



BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

FINANCIAL RESULTS

The board of directors (the “Board”) of **Bossini International Holdings Limited** (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group” or “Bossini”) for the six months ended 31 December 2008, together with the comparative figures for the six months ended 31 December 2007, as follows:

Condensed consolidated income statement

		Six months ended 31 December	
		2008	2007
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	2	1,185,600	1,158,926
Cost of sales		<u>(590,784)</u>	<u>(579,429)</u>
Gross profit		594,816	579,497
Other income	3	7,949	5,313
Selling and distribution costs		(391,205)	(389,229)
Administrative expenses		(125,629)	(124,595)
Other operating expenses		<u>(27,078)</u>	<u>(17,254)</u>
Profit from operating activities		58,853	53,732
Finance costs	4	<u>(790)</u>	<u>(897)</u>
Profit before tax	5	58,063	52,835
Tax	6	<u>(6,546)</u>	<u>(12,367)</u>
Profit for the period attributable to equity holders of the Company		<u>51,517</u>	<u>40,468</u>
Dividend per share	7	<u>HK1.0 cent</u>	<u>—</u>
Earnings per share attributable to ordinary equity holders of the Company	8		
Basic		<u>HK3.24 cents</u>	<u>HK2.56 cents</u>
Diluted		<u>HK3.24 cents</u>	<u>HK2.54 cents</u>

Condensed consolidated balance sheet

		At 31 December 2008 (Unaudited) HK\$'000	At 30 June 2008 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		182,714	175,767
Trademark		1,164	1,164
Deferred tax assets		3,048	2,848
Deposits paid		61,583	68,430
Total non-current assets		248,509	248,209
Current assets			
Inventories		382,605	230,056
Debtors	9	94,675	62,519
Bills receivable		25,291	4,923
Deposits paid		33,511	26,234
Prepayments and other receivables		41,405	29,167
Tax recoverable		189	134
Pledged bank deposits		37,487	1,615
Cash and cash equivalents		285,549	308,688
Total current assets		900,712	663,336
Current liabilities			
Trade creditors, other payables and accruals	10	241,292	180,569
Bills payable		46,880	7,836
Tax payable		49,882	48,973
Due to related companies		38,028	4,820
Derivative financial instruments		–	4,382
Interest-bearing bank loans		74,075	–
Provision		6,588	7,169
Total current liabilities		456,745	253,749
Net current assets		443,967	409,587
Total assets less current liabilities		692,476	657,796
Non-current liabilities			
Deferred tax liabilities		2,706	2,754
Net assets		689,770	655,042
Equity			
Issued capital		159,392	158,825
Reserves		514,439	480,335
Proposed dividend		15,939	15,882
Total equity		689,770	655,042

Notes to the condensed consolidated interim financial statements

1. Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standards

These condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 30 June 2008, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period’s financial statements:

HKAS 39 and HKFRS 7 (Amendments)	<i>Amendments to HKAS 39 – Financial Instruments: Recognition and Measurement and HKFRS 7 – Financial Instruments: Disclosures – Reclassification of Financial Assets</i>
HK(IFRIC)-Int 12	<i>Service Concession Arrangements</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 14	<i>HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>

The adoption of the above new interpretations and amendments has had no significant financial effect on these financial statements.

2. Segment information

An analysis of the Group's revenue and profit/(loss) by business segment is not presented as the Group's revenue and results are predominantly derived from the retailing and distribution of garments.

An analysis of the Group's revenue and profit/(loss) by geographical segment for the six months ended 31 December 2008, together with the comparative figures for the corresponding period in 2007, is as follows:

	Hong Kong		Mainland China		Taiwan		Singapore & Malaysia		Consolidated	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Segment revenue										
Sales to external customers	687,732	640,472	234,534	235,991	138,871	149,240	124,463	133,223	1,185,600	1,158,926
Other income	1,748	1,559	2,956	837	441	867	6	69	5,151	3,332
Total	689,480	642,031	237,490	236,828	139,312	150,107	124,469	133,292	1,190,751	1,162,258
Segment results	76,150	67,722	(7,755)	(6,870)	(12,596)	(9,840)	256	739	56,055	51,751
Interest income									2,798	1,981
Profit from operating activities									58,853	53,732
Finance costs									(790)	(897)
Profit before tax									58,063	52,835
Tax									(6,546)	(12,367)
Profit for the period									51,517	40,468

3. Other income

	Six months ended 31 December	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Interest income	2,798	1,981
Claims received	1,088	420
Royalty income	948	1,101
Compensation received	771	207
Gross rental income	136	133
Others	2,208	1,471
	7,949	5,313

4. Finance costs

	Six months ended	
	31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank loans wholly repayable within five years	<u>790</u>	<u>897</u>

5. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended	
	31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Inventory provision/(write-back of inventory provision)	4,173	(1,654)
Depreciation	39,292	37,655
Impairment losses of property, plant and equipment charged to the consolidated income statement	–	4,056
Fair value losses/(gains), net on derivative financial instruments – transactions not qualifying as hedges	<u>(4,382)</u>	<u>935</u>

6. Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended	
	31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current – Hong Kong		
Charge for the period	10,206	12,527
Current – Elsewhere		
Charge for the period	2,208	1,554
Overprovision in prior periods	(5,669)	(1,893)
Deferred	<u>(199)</u>	<u>179</u>
Tax charge for the period	<u>6,546</u>	<u>12,367</u>

7. Dividend

	Six months ended	
	31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend – HK1.0 cent (2007: Nil) per ordinary share	15,939	–

8. Earnings per share attributable to ordinary equity holders of the Company

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company for the six months ended 31 December 2008 of HK\$51,517,000 (2007: HK\$40,468,000) and the weighted average of 1,588,495,829 (2007: 1,582,411,144) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity holders of the Company for the six months ended 31 December 2008 of HK\$51,517,000 (2007: HK\$40,468,000). The weighted average number of ordinary shares used in the calculation is the 1,588,495,829 (2007: 1,582,411,144) ordinary shares in issue during the period, as used in the basic earnings per share calculation and the weighted average number of 3,906,351 (2007: 12,860,533) ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

9. Debtors

Other than cash and credit card sales, the Group normally grants credit periods of up to 60 days to its trade customers.

An aged analysis of debtors that are not considered to be impaired, based on due date, is as follows:

	At	At
	31 December 2008	30 June 2008
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Neither past due nor impaired	80,281	47,772
Less than 1 month past due	7,957	6,684
1 to 2 months past due	1,952	2,369
2 to 3 months past due	999	1,746
Over 3 months	3,486	3,948
	94,675	62,519

10. Trade creditors, other payables and accruals

Included in trade creditors, other payables and accruals is a trade creditors balance of HK\$85,704,000 (30 June 2008: HK\$36,668,000).

An aged analysis of trade creditors as at the balance sheet date, based on the payment due date, is as follows:

	At 31 December 2008 (Unaudited) <i>HK\$'000</i>	At 30 June 2008 (Audited) <i>HK\$'000</i>
Current	57,398	14,158
0 to 30 days	15,006	8,978
31 to 60 days	6,089	–
61 to 90 days	3,475	11,389
Over 90 days	3,736	2,143
	<u>85,704</u>	<u>36,668</u>

INTERIM DIVIDEND

The Board has declared an interim dividend of HK1.0 cent (2007: Nil) per ordinary share to shareholders whose names appear on the principal or branch register of members of the Company in Bermuda or Hong Kong respectively (collectively the “Register of Members”) as at the close of business on 15 April 2009. The interim dividend will be paid on or before 29 April 2009.

CLOSURE OF REGISTER OF MEMBERS

The Company’s Register of Members will be closed from Wednesday, 8 April 2009 to Wednesday, 15 April 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 7 April 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group faced a slowing economy marked by weakened consumer sentiment and spending during the period under review as the impact of the world financial crisis began to surface in the third quarter of 2008. Retailers offered more competitive pricing through discounts and promotional campaigns to thwart the negative trend, which ultimately triggered greater competition within the apparel sector.

These difficult and unstable market conditions call for a fast management response and more prudent expansion strategies. With this in mind, the Group continued to adhere to its pre-set business strategies and implement the plans flexibly to the best benefits of the Group's long term developments. We are pleased to report that the Group has once again achieved its goal of delivering sustainable growth in terms of revenue and profits. Moreover, our financial position has further strengthened, putting us in an advantageous position to weather today's abrupt market changes and allowing us to seek continuing expansion at lower costs during these turbulent times.

Financial Performance

The Group's revenue for the six months ended 31 December 2008 grew 2% year-on-year to HK\$1,186 million (2007: HK\$1,159 million). After successfully implementing effective cost-control measures, gross profit margin, EBITDA margin and operating profit margin were all maintained at stable levels of 50%, 8% and 5% respectively (2007: 50%, 8% and 5%). As a result, profit for the period attributable to equity holders increased by 27% to HK\$52 million (2007: HK\$40 million). Basic earnings per share rose to HK3.24 cents (2007: HK2.56 cents).

The Group is in a solid financial position with net cash of HK\$249 million as at 31 December 2008 (30 June 2008: HK\$310 million), approximately HK\$81 million higher than the balance as at 31 December 2007. Cash and bank balances amounted to HK\$323 million (30 June 2008: HK\$310 million) as at the same day, approximately HK\$75 million higher than the balance as at 31 December 2007.

As at 28 February 2009, the Group's net cash further increased to HK\$325 million, while cash and bank balances rose to HK\$388 million.

Operating Efficiencies

The Group achieved same-store sales growth of 1% in spite of today's unfavorable prevailing market conditions (2007: 4% growth). This was mainly attributable to same-store sales growth of 8% in Mainland China (2007: 2% growth) and 4% in Hong Kong (2007: 6% growth) following the implementation of a series of measures during the previous fiscal year. Despite this, overall net sales per sq. ft. for the Group posted a 4% decline to HK\$2,700 (2007: HK\$2,800).

The Group's business focus has been placed squarely on enhancing operational efficiencies and boosting productivity. Effective cost management was also a key factor in maintaining stable profitability. The Group's profit from operating activities as a percentage of total revenue were at 5.0% (2007: 4.6%).

Operating Cost Analysis

	For the 6 months ended 31 December				
	2008		2007		Change (%)
	HK\$ million	% of revenue	HK\$ million	% of revenue	
Revenue	1,186	100%	1,159	100%	
Selling and distribution costs	391	33%	389	34%	+1%
Administrative expenses	126	11%	125	11%	+1%
Other operating expenses	27	2%	17	1%	+57%
Total operating expenses	544	46%	531	46%	+2%

Business Review

Network Expansion

With Hong Kong, Mainland China, Taiwan, Singapore and Malaysia as the core markets, the Group expanded its presence internationally via export franchising. Today its footprint is found in about 33 countries and regions across the globe.

The following is a breakdown by geographical location and store type:

	31 December 2008		31 December 2007	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong	42	–	42	–
Mainland China	316	161	358	194
Taiwan	87	–	87	–
Singapore	30	–	33	–
Malaysia	18	–	14	–
Other countries and regions	–	436	–	366
Total	493	597	534	560

Co-branded and Licensed Products

The Group continued its efforts to launch co-branded and licensed products with brands that share common brand values and target customer groups with “bossini”. A number of licensed products were introduced during the period under review. These include:

bossini x Hanadeka Club

This is a brand new series of products featuring the popular puppy and other pet icons in the Hanadeka Club from Japan. It was launched at “bossini” in August 2008. The cute designs of the apparel items appeal to a wide group of customers of all ages. Special items for puppy pets and other fun products such as lanterns were first introduced, bringing joy and happiness to all family members shopping at “bossini”.

bossini x Mr. Men & Little Miss

The bossini x Mr. Men & Little Miss launched in November 2008 was a great success. Featuring the well known characters Mr. Happy and Little Miss Sunshine, this co-branded series comprises a full range of products from men’s, ladies’ to kid’s and even infant items. In addition to pullovers and jackets, there are also Octopus cardholders, caps, scarves, socks and gloves which were warmly embraced by customers.

Awards and Recognition

The first half of fiscal year 2008/09 was a fruitful year for the Group. Our leading position as a highly recognised brand in Hong Kong and our contributions to society have won us honors from a number of organisations. These included:

Award	Organiser
100 Most Wanted Brands 2008 – Most Wanted By Female Mainland Visitors	OSSIMA Publishing Group Limited
The Best For Home Award 2008 - 2009	Hong Kong Economic Times – Take Me Home
HK Corporate Brand Award 2008 – Marketing Award	Ming Pao Newspapers Limited
TVB Weekly The Most Popular Brand Award 2008 – The Most Popular Apparel Brand 2008	TVB Weekly

Operational Performance by Markets

Hong Kong remained the major revenue contributor to the Group during the period under review, accounting for 57% (2007: 55%) of consolidated revenue. This was followed by Mainland China, Taiwan, Singapore and Malaysia, which accounted for 20% (2007: 20%), 12% (2007: 13%), 9% (2007: 10%) and 2% (2007: 2%), respectively of the Group’s overall consolidated revenue.

Hong Kong

During the period under review, revenue generated from Hong Kong, comprising retail sales and export franchising sales, rose 7% to HK\$687 million (2007: HK\$640 million). This was mainly driven by strong export franchising sales as the Group further expanded its international network. As at 31 December 2008, “bossini” had a presence in approximately 28 countries through 436 export franchised stores (2007: 366).

Given the current rapidly changing market conditions, store expansion was managed prudently at a reasonable pace. The first “bossinistyle” shop in Hong Kong opened during the period under review was warmly embraced by customers owing to a new refreshing range of smart casual product.

Total number of directly managed stores and total retail sales floor area in Hong Kong were 42 stores and 148,600 sq. ft., respectively, as at 31 December 2008 (2007: 42 and 152,200 sq. ft.). Despite drastic market volatility, on retail level, same-store sales posted a growth of 4% (2007: 6% growth), while net sales per sq. ft. grew by 2% to HK\$5,700 (2007: HK\$5,600). Bolstered by satisfactory sales growth, strong brand equity and effective cost controls, operating profit from Hong Kong reached HK\$78 million (2007: HK\$70 million), equivalent to an operating profit margin of 11% (2007: 11%).

Mainland China

Mainland China is one of the world’s fastest growing emerging economies. It is now considered a business haven with economy remaining largely intact despite the global financial crisis. Leveraging this positive trend, the Group enjoyed satisfactory developments in the Mainland China market during the period under review. Revenue generated from the Mainland China declined marginally to HK\$235 million (2007: HK\$237 million), partly due to the closing down of all the remaining “sparkle” stores during the period under review, but same-store sales growth rose considerably by 8% (2007: 2% growth). This shows that the strategic steps taken during the previous fiscal year began to reap rewards and that the Group’s new management team in the Mainland China is steering the development in this lucrative market in the right direction.

To have stronger control of the development of the two brands in the Mainland China market, the Group further expanded its directly managed retail network of “bossini” and “bossinistyle” while strengthening its franchised network by eliminating stores that did not perform to standards. As at 31 December 2008, the number of directly managed stores and franchised stores of the Group were 316 (2007: 358 in total, and 276 excluding “sparkle” stores) and 161 (2007: 194, and 170 excluding “sparkle” stores) respectively. Total retail floor area was 316,500 sq. ft. (2007: 318,800 sq. ft.). Net sales per sq. ft. during the period under review held steady at HK\$1,200 (2007: HK\$1,200). Operating loss amounted to HK\$7 million (2007: HK\$7 million loss), with operating margin being negative 3% (2007: negative 3%).

Taiwan

Due to political instability and adverse effects of a slowing global economy, Taiwan is a tough market for retailers. The Group's total number of stores and retail floor area in Taiwan was 87 and 128,500 sq. ft. respectively as at 31 December 2008 (2007: 87 stores and 130,400 sq. ft.). Revenue declined by 7% during the period under review to HK\$139 million (2007: HK\$149 million).

Same-store sales posted a 10% decline (2007: 2% growth), and net sales per sq. ft. was down by 4% to HK\$2,200 (2007: HK\$2,300). Operating loss amounted to HK\$12 million (2007: HK\$10 million loss) while an operating margin of negative 9% was recorded during the period under review (2007: negative 7%).

Singapore

Like other Asian markets, operating environment in Singapore deteriorated, especially during the third quarter of 2008. Retail sales during the period under review declined by 10% to HK\$103 million (2007: HK\$115 million). Same-store sales posted a 7% decline (2007: 1% decline), while net sales per sq. ft. decreased by 2% to HK\$6,300 (2007: HK\$6,400).

There were 30 directly managed stores in Singapore as at 31 December 2008 (2007: 33) and the total retail floor area was 33,900 sq. ft. (2007: 36,700 sq. ft.). It contributed an operating profit of HK\$1 million for the period under review (2007: HK\$2 million). Operating margin was 1% (2007: 2%).

Malaysia

After the opening of 4 new stores during the period under review, revenue generated from Malaysia rose 22% to HK\$22 million (2007: HK\$18 million). The total number of stores increased to 18 (2007: 14), and total floor area amounted to 25,800 sq. ft. (2007: 20,300 sq. ft.). Same-store sales recorded a 3% growth (2007: 20% growth), while net sales per sq. ft. decreased 5% to HK\$1,900 (2007: HK\$2,000).

Malaysia incurred an operating loss of HK\$1 million (2007: HK\$1 million loss) mainly because the economies of scale have yet to be achieved.

Liquidity and Financial Resources

As at 31 December 2008, the Group's cash and bank balances amounted to HK\$323 million (30 June 2008: HK\$310 million), approximately HK\$75 million higher than the balance as at 31 December 2007, while net cash amounted to HK\$249 million (30 June 2008: HK\$310 million), approximately HK\$81 million higher than the balance as at 31 December 2007. The Group's current ratio was lowered to 1.97 times (30 June 2008: 2.61 times), and the total liabilities-to-equity ratio was 67% (30 June 2008: 39%).

The Group had bank borrowings of HK\$74 million (30 June 2008: Nil) payable within one year. The gearing ratio at 31 December 2008, calculated on the basis of bank borrowings over total equity, is 11% (30 June 2008: Nil) as compared to 13% at 31 December 2007.

The Group is exposed to foreign currency risk. Such exposures arise from the sale and the investments in foreign operations in currencies other than the United States dollar and the Hong Kong dollar. It is the Group's policy to enter into forward currency contracts to mitigate foreign exchange risk arising from material transactions denominated in currencies other than the United States dollar and the Hong Kong dollar.

The Group's inventory turnover days[#] was 59 days during the period under review (30 June 2008: 36 days), which was 6 days better than that for the 6 months ended 31 December 2007. Return on equity ratio was 15% (30 June 2008: 10%).

Inventory held at period /year end divided by annualised revenue times 365 days

Contingent Liabilities

During the period under review, the Group had no material changes in contingent liabilities since 30 June 2008.

Human Capital

At 31 December 2008, the Group employed 4,000 full-time staff or equivalent (30 June 2008: 3,900) in Hong Kong, Macau, Mainland China, Taiwan, Singapore and Malaysia. The Group has also initiated a performance-based and share option remuneration system, and offered benefits like insurance and retirement schemes as well as discretionary performance bonuses.

Outlook

As a recognised leader in the mass apparel market, boasting a strong brand name, our niche has always been the offering of highly competitive products that are good value for money. Recognising that our wide product range, strengthened product design, pleasant shopping environment and quality customer services are the key factors that set us apart from other players in the market, we will continue to hone our edge and optimise our operations to increase efficiency and productivity.

The overall economic outlook for the second half of this fiscal year is uncertain, and may continue to deteriorate despite there were signs of reductions on rent and some other expenses. The Group anticipates pressures on selling prices and gross profit margin. We will prudently evaluate the overall business environment and adjust its pace of expansion accordingly.

In Hong Kong, we will take every opportunity to look for stores situated at good locations that rent on more competitive terms as we see signs of a general property market slide. The same policy will be applied to other core markets throughout Asia as well.

We hold a positive outlook for the Mainland China market. Although recent signs of slowing macro conditions will be a drag on overall consumption, strong supportive government measures and increasing domestic demand will continue to fuel growth within the retail sector. As a result we will adhere to our plan of adding stores in the Mainland China during the fiscal year 2008/09.

Bolstered by a pragmatic network expansion approach, our export franchising business is expected to deliver stable continued growth. The management believes that this will further strengthen our business foundation and alleviate the effect of any single or regional market fluctuation on our business performance.

We are confident that our unique positioning and strengths will allow us to ride out this turbulent economic situation, and will seize market opportunities in a proactive yet pragmatic manner to reward shareholders with positive results.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. It has formulated its written terms of reference in accordance with the provisions set out in Appendix 14 – Code on Corporate Governance Practices (the "CG Code") of the Listing Rules. The audit committee has reviewed the unaudited interim financial results for the six months ended 31 December 2008. The audit committee comprises four Independent Non-executive Directors of the Company, namely Ms. LEUNG Mei Han, Mr. LEE Man Chun Raymond, Prof. SIN Yat Ming and Mr. WONG Wai Kay.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company was in compliance with the code provisions as set out in the CG Code for the six months ended 31 December 2008, except for the following deviations:

- The Chairman and the Chief Executive Officer of the Company are not subject to retirement by rotation. The Board considers that the continuity of the Chairman and Chief Executive Officer of the Company and their leadership are crucial in maintaining the stability of the Group's business operations.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as the Company’s code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company’s directors, the directors have complied with the required standard set out in the Model Code, throughout the six months ended 31 December 2008.

PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE’S WEBSITE

The Interim Report for the six months ended 31 December 2008 of the Company containing all the information required by the Listing Rules will be published on the website of the Company (www.bossini.com) and the Stock Exchange (www.hkex.com.hk) and despatched to shareholders in due course.

By Order of the Board
LAW Ka Sing
Chairman

Hong Kong, 18 March 2009

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. LAW Ka Sing, Ms. CHAN So Kuen, Mr. MAK Tak Cheong Edmund and Mr. WONG Yan Sang and four Independent Non-executive Directors, namely Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han, Prof. SIN Yat Ming and Mr. WONG Wai Kay.