

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2013/14 Interim Results

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**Profit for the Period Attributable to Owners Increased 119% Year-on-year
Double-digit Growth in Same-store Sales for Hong Kong and China Retail Operations**

Results Highlights

<i>For the 6 months ended 31 December</i>	2013	2012	Change
Revenue	HK\$1,273 mn	HK\$1,334 mn	-5%
Gross profit	HK\$628 mn	HK\$636 mn	-1%
Gross margin	49%	48%	+1% pt
Profit for the period attributable to owners	HK\$75 mn	HK\$34 mn	+119%
EBITDA	HK\$117 mn	HK\$85 mn	+38%
Basic EPS attributable to ordinary equity holders	HK4.60 cents	HK2.10 cents	+119%
Dividend per share			
- interim	HK2.30 cents	HK0.63 cent	+265%
- special interim	Nil	HK1.05 cents	-100%

	At 31 January 2014	At 31 December 2013	At 31 December 2012
Cash and bank balances	HK\$457 mn	HK\$352 mn	HK\$344 mn
Net cash*	HK\$457 mn	HK\$352 mn	HK\$344 mn

*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 25 February 2014) – **Bossini International Holdings Limited** (“Bossini” or the “Group”; HKSE stock code: 592) announces today its interim results for the six months ended 31 December 2013.

Revenue for the Group for the six months ended 31 December 2013 decreased by approximately 5% to HK\$1,273 million (2012: HK\$1,334 million). Gross profit for the period under review was HK\$628 million (2012: HK\$636 million), with a slightly improved gross margin of 49% (2012: 48%). Profit for the period attributable to owners was HK\$75 million (2012: HK\$34 million). EBITDA for the period under review was HK\$117 million (2012: HK\$85 million), while basic earnings per share were HK4.60 cents (2012: HK2.10 cents).

The Board of Directors declared the payment of an interim dividend of HK2.30 cents (2012: interim dividend of HK0.63 cent and special interim dividend of HK1.05 cents) per share for the six months ended 31 December 2013.

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The Group maintained its strong financial position with cash and bank balances of HK\$352 million (2012: HK\$344 million) and a net cash balance of HK\$352 million (2012: HK\$344 million) as of 31 December 2013. As at 31 January 2014, cash and bank balances increased to HK\$457 million with net cash balance also expanded to HK\$457 million.

During the first half of financial year 2013/14, the global economy is showing signs of a modest rebound and an improvement in consumer sentiment. Nonetheless, emerging markets have conversely experienced a slowdown, with Asia in particular being tormented by haphazard growth. Deteriorating conditions in the apparel retailing industry are also exerting pressure on many brands as more players enter the Group's core markets. Faced with erratic challenges and a turbulent retail environment, the Group's sales experienced a minor decrease which was largely driven by the consolidation of the Group's non-performing stores in mainland China and Taiwan while the profit for the period attributable to owners increased 119% year-on-year.

The Hong Kong segment business of the Group delivered record-high sales, and the Hong Kong and mainland China retail operations enjoyed double-digit increase in same-store sales. Meanwhile, the Group's inventory turnover days slightly improved to 99 days (2012: 100 days) compared with the same period last year.

Given the global uncertainty and uneven regional performance during the period under review, the Group maintained a cautious approach to expansion. The export franchising unit renewed efforts to expand its footprint by adding 30 stores and 3 countries during the first half of the financial year 2013/14. Overall, the Group had presence in 40 countries and regions worldwide as of 31 December 2013. Of the existing stores, 278 (30 June 2013: 300) were directly managed and 717 (30 June 2013: 717) were franchised.

As entering its 26th year of operations, the Group continually promotes and reinforces its core brand value "be happy" with customers and business partners. During the period under review, the Group worked with Sesame Street to release the *bossini x Sesame Street* crossover series featuring the show's famous characters on clothing for men, women and children alongside a range of accessories and premiums including blanket cushions, backpacks, packable tote bags and more. In addition, to capture the excitement of Halloween, the Group collaborated with Ocean Park Halloween Bash and presented a variety of holiday-themed costumes. Overall, such win-win partnerships were well-received by the market and developed lively promotions and heightened brand awareness of the Group.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, "The global economy finally appears to have reached a turning point with a renewed sense of cautious optimism in 2014. However, throughout the region, the retail environment is still highly competitive as some of the world's renowned brands have been drawn to invest in new markets and increasingly more foreign and local brands have been expanding their operations, which has increased competition, stifled sales and prolonged the extensive discounting taking place in some markets. Furthermore, we foresee that the inventory adjustments and destocking process undertaken by some apparel retailers could linger for some time. Nevertheless, the Group will continue its expansion into export markets with good potential for growth and persist with initiatives to enhance store productivity, particularly in mainland China and Taiwan. We will continue to partner with well-known brands to launch co-branded and licensed clothing and merchandise to extend and enhance our brand visibility."

Mr. Mak concluded, "Looking ahead, we will focus on enhancing our "be happy" brand value, competitiveness and attractive range of products. At the same time, we will endeavour to maintain our positive dividend payout ratio above 50% to provide our shareholders with steady returns."

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

	At 31 December 2013		At 30 June 2013	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong	41	--	41	--
Mainland China	127	126	144	156
Taiwan	78	--	85	--
Singapore	32	--	30	--
Other countries and regions	--	591	--	561
Total	278	717	300	717

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 995 stores covering about 40 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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