

【For Immediate Release】



Bossini International Holdings Limited

Bossini Posts an Interim Net Profit of HK\$20 Million For 12-month Period ended 31 March 2007

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Quarter-on-quarter Improvements Seen As Spring/Summer Collection Launches

Results highlights for the 12 months ended 31 March

<i>HK\$ mn</i>	<i>2007 (Unaudited)</i>	<i>2006 (Audited)</i>	<i>Change</i>
Revenue	2,105	2,200	-4%
Gross profit	990	1,025	-3%
Operating profit	44	140	-68%
Profit attributable to equity holders	20	105	-81%
Basic EPS attributable to ordinary equity holders (HK cents)	1.26	6.69	-81%
Dividend per share for the period (HK cents)	Nil	3.60	n.a.

(Hong Kong, 21 June 2007) – **Bossini International Holdings Limited** (“Bossini” or the “Group”; HKSE stock code: 592) announced today its interim results for the 12 months ended 31 March 2007. The Group’s consolidated revenue for the 12-month period declined year-on-year by 4% to HK\$2,105 million. The gross margin was maintained at a stable level of 47% (2006: 47%). Nevertheless, impacted by rising rental and staff costs, though managed at a reasonable level, the Group’s operating profit declined by 68% to HK\$44 million. Profit attributable to equity holders decreased to approximately HK\$20 million.

Despite the unsatisfactory retail performance on a 12-month basis, the export franchising business posted moderate growth. Revenue from export franchising rose by 6% year-on-year to HK\$309 million. Operating profit increased by 7% to HK\$92 million, operating margin remained to be 30%.

Ms Kathy Chan, Chief Executive Officer of Bossini, said, “The Group’s sales showed quarter-on-quarter improvements along with the progressive launching of spring/summer 2007 collection. After experiencing sluggish sales in the third quarter, sales picked up gradually in the fourth quarter of 2006/07. Growth was particularly encouraging in Mainland China in the fourth quarter, with double-digit same store sales growth. Supported by the launch of new product lines and the brand revamp program, we cater to the needs of a wider group of customers and are confident that the Group will achieve revival in the years ahead.”

The Group further extended its network coverage and established footprints in India and Oman. During the 12 months ended 31 March 2007, the Group's number of outlets worldwide increased by a net 25 to 1,093, covering more than 20 countries and regions as at 31 March 2007. The total retail floor space increased by 5% to 663,100 sq. ft. as at 31 March 2007.

To increase its competitiveness and rejuvenate the "bossini" brand, the Group embarked on an integrated brand revamp program to inject new family essence and values to the "bossini" brand that synchronize with its mission of caring for the needs of every family member in every aspect from product offering, shop décor to shopping experience. The Group has been receiving good market response to its brand revamp initiatives in Hong Kong. The new brand icon and redecorated outlets attracted public attention effectively. The Group will roll out this successful formula to overseas markets in phases in this calendar year, applying the new "bossini" concepts around the world and further enhancing the refreshing brand image and its market awareness.

On the product front, Bossini added three new product lines, Maternity, Baby and Youth, so to complement the new brand direction of "Understanding every family member's needs". The new product lines and licensed products launched in March 2007 have been well-received. In the next fiscal year, the Group will continue to extend and revitalize its product lines with new and innovative product designs and functional fabrics so as to stimulate consumption desire.

The outlook for the Hong Kong retail sector in the coming year looks mixed with both opportunities and challenges. The Group will continue to maintain a pragmatic expansion strategy with a strong emphasis on profitability and efficiency. With the improvement trend shown in the fourth quarter during the period, the management is confident that the Hong Kong operation has scored a turning point for further growth in the future. In order to further penetrate the mass market, four to five stores will be opened in the coming months.

The Group remains optimistic that the Mainland China operation will continue the growth momentum gained during the fourth quarter of 2006/07. To increase competitiveness, the Group will realign the "sparkle" operation to reduce operating costs, reallocate financial resources and enhance profitability. It is planned that 40 loss-making "sparkle" outlets will be closed in the coming year.

As Taiwan's retail market is expected to remain sluggish due to political and economic instability, the Group plans to close down 27 outlets in the market, reducing the total number to 84. Following appropriate network consolidation, the Group anticipates considerable improvements for its Taiwan operation in the near future.

The management expects further improvements in both Singapore and Malaysia markets. The Group will continue to expand its sales network in both areas throughout the year 2007/08. It is particularly optimistic about the progressive growth of the Malaysia operation which will look set to be profitable in the long term once the operation becomes mature. The Group plans to increase the number of shops in Malaysia from 11 to 23. Three shops will also be added in Singapore.

Having delivered moderate performance levels during the 12 months under review, the export franchising business is well prepared for steady growth for future. The Group has launched a well-received new "Youth" product line to diversify its revenue streams and customer base. It expects to expand into five new countries in the upcoming year to further bolster market presence.

"Leveraging on the successful brand revamp program, design innovation and pragmatic network expansion approach, the Group is well poised to have revitalization in its performance. In the coming year, the businesses in export franchising and Mainland China will continue to be its driving force of growth. The Group remains confident about its long-term growth potential," Ms Chan concluded.

About Bossini International Holdings Limited

Bossini International Holdings Limited is a leading apparel brand owner, retailer and franchiser in the region. Headquartered in Hong Kong, Bossini launched its first retail outlet in 1987. Over the past two decades, the Group has rapidly established an extensive international operating platform and distribution that extends to 1,093 outlets covering about 20 countries and regions worldwide.

Bossini embarked on a brand revamp program in March 2007 to position itself as a family-fit apparel brand for customers of all age groups. Renowned for its comfortable, easy to mix-and-match, colorful and energetic design style, Bossini offers a full range of value-for-money casual wear apparel products for babies', maternity, kids', youth, ladies' and men's wear products.

Appendix –Number of Outlets at a Glance

<i>As at 31 March</i>	<i>2007</i>	<i>2006</i>	<i>Change</i>
Number of Directly Managed Outlets			
Hong Kong	38	33	+5
Mainland China	359	344	+15
Taiwan	111	112	-1
Singapore	33	29	+4
Malaysia	11	3	+8
Sub-total	552	521	+31
Number of Franchised Outlets			
Mainland China	219	284	-65
Other countries (20 countries)	322	263	+59
Sub-total	541	547	-6
Total	1,093	1,068	+25

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