



[For Immediate Release]

BOSSINI ANNOUNCES ANOTHER RECORD HIGH 2004/05 ANNUAL RESULTS

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Net Profit Surges 54% to HK\$182 Million

Results highlights for the year ended 31 March

	FY2004/05 HK\$ mn	FY2003/04 HK\$ mn	Change
Turnover	2,017	1,783	+13%
Gross profit	998	844	+18%
Gross margin	49%	47%	+2%pts
Net profit attributable to shareholders	182	118	+54%
Net margin	9%	7%	+2%pts
Basic EPS (HK cents)	11.74	7.97	+47%
Dividend per share (HK cents)			
- Interim	1.8	-	N/A
- Proposed final	3.9	3.0	+30%
- Total	5.7	3.0	+90%

(Hong Kong, 5 July 2005) – Bossini International Holdings Limited (the “Company”) (stock code: 592) today announced the annual results of the Company and its subsidiaries (“Bossini” or the “Group”) for the year ended 31 March 2005 (“FY2004/05”).

For FY2004/05, the Group recorded turnover and net profit attributable to shareholders of approximately **HK\$2 billion** and **HK\$182 million** respectively, representing an increase of 13% and 54% respectively as compared with last year. Basic earnings per share were HK11.74 cents. The gross and net profit margin of the Group reached **49%** and **9%** respectively, up 2 percentage points over those of FY2003/04. The Board of Directors recommends the payment of a final dividend of HK3.9 cents per share. Together with the interim dividend of HK1.8 cents per share, the total dividend for the year is **HK5.7 cents per share**, representing a payout ratio of 49% for FY2004/05.

Mr. Law Ka Sing, Chairman of Bossini, said, “During the year under review, the Group was able to sustain the growth momentum of all its four core markets and export franchise business. I am most pleased that we met our target of achieving double-digit growth in both turnover and net profit, record highs again for yet another year.”

Ms Kathy Chan, Executive Director and Director of Finance of Bossini, said, "The encouraging growth in FY2004/05 was a direct result of our on-going optimization and branding strategy designed to lift operating efficiency and overall profitability. The overall same store sales for our retail business grew by 11% collectively in the four core markets, while the overall sales for our franchise business increased by 14%. We were also able to further widen our profit margins during the year under review, and grow the return on equity (ROE) by 3 percentage points to 36%."

Organic and Overseas Distribution Expansion

The Group's global operating platform and distribution network of 827 outlets covering about 20 countries serve its two main business streams, namely directly managed outlet and franchise outlet. As at 31 March 2005, the Group ran **409** directly managed retail outlets (FY2003/04: 314), an increase of 95 outlets in its four core markets including Hong Kong, Mainland China, Taiwan and Singapore. The number of franchised outlets increased by 54 to **418** worldwide (FY2003/04: 364), including 203 outlets in Mainland China and 215 outlets in overseas covering about 16 countries. There included an addition of 46 new outlets mainly in the Middle East and Thailand during the year. The Group expanded its distribution network with exceptional efficiency, reducing its total operating expenses to 39% (FY2003/04: 40%) of its revenue, and an inventory turnover at the respectable level of 39 days (FY2003/04: 37 days).

Hong Kong retail and export franchise sales accounted for 52% of the Group's turnover for the year under review, reaching approximately HK\$1 billion, up 24% over last year. Operating profit was HK\$152 million and operating margin was 15%. The Hong Kong retail sales increased by 18% to HK\$803 million while export franchise sales grew by an impressive 47% to HK\$218 million.

Mainland China was the second largest contributor to the Group's turnover and profit for the year, with total sales fell slightly due to network restructuring to HK\$443 million. The operating profit more than doubled prior year's level of HK\$16 million to HK\$33 million and operating margin improved to 7% (FY2003/04: 3%). Turnover for Taiwan and Singapore amounted to HK\$348 million and HK\$191 million respectively. Operating profit for Taiwan improved by 6% to HK\$18 million at an operating margin of 5% (FY2003/04: 5%). Operating profit for Singapore improved by 35% to HK\$23 million with an operating margin of 12% (FY2003/04: 10%).

To take advantage of the favorable economic sentiment in the region particularly in Hong Kong and Mainland China, the Group expanded the total retail floor space to 542,700 sq. ft., 12% more than that in FY2003/04. The average net retail sales per sq. ft. recorded double-digit growth of 18% to HK\$3,300 (FY2003/04: HK\$2,800), with Singapore turning in the most robust performance of a 22% increase.

Outlook: Commitment to Sustainable Growth

Ms. Kathy Chan said, "We believe our proven and impressive profitability over the past two years, and the recent explosive growth in the Group's export franchise business are strong indicators of the Group's growth potential. Boasting promising growth potential plus plans to steadily expand our global distributive network, especially in Mainland China, where we already have established presence in over 100 cities, we look forward to enhancing our profitability in the near future."

For Hong Kong, the Group foresees an upward trend in the Hong Kong retail sector as the economy improves and tourists, attracted by the opening of Disneyland, inject more money into the economy. Three to five new stores will be opened in FY2005/06 in Hong Kong.

The overseas export franchise market not only has high growth potential, but also gives the Group the platform to diversify its business portfolio. The Group's goal is to expand its export franchise sales growth by 30% over the coming year to follow the almost 50% growth achieved in FY2004/05. In addition to encouraging our business partners to further expand the export franchise business in existing markets especially the Middle East and Thailand, the Group will also start its franchise business in Nepal in FY2005/06, and explore market potential in India, Korea and Japan.

As for Mainland China, it is expected to be one of the Group's future growth engines and to emerge as its number one turnover- and profit-contributor in the medium term. A more aggressive network expansion plan will be implemented in FY2005/06, adding more than 150 outlets with a fair combination of directly managed and franchise outlets. To thrive in the keen competition now and in the years ahead, Bossini is committed to proactively offering more training to and collaborating with its export franchise partners, helping them pursue cautious expansion and maintain effective cost control.

To foster growth in Taiwan market, franchise operation will be introduced. An addition of more than 20 directly managed and/or franchise outlets is planned.

Bossini is currently one of the leading apparel retailers in the Singapore market. The Group plans to spur sales by further enhancing brand development and shop outlays. It is Bossini's plan to capture the lion share of Singapore's apparel market in five years.

Leveraging its successful operations in Singapore, the Group is planning to further expand its retail business in Malaysia. Stores will be opened in Malaysia in second half of FY2005/06.

Mr. Law Ka Sing, Chairman of Bossini, concluded, "In enhancing shareholders' value, it remains our ultimate goal to achieve sustainable double-digit growth in both turnover and profits in the years to come. In the foreseeable future, we will increase our share in the core markets and expand our export franchise business, which will drive our turnover and profit growth. We will remain steadfast to our mission of providing quality mix and match casual apparel to consumers around the world and are confident of our future growth."

About Bossini International Holdings Limited (stock code:592)

Bossini International Holdings Limited and its subsidiaries is a leading apparel brand owner, retailer, and franchisor in the region. Headquartered in Hong Kong, Bossini rapidly established an extensive international operating platform and distribution network over the past two decades. It currently has a total of 827 outlets worldwide covering about 20 countries, with 409 directly managed outlets in its four core markets, namely Hong Kong, Mainland China, Taiwan and Singapore. Renowned for its comfortable, easy to mix-and-match, colorful and energetic style, Bossini offers a full range of good value-for-money casual wear products, including ladies', men's and kids' wear, designed to fit customer needs.

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