

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2012/13 Annual Results

Completed the Majority of Network Consolidation Process in Mainland China and Taiwan

Hong Kong and Singapore Businesses Remain Strong Reinforced Financial Position and Fundamentals

Results Highlights

<i>For the year ended 30 June</i>	2013	2012
Revenue	HK\$2,517 mn	HK\$2,744 mn
Gross profit	HK\$1,199 mn	HK\$1,294 mn
Gross margin	48%	47%
Profit attributable to owners	HK\$22 mn	HK\$16 mn
Basic EPS attributable to ordinary equity holders	HK1.37 cents	HK0.99 cent
Dividend per share		
- Interim	HK0.63 cent	HK1.10 cents
- Special interim	HK1.05 cents	Nil
- Final	HK0.60 cent	Nil
- Special final	HK0.60 cent	Nil

	At 31 August 2013	At 30 June 2013	At 30 June 2012
Cash and bank balances	HK\$433 mn	HK\$339 mn	HK\$274 mn
Net cash*	HK\$433 mn	HK\$339 mn	HK\$249 mn

*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 18 September 2013) – **Bossini International Holdings Limited** (“Bossini” or the “Group”; HKSE stock code: 592) announced today its annual results for the year ended 30 June 2013.

The financial year 2012/13 continued to be a challenging year as global economy faced low GDP growth and competition heated up in the apparel retailing industry. Revenue of the Group for the year ended 30 June 2013 was HK\$2,517 million (2012: HK\$2,744 million). Gross profit decreased 7% to HK\$1,199 million (2012: HK\$1,294 million) mainly due to our network consolidation strategy, while the gross margin increased 1% point to 48% (2012: 47%). Profit for the year attributable to owners was HK\$22 million (2012: HK\$16 million) and basic earnings per share increased to HK1.37 cents (2012: HK0.99 cent). In fiscal year 2012/13, the Board recommended payment of a final dividend of HK0.60 cent per share and a special final dividend of HK0.60 cent per share. Interim dividend and special interim dividend were HK0.63 cent per share and HK1.05 cents per share, respectively. Total dividends for the year under review amounted to HK2.88 cents per share, and total dividend payout ratio for the year was 210%.

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In fiscal year 2012/13, the Group has reinforced its strong financial position. As of 30 June 2013, the cash and bank balances was HK\$339 million (2012: HK\$274 million). Net cash balance amounted to HK\$339 million (2012: HK\$249 million) as of 30 June 2013 and further rose to HK\$433 million as of 31 August 2013. Meanwhile, inventory turnover days continued to improve as there was a 7-day reduction in inventory turnover to 85 days (2012: 92 days).

During the year under review, the economic growth slowdown in mainland China was observed and Chinese consumers are facing a slower rate of increase in income along with inflation pressures. In addition, the mainland China's retailing environment is highly competitive while many apparel companies with high inventory levels have been discounting significantly. In response to the intensifying competitive environment, the Group has strategically streamlined its operations in mainland China and wended down its underperforming stores, straitening our operating loss there to HK\$116 million loss (2012: HK\$156 million loss).

The Hong Kong segment, representing 65% of the Group's revenue, continued to be the Group's major contributor as it generated record-high sales during the year under review. Same-store sales in Hong Kong continued to record growth for the fourth consecutive year with 3% growth (2012: 13% growth). Operating profit for the whole segment was HK\$212 million (2012: HK\$250 million). Meanwhile, the total revenue in Singapore increased 7% to a record high of HK\$256 million (2012: HK\$239 million) with operating loss narrowed to HK\$0.1 million (2012: HK\$11 million loss).

During the year under review, the Group closed down a significant number of non-performing directly managed stores, completed the winding down of the "b.style de flyblue" stores while added 18 new export franchised stores to 561 (2012: 543). As of 30 June 2013, the Group had presence in 37 countries and regions with a total of 1,017 (2012: 1,314) stores, of which 300 (2012: 523) were directly managed stores and 717 (2012: 791) were franchised stores. The Group intends to focus its resources to improve efficiencies in its current directly managed stores. It will also focus on pragmatically expanding its export franchising footprint in the emerging markets such as those in South Asia and the Middle East, where there are stronger growth opportunities in the apparel retailing industry.

Operationally, the Group introduced its new concept stores in fiscal year 2012/13. In May 2013, it launched the newly renovated 15,000 sq. ft. Mongkok flagship store, promoting the brand essence of the "be happy" philosophy. In addition, the Group successfully launched *bossini x WOW!! Angry Birds* crossover series as well as the licensing programmes with Winnie the Pooh and Walt Disney's Cars, which received overwhelmingly response.

Mr. Edmund Mak, Executive Director and Chief Executive Officer of Bossini, said, "The financial year 2013/14 continues to be challenging with adverse dynamics in the apparel retailing industry. We anticipate that our largest segment, the Hong Kong retail and export business, will continue to experience healthy growth and that the Singapore segment will maintain its positive momentum. In addition, as a result of our efforts to streamline operations, we expect our overall performance will benefit from the productivity improvements in the mainland China and Taiwan segments. Furthermore, to heighten our customers' shopping experience and sales productivity, we will continue to progressively launch new concept stores in key and high traffic locations throughout Hong Kong and other markets. We also intend to pragmatically expand based on market opportunities, especially in emerging markets with promising growth potential. As we execute our expansion plans, we will continue to enhance our supply chain competencies in alliance with our strategic partners."

Mr. Mak concluded, "Our management team remains cautious but confident about the business prospect in the coming year. Looking forward, the Group will continue to focus on building its brand asset while improving operational efficiencies. Under Bossini's "be happy" theme, we remain committed to excel in our product quality and customer service as well as to regularly introduce fresh and exciting styles based on the "be happy" theme."

Appendix - Store composition by type and geographical location is listed below:

	At 30 June 2013		At 30 June 2012	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong	41	--	41	--
Mainland China	144	156	350	248
Taiwan	85	--	102	--
Singapore	30	--	30	--
Other countries and regions	--	561	--	543
Total	300	717	523	791

About Bossini International Holdings Limited

Bossini is a leading apparel brand owner, retailer and franchiser in the region. Headquartered in Hong Kong, Bossini launched its first retail store in 1987. Over the past two decades, the Group has rapidly established an extensive international operating platform and distribution network that extends to 1,017 stores covering about 37 countries and regions worldwide.

Renowned for its comfortable, easy to mix-and-match, colourful and energetic style, Bossini offers a full range of good value for money, casual wear apparel products including men's, ladies', youth and kids' wear, which are designed to fit customer needs.

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