening directly managed stores in better shopping malls, reigniting franchised shops in various provinces and cities and further developing its e-commerce business. Overall, the Group is formulating and implementing strategies ranging from brand re-positioning, product segmentation and pricing, distribution channels, production and supply chain management, marketing and promotion to IT infrastructure. We believe all of these would collaboratively equip us with a solid foundation and pave the way for our expansion and tap into market opportunities in the mid- to long-term."

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For further information, please contact:
Porda Havas International Finance Communications Group
Kelly Fung / Carolyn Yang / Vicky Ng
Tel: (852) 3150 6763 / (852) 3150 6794 / (852) 3150 6739
Fax: (852) 3150 6728
Email: bossini@pordahavas.com