

[For Immediate Release]

bossini

Bossini International Holdings Limited

Bossini Announces 2024 Interim Results

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Results Highlights

<i>For the six months ended 30 June</i>	2024	2023	Change	
Revenue	HK\$265 mn	HK\$298 mn	- HK\$33 mn	- 11%
Gross profit	HK\$130 mn	HK\$157 mn	- HK\$27 mn	- 17%
Gross margin	49%	53%	- 4% pts	
Loss for the period attributable to owners	(HK\$52 mn)	(HK\$82 mn)	+ HK\$30 mn	+ 37%
Basic loss per share attributable to ordinary equity holders	(HK1.56 cents)	(HK2.96 cents)	+ HK1.40 cents	+ 47%

	At 30 June 2024	At 31 December 2023	Change	
Net cash	HK\$109 mn	HK\$185 mn	- HK\$76 mn	- 41%

(The Hong Kong Special Administrative Region, China (“Hong Kong SAR”), 22 August 2024) **Bossini International Holdings Limited** (the “Group”; HKSE stock code: 592) today announces its interim results for the six months ended 30 June 2024.

During the period under review, the Group’s revenue decreased by 11% to HK\$265 million (2023: HK\$298 million) period-on-period. Gross profit decreased by 17% to HK\$130 million (2023: HK\$157 million), while gross margin decreased by 4% points to 49% (2023: 53%). Loss for the period attributable to owners was HK\$52 million (2023: HK\$82 million) which mainly due to (i) effective cost control of expenses and (ii) closure of loss-making stores in mainland China for the six months ended 30 June 2024. Basic loss per share amounted to HK1.56 cents (2023: HK2.96 cents). The Board of Directors does not recommend payment of any interim dividend (2023: Nil) for the six months ended 30 June 2024.

As of 30 June 2024, the Group had net cash of HK\$109 million (31 December 2023: HK\$185 million). The Group’s inventory turnover days was 118 days (31 December 2023: 177 days).

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In the first half of 2024, the retail market in Hong Kong SAR continued to face a challenging business environment. The gradual recovery following last year's border reopening began to stagnate, with market conditions failing to improve further. Although the government will continue to organise various events and activities to actively promote tourists visiting Hong Kong SAR and to establish Hong Kong SAR as an events capital, which is expected to provide stable support for Hong Kong SAR's retail market, the overall business will remain challenging in the face of intense competition in the retail market and high operating costs. To enhance the Group's long-term competitiveness, the "bossini" and "bossini.X" brands will gradually integrate, transitioning from a brand of cost-effective everyday clothing to functional light sports clothing. We will continue to optimise the sales network and seek suitable locations to increase the sales points of the "bossini.X" brand.

In mainland China, the economy continued to slow down due to the impact of an increasingly complex external environment and uncertainties. Due to the overall lack of economic vitality and various factors leading to cautious consumer spending, overall domestic consumption remained weak, and the retail market rebounded slower than expected, brands launched discount promotions to attract customers, resulting in fierce competition in the retail market. The Group is actively promoting brand transformation, focusing on cycling sports as the core for rebranding. On one hand, we are increasing discounts to reduce inventory, and on the other hand, we are continuously optimising sales channels, opening stores in suitable locations while closing inefficient ones to improve operational efficiency.

Mr. Cheung Chi, Chief Executive Officer of Bossini, said, "As the global economic growth slows down, we expect the market will continue facing multiple uncertainties and posing certain challenges for businesses. The Group is actively promoting brand transformation by integrating professional cycling sports elements into product design. This aims to attract more energetic young consumer groups and serve people's pursuit of a healthy leisure lifestyle. It is expected the rebranding effort will require continuing investments over the next few years, with resources concentrated on product development and channel expansion."

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