BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 592)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2014

FINANCIAL RESULTS

The board of directors (the "Board") of **Bossini International Holdings Limited** (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group" or "Bossini") for the year ended 30 June 2014, together with the comparative figures for the year ended 30 June 2013, as follows:

Consolidated statement of profit or loss and other comprehensive income
Year ended 30 June 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Revenue	3	**2,548,040**	2,517,167
Cost of sales		**(1,246,971)**	(1,317,732)
Gross profit		**1,301,069**	1,199,435
Other income	3	**23,692**	19,350
Selling and distribution expenses		**(843,103)**	(850,212)
Administrative expenses		**(266,728)**	(272,533)
Other operating expenses		**(59,936)**	(49,908)
Profit from operating activities		**154,994**	46,132
Finance costs	4	**–**	(81)
Profit before tax	5	**154,994**	46,051
Income tax expense	6	**(27,898)**	(23,842)
Profit for the year attributable to owners of the Company		**127,096**	22,209

Consolidated statement of profit or loss and other comprehensive income (continued)

	Note	**2014** **HK$'000**	2013 *HK$'000*
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(2,591)**	5,037
Total comprehensive income for the year attributable to owners of the Company		**124,505**	27,246
Earnings per share attributable to ordinary equity holders of the Company	*8*		
Basic		**HK7.83 cents**	HK1.37 cents
Diluted		**HK7.78 cents**	HK1.37 cents

Details of the dividends paid and proposed for the year are disclosed in note 7 to the financial statements.

Consolidated statement of financial position
30 June 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**96,169**	103,197
Investment properties		**27,382**	29,150
Trademark		**1,164**	1,164
Deferred tax assets		**7,290**	6,658
Deposits paid		**81,383**	78,715
Total non-current assets		**213,388**	218,884
Current assets			
Inventories		**286,595**	305,309
Debtors	*9*	**52,549**	59,618
Bills receivable		**58,849**	48,361
Deposits paid		**30,363**	34,575
Prepayments and other receivables		**57,892**	78,071
Derivative financial instruments		**309**	946
Pledged bank deposits		**1,831**	776
Cash and cash equivalents		**452,477**	337,807
Total current assets		**940,865**	865,463
Current liabilities			
Trade creditors, other payables and accruals	*10*	**254,436**	240,124
Bills payable		**46,334**	50,255
Tax payable		**28,439**	39,491
Due to related companies		**17,478**	23,617
Derivative financial instruments		**1,137**	73
Total current liabilities		**347,824**	353,560
Net current assets		**593,041**	511,903
Total assets less current liabilities		**806,429**	730,787
Non-current liabilities			
Deferred tax liabilities		**2,306**	2,183
Other payables		**1,874**	–
Total non-current liabilities		**4,180**	2,183
Net assets		**802,249**	728,604
Equity			
Issued capital		**162,693**	162,078
Reserves		**639,556**	566,526
Total equity		**802,249**	728,604

Notes to the consolidated financial statements

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

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollar ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 – *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HKFRS 1 Amendments	Amendments to HKFRS 1 – *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 – *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009 – 2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 13, amendments to HKAS 36, HKFRS 10, HKFRS 11 and HKFRS 12 and certain amendments included in Annual Improvements 2009 – 2011 Cycle, the adoption of the above new and revised HKFRSs has had no significant financial effect on these financial statements.

1. **Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standards (continued)**

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.

(b) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 July 2013.

(c) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.

(d) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

1. **Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standards (continued)**

The principal effects of adopting these new and revised HKFRSs are as follows: (continued)

(e) Annual Improvements 2009 – 2011 Cycle issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

– HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

  In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

– HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holder.

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

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 16 and HKAS 38 Amendments	Amendments to HKAS 16 – *Property, Plant and Equipment* and HKAS 38 – *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* [4]
HKAS 19 Amendments	Amendments to HKAS 19 – *Employee Benefits – Defined Benefit Plans: Employee Contributions* [2]
HKAS 32 Amendments	Amendments to HKAS 32 – *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* [1]
HKAS 39 Amendments	Amendments to HKAS 39 – *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting* [1]
HKFRS 9	*Financial Instruments* [6]
HKAS 39, HKFRS 7 and HKFRS 9 Amendments	*Hedge Accounting* and amendments to HKAS 39, HKFRS 7 and HKFRS 9 [6]
HKAS 27 (2011), HKFRS 10 and HKFRS 12 Amendments	Amendments to HKAS 27 (2011), HKFRS 10 and HKFRS 12 – *Investment Entities* [1]
HKFRS 11 Amendments	Amendments to HKFRS 11 – *Joint Arrangements – Accounting for Acquisition of Interests in Joint Operations* [4]
HKFRS 14	*Regulatory Deferral Accounts* [3]
HKFRS 15	*Revenue from Contracts with Customers* [5]
HK(IFRIC)-Int 21	*Levies* [1]
Annual Improvements 2010 – 2012 Cycle	Amendments to a number of HKFRSs issued in January 2014 [2]
Annual Improvements 2011 – 2013 Cycle	Amendments to a number of HKFRSs issued in January 2014 [2]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for first annual HKFRS financial statements for a period beginning on or after 1 January 2016 and not applicable to the Group
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning on or after 1 January 2017
6 No mandatory effective date yet determined but is available for adoption

1. **Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standards (continued)**

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

In December 2013, the HKICPA added to HKFRS 9 the requirements related to hedge accounting and made some related changes to HKAS 39 and HKFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to HKFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting. The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to HKFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in 2010 without applying the other HKFRS 9 requirements at the same time.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

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

Further information about those HKFRSs that are expected to be applicable to the Group is as follows: (continued)

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 July 2014.

2. Operating segment information

For management purposes, the Group is organised into business units that offer products to customers located in different geographical areas and has four reportable operating segments as follows:

(a) Hong Kong
(b) Mainland China
(c) Taiwan
(d) Singapore

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income and finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and tax payable as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. **Operating segment information (continued)**

Geographical segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information of the Group's geographical segments for the years ended 30 June 2014 and 2013.

	Hong Kong		Mainland China		Taiwan		Singapore		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**1,757,065**	1,625,757	**347,608**	388,865	**212,454**	246,368	**230,913**	256,177	**2,548,040**	2,517,167
Other income	**13,546**	11,742	**1,613**	2,701	**1,062**	797	**1,386**	685	**17,607**	15,925
Total	**1,770,611**	1,637,499	**349,221**	391,566	**213,516**	247,165	**232,299**	256,862	**2,565,647**	2,533,092
Segment results	**198,951**	210,034	**(17,379)**	(117,351)	**(13,890)**	(49,996)	**(18,773)**	20	**148,909**	42,707
Interest income									**6,085**	3,425
Profit from operating activities									**154,994**	46,132
Finance costs									**–**	(81)
Profit before tax									**154,994**	46,051
Income tax expense									**(27,898)**	(23,842)
Profit for the year									**127,096**	22,209

The revenue information above is based on the location in which the sales originated.

	Hong Kong 2014	Hong Kong 2013	Mainland China 2014	Mainland China 2013	Taiwan 2014	Taiwan 2013	Singapore 2014	Singapore 2013	Consolidated 2014	Consolidated 2013
Segment assets	**714,393**	621,866	**280,994**	285,290	**55,090**	78,346	**96,486**	92,187	**1,146,963**	1,077,689
Unallocated assets									**7,290**	6,658
Total assets									**1,154,253**	1,084,347
Segment liabilities	**258,662**	233,556	**38,339**	49,511	**16,826**	21,542	**7,432**	9,460	**321,259**	314,069
Unallocated liabilities									**30,745**	41,674
Total liabilities									**352,004**	355,743
Other segment information:										
Capital expenditure *	**43,205**	41,780	**1,360**	9,376	**2,839**	4,190	**11,735**	4,338	**59,139**	59,684
Depreciation	**48,514**	40,850	**5,409**	12,227	**2,735**	12,314	**7,007**	5,377	**63,665**	70,768
Impairment of items of property, plant and equipment	**–**	–	**–**	–	**–**	5,000	**4,512**	–	**4,512**	5,000
Loss/(gain) on disposal/write-off of items of property, plant and equipment	**299**	244	**134**	334	**(8)**	3,889	**1,475**	438	**1,900**	4,905
Provision/(write-back of provision) for inventories	**4,121**	1,743	**(32,118)**	11,369	**(3,816)**	1,267	**2,172**	(1,081)	**(29,641)**	13,298
Impairment of debtors	**–**	11	**1,630**	1,782	**–**	–	**–**	–	**1,630**	1,793
Non-current assets **	**110,813**	114,002	**4,740**	8,509	**3,023**	3,703	**6,139**	7,297	**124,715**	133,511

* Capital expenditure consists of additions of property, plant and equipment.

** The non-current asset information above is based on the locations of assets and excludes deferred tax assets and the non-current portion of deposits paid.

Information about a major customer:

Revenue from continuing operations of approximately HK$318,628,000 (2013: HK$305,964,000) was derived from sales by the Hong Kong segment to a single customer.

3. Revenue and other income

Revenue, which is also the Group's turnover, represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue and other income is as follows:

	2014	2013
	HK$'000	*HK$'000*
Revenue:		
Retailing and distribution of garments	**2,548,040**	2,517,167
Other income:		
Interest income	**6,085**	3,425
Claims received	**213**	1,443
Royalty income	**4,159**	4,615
Gross rental income	**5,935**	4,783
Others	**7,300**	5,084
	23,692	19,350
	2,571,732	2,536,517

4. Finance costs

	2014	2013
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**–**	81

5. Profit before tax

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

	2014	2013
	HK$'000	*HK$'000*
Cost of sales:		
Cost of inventories sold	**1,276,612**	1,304,434
Provision/(write-back of provision) for inventories	**(29,641)**	13,298
	1,246,971	1,317,732
Depreciation	**63,665**	70,768
Impairment of items of property, plant and equipment	**4,512**	5,000
Loss on disposal/write-off of items of property, plant and equipment	**1,900**	4,905
Net rental income	**(5,906)**	(4,306)
Fair value gain on a structured deposit	**–**	(99)
Fair value losses, net on derivative financial instruments – transactions not qualifying as hedges	**4,845**	1,340

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdiction in which the Group operates.

	2014	2013
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**25,535**	27,296
Underprovision/(overprovision) in prior years	**31**	(215)
Current – Elsewhere		
Charge for the year	**4,695**	3,681
Overprovision in prior years	**(1,854)**	(3,644)
Deferred	**(509)**	(3,276)
Total tax charge for the year	**27,898**	23,842

7. Dividends

	2014	2013
	HK$'000	*HK$'000*
Interim – HK2.30 cents (2013: HK0.63 cent) per ordinary share	**37,343**	10,211
Special interim – Nil (2013: HK1.05 cents) per ordinary share	**–**	17,018
Proposed final – HK3.17 cents (2013: HK0.60 cent) per ordinary share	**51,574**	9,725
Proposed special final – HK1.56 cents (2013: HK0.60 cent) per ordinary share	**25,380**	9,725
	114,297	46,679

The proposed final dividends are not reflected as a dividend payable as of 30 June 2014, but will be recorded as a distribution of retained earnings for the year ended 30 June 2014. The proposed final dividend of HK$51,574,000 and the proposed special final dividend of HK$25,380,000 for the year are calculated based on 1,626,929,394 shares of the Company in issue and are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of HK$127,096,000 (2013: HK$22,209,000), and the weighted average number of ordinary shares of 1,622,894,786 (2013: 1,620,356,928) in issue during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to owners of the Company of HK$127,096,000 (2013: HK$22,209,000). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue of 1,622,894,786 (2013: 1,620,356,928) during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 10,872,787 (2013: 2,898,602) 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. Each trade customer has a maximum credit limit, except for new trade customers, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade customers relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade debtor balances. Trade debtors are non-interest-bearing.

9. Debtors (continued)

An aged analysis of debtors as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 month	**34,814**	42,635
1 to 2 months	**8,995**	7,228
2 to 3 months	**3,068**	2,809
Over 3 months	**5,672**	6,946
	52,549	59,618

10. Trade creditors, other payables and accruals

Included in trade creditors, other payables and accruals is a trade creditors balance of HK$75,515,000 (2013: HK$80,110,000).

An aged analysis of trade creditors as at the end of the reporting period, based on the invoice date, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 month	**45,693**	37,978
1 to 2 months	**18,983**	30,204
2 to 3 months	**6,548**	6,282
Over 3 months	**4,291**	5,646
	75,515	80,110

DIVIDENDS

The Board has resolved to recommend a final dividend of HK3.17 cents (2013: HK0.60 cent) per ordinary share and a special final dividend of HK1.56 cents (2013: HK0.60 cent) per ordinary share for the year ended 30 June 2014 at the forthcoming annual general meeting to be held on 11 November 2014 ("AGM"). The final dividend and special final dividend, if approved by the members, will be paid on 27 November 2014 to members 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 19 November 2014.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The AGM of the Company is scheduled to be held on Tuesday, 11 November 2014. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 6 November 2014 to Tuesday, 11 November 2014, both days inclusive. During this period, no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, 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 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 5 November 2014.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDENDS

The Company's Register of Members will be closed from Monday, 17 November 2014 to Wednesday, 19 November 2014, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the proposed final dividend and special final 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 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 14 November 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During the financial year 2013/14, global economic activities had strengthened with well-developed economies being the catalyst, although their recoveries remained uneven. Stronger-than-expected growth in the latter part of 2013 was driven to a certain extent as exports to advanced economies accelerated.

In developing countries, economic development lagged behind that of advanced economies, but modest growth continued during the year under review. Growth in domestic demand in certain Asian countries was stable, and retail activities across these markets were brisk, fuelled in part by the mainland China government to curtail rapid credit growth and take concrete reform steps to put the economy on a more balanced and sustainable growth trajectory.

The Hong Kong retail sector, which was the most significant market for the Group, however slumped in the first half of 2014, compared to the same period last year. These tepid Hong Kong figures were believed to be attributed by a decline in the number of high-spending tourists that visited from mainland China as well as political uncertainty. Among the core regions of the Group's business, the apparel markets were highly competitive overall, resulting from the increasingly intense competition with both international and local brands streaming into the markets over the years.

Nevertheless, the Group achieved encouraging results overall during the financial year 2013/14. Although the revenue of the Group minor increased 1%, profit for the year attributable to owners attained nearly six-fold against last year. The network consolidation process has for the most part ended; the shop productivity has gained momentum in the aftermath and realised 9% same-store sales growth overall on Group level.

The Hong Kong retail business, which included the shops located in Macau, delivered record-high sales with 12% same-store sales growth, representing positive same-store sales growth for the fifth consecutive year. Likewise, the Hong Kong export franchising business also delivered record-high sales. With these two business units, the Hong Kong segment has regained its growth momentum as evidenced in its year-on-year bottom-line improvement in the second half of financial year 2013/14. Results for both our mainland China and Taiwan segments had improved substantially, which contributed to the Group's remarkable performance compared with the previous year. The Group boosted its strong financial position with a higher net cash balance and slightly lower inventory turnover days year-on-year.

Financial Performance

The Group's revenue slightly increased 1% to HK$2,548 million (2013: HK$2,517 million) for the year under review. Gross profit rose 8% to HK$1,301 million (2013: HK$1,199 million), as did the gross profit margin, by 3% points, to 51% (2013: 48%). The Group's operating profit was HK$155 million (2013: HK$46 million), which represented 6% (2013: 2%) operating margin. EBITDA was HK$213 million (2013: HK$113 million); profit for the year attributable to owners totalled HK$127 million (2013: HK$22 million); while basic earnings per share hit HK7.83 cents (2013: HK1.37 cents).

The Group's financial position continued to strengthen, ended the year with cash and bank balances of HK$454 million (2013: HK$339 million), a pronounced increase from last year. Net cash balance was also higher by the same amount and margin compared to the previous year, at HK$454 million (2013: HK$339 million).

Operating Efficiencies

Same-store sales for the Group registered reassuring growth during the year, surging 9% compared to last year's flat result. Both Hong Kong retail and export franchising operations delivered record-high sales. The same-store sales growth for Hong Kong was 12% (2013: 3% growth), representing positive growth for the fifth consecutive year. Mainland China recorded substantial reduction in operating loss as a result of improved shop productivity, with same-store sales achieving double-digit growth of 12% (2013: 4% decline), plus higher sales per sq. ft. year-on-year. In addition, the closure of underperforming stores and introduction of stringent cost-control measures contributed to these favourable results.

As of 30 June 2014, the total retail floor area of the Group's directly managed stores totalled 455,100 sq. ft. (2013: 496,500 sq. ft.), a reduction that stemmed from the closure of underperforming stores. By streamlining the operations, sales per sq. ft. increased to HK$4,100 (2013: HK$3,300).

The Group's operating expenses for the year ended 30 June 2014 reduced to 46% on its revenue from 47% of last year. The following table provides a breakdown of the operating costs:

Operating Costs Analysis

	For the year ended 30 June				
	2014		2013		
	HK$ million	**% of revenue**	HK$ million	% of revenue	**Change (%)**
Revenue	**2,548**	**100%**	2,517	100%	**+1%**
Selling and distribution expenses	**843**	**33%**	850	34%	**–1%**
Administrative expenses	**267**	**11%**	273	11%	**–2%**
Other operating expenses	**60**	**2%**	50	2%	**+20%**
Total operating expenses	**1,170**	**46%**	1,173	47%	**0%**

BUSINESS REVIEW

Distribution Network

During the year under review, the Group had its footprint in 36 countries and regions around the world. The total store count declined by 55 to 962 (2013: 1,017) following the consolidation and reduction of underperforming shops in mainland China and Taiwan, a process that was for the most part completed. Of the existing stores, 267 (2013: 300) were directly managed and 695 (2013: 717) were franchised as of 30 June 2014.

The Hong Kong market remained the Group's core market and was the major contributor to the Group's total revenue. The store count in Hong Kong, including Macau, held at 41 (2013: 41), while the export market for the franchising business was once again robust throughout the year as 38 stores were added in selected markets to bring the total to 599 (2013: 561).

The mainland China apparel market witnessed the bulk of the Group's store closures, mostly in northern and central China. The closure of underperforming shops was largely completed by the end of the year under review. In total, the Group had 220 (2013: 300) stores in mainland China. These moves were conducted in tandem with shop closures in Taiwan, another challenging apparel market that faced relatively low demand and tepid consumer confidence. In Taiwan, the total number of stores shrunk to 72 (2013: 85) following the consolidation of underperforming shops there. The number of directly managed stores in Singapore remained at 30 (2013: 30).

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

	30 June 2014		30 June 2013	
	Directly managed stores	**Franchised stores**	Directly managed stores	Franchised stores
Hong Kong	**41**	**–**	41	–
Mainland China	**124**	**96**	144	156
Taiwan	**72**	**–**	85	–
Singapore	**30**	**–**	30	–
Other countries and regions	**–**	**599**	–	561
Total	**267**	**695**	300	717

Marketing and Branding

The Group continued to organise a number of promotional initiatives with business partners by drawing upon the core brand value of "be happy". The Group occupies a recognisable position in the market by producing vibrant, attractive and quality everyday wear.

The Group extended its commitment to working with internationally-renowned licensing partners to create co-branded and licensed merchandise. The products continued their key role in the Group's efforts to bolster public awareness of the brand by offering customers a point of differentiation while enhancing the distinctive "be happy" brand value. Building on the success of previous years, the Group once again collaborated with three recognisable and popular companies to develop engaging promotions.

Co-branded and Licensed Products

During the year under review, the Group again embarked on mutually beneficial product partnerships. The *bossini x Sesame Street* crossover series, continued to prove popular as it featured the show's famous characters on all kinds of clothing and accessories, the latter including blanket cushions, backpacks, packable tote bags and more. Bossini's flagship store in Mongkok was transformed into a *bossini x Sesame Street* pop-up store offering customers the chance to meet the warm and friendly characters.

Ocean Park's annual Halloween is legendary in Hong Kong, the Group collaborated with Ocean Park Halloween Bash and presented a variety of holiday-themed costumes, and sold the products both at "bossini" stores across Hong Kong and in Ocean Park's bustling souvenir shop.

In addition, to celebrate Disney's 90th Anniversary we launched our *Let's Party with Mickey Mouse* collection which debuted in 2014 and delivered highly welcome excitement, pairing Disney's most beloved characters with our "be happy" brand value. Encompassing printed tee shirts, sleepwear, denim jackets and umbrellas, the well-admired collection underscored the value of securing win-win partnerships.

The co-branding and licensing programmes remained popular among the Group's target customers while enhancing our brand equity and driving sales. Such initiatives will continue as the Group's core strategy.

Operational Performance by Market

The Hong Kong segment encompasses directly managed retail business and the export franchising business. As in previous years, the segment provided the Group's major source of revenue, accounting for 69% (2013: 65%) of the Group's consolidated revenue for the year ended 30 June 2014. Mainland China comprised 14% (2013: 15%) of the Group's consolidated revenue; Taiwan and Singapore accounted for 8% and 9% (2013: 10% and 10%) of the Group's consolidated revenue, respectively.

The Hong Kong segment delivered record-high sales with same-store sales achieving double-digit growth, while same-store sales in mainland China grew by 12% (2013: 4% decline), matched by a year-on-year increase in sales per sq. ft.. Business in Taiwan narrowed operating loss following the closure of underperforming stores there, yet enjoyed mounting productivity as made evident by higher sales per sq. ft..

Hong Kong

Despite the intense competition in the local apparel market, we still managed to achieve record-setting returns. The Group introduced the right product mix and embraced a more effective visual merchandising approach with help from the latest generation of shop renovations, which utilise highly flexible furniture and fixtures and enhanced the overall product presentation. These factors contributed to better apparel sales figures year-on-year and accelerated sales growth in the year under review.

The retail business delivered record-high sales with same-store sales achieved double-digit growth of 12% (2013: 3% growth), marking five consecutive years of positive growth. The export franchising business also delivered record-high sales. Total revenue for the year under review from Hong Kong segment broke records with revenue of HK$1,757 million (2013: HK$1,626 million), a promising rise of 8%. The total retail floor area in Hong Kong amounted to 141,700 sq. ft. (2013: 141,000 sq. ft.) while the number of directly managed stores held at 41 (2013: 41). Sales per sq. ft. expanded by 11% to HK$8,800 (2013: HK$7,900). Although full year operating profit retreated to HK$202 million (2013: HK$212 million), which represented a 5% dip over the previous year with an operating margin of 11% (2013: 13%), the Hong Kong segment has regained growth momentum year-on-year during the second half of the financial year.

During the year under review, the Group seized the opportunity to expand its export franchising business, adding 38 stores to reach a total of 599 (2013: 561) across 32 countries and regions.

Mainland China

On the wheels of the mainland China government's efforts to stabilise growth through fiscal stimulus in the middle of 2013, the country's GDP remained stable, while production and retail sales all picked up in the first three quarters in 2013. However, mainland China still experienced relatively slow growth arising from overdependence on fixed-asset investment, particularly in construction, as well as sluggish consumer spending. Accompanied by intensely fierce competition in the apparel retail sector and the blossoming of e-commerce, which increasingly usurps offline channels, the situation in mainland China remained challenging.

These issues notwithstanding, the same-store sales actually increased. The Group progressively closed underperforming stores and implemented stringent cost-control measures, yielding a total revenue of HK$348 million (2013: HK$389 million) and a total retail floor area of 191,500 sq. ft. (2013: 215,200 sq. ft.). The total number of stores declined to 220 (2013: 300), of which 124 (2013: 144) were directly managed stores and 96 (2013: 156) were franchised. Same-store sales recorded double-digit growth of 12% (2013: 4% decline). Sales per sq. ft. accordingly increased 8% to HK$1,300 (2013: HK$1,200). Operating loss was markedly reduced to HK$14 million (2013: HK$116 million loss), resulting in an operating margin of negative 4% (2013: negative 30%).

Taiwan

The Taiwan segment substantially improved due to the closure of underperforming stores and stringent cost controls. These moves led to higher sales per sq. ft. year-on-year and a significant reduction in operating loss. Taiwan continued over the past year to absorb the impact of a sharp deceleration in exports. A stagnant labour market is inhibiting the lukewarm domestic climate and lacklustre state of private consumption. Nevertheless, the Taiwan segment recovered same-store sales growth during the second half of the year.

Total revenue for the Taiwan segment during the year under review was HK$212 million (2013: HK$246 million). Taiwan shed 13 stores in its directly managed store count to stand at 72 (2013: 85), with a reduction in total retail floor area to 86,300 sq. ft. (2013: 105,000 sq. ft.) driven by the closure of underperforming stores. Sales per sq. ft. grew 5% to HK$2,100 (2013: HK$2,000) while same-store sales growth remained flat (2013: 17% decline). The operating loss was cut to HK$14 million (2013: HK$50 million loss). The operating margin was negative 7% (2013: negative 20%).

Singapore

Total revenue for the Singapore segment during the year under review was HK$231 million (2013: HK$256 million) while the number of directly managed stores remained at 30 (2013: 30). Total retail floor area rose 1% to 35,600 sq. ft. (2013: 35,300 sq. ft.). Same-store sales dipped compared to the previous year with a 5% decline (2013: 5% growth). Sales per sq. ft. fell 11% to HK$6,600 (2013: HK$7,400). The operating loss was HK$19 million (2013: HK$0.1 million loss) with a decrease in the operating margin to negative 8% (2013: 0%).

Liquidity and Financial Resources

The Group's cash and bank balances as of 30 June 2014 stood at HK$454 million (2013: HK$339 million), and the net cash balance was HK$454 million (2013: HK$339 million). The current ratio for the Group was 2.71 (2013: 2.45) times, and the ratio of total liabilities to equity was 44% (2013: 49%). No bank borrowing was recorded as of 30 June 2014 (2013: nil). The Group's gearing ratio as determined by bank borrowings divided by total equity was nil (2013: nil).

The Group has investments and operations in countries that use currencies other than the United States dollar and the Hong Kong dollar. As such, the Group is exposed to a limited extent to foreign currency risk, which it mitigates by entering into forward currency contracts to reduce exposure to exchange rate fluctuations in material transactions denominated in currencies other than United States dollar and Hong Kong dollar.

As of 30 June 2014, the Group had inventory turnover days[#] of 84 days (2013: 85 days). The Group's return on equity ratio for the year under review was 17% (2013: 3%).

\# *Inventory held at year end divided by annualised cost of sales times 365 days*

Assessment of Property, Plant and Equipment

During the year ended 30 June 2014, the Group considered that certain property, plant and equipment were subject to impairment loss because the cash generating units of those property, plant and equipment in Singapore were non-performing and suffered from substantial losses for the year. As a result, an impairment loss of HK$5 million was recorded.

Contingent Liabilities

	2014	2013
	HK$'000	*HK$'000*
Bank guarantees given in lieu of utility and property rental deposits	**7,146**	7,729

The Company has given guarantees in favour of banks to the extent of HK$552 million (2013: HK$765 million) with respect to banking facilities granted to certain subsidiaries. These facilities were utilised to the extent of HK$54 million (2013: HK$58 million) as of 30 June 2014.

Human Capital

The Group had a total of 2,400 (2013: 2,700) full-time equivalent employees in Hong Kong, Macau, mainland China, Taiwan and Singapore as of 30 June 2014. The Group upholds its fervent commitment to developing and training employees. The Group continued to offer regular training programmes, such as the "7 Habits®" and "7 Practices" courses that together constitute the "bossini way". Its remuneration system remained performance-based such that it provides share options, discretionary bonuses and comprehensive benefits such as insurance and retirement schemes.

Outlook

The Group is prudently optimistic about upcoming market prospects. We expect growth to pick up moderately in line with the steadily gathering global recovery, headed by advanced economies. In Asia, it is expected to see resilient labour markets and still-buoyant credit growth continue to support domestic demand. The Group subscribes to the position that, notably in mainland China, reforms liberalising the financial system will boost productivity growth. However, to cement confidence, there must be a gradual and smooth transition from rapid investment-intensive measures to an economy driven by consumption and services. It is believed that sustainable growth can transpire under such circumstances.

The retail environment is expected to remain challenging in the coming year, especially in Hong Kong as evidenced by the recent decrease in retail sales after a prolonged growth period and the potential administrative measures to restrict the number of visitors from mainland China. Steep price discounting to clear excessive inventory by some retailers is expected to linger. Nevertheless, the Group's inventory remained at a healthy level, and hence we would face less price pressure in the near future compared to our competitors.

Looking ahead, the Group intends to allocate additional resources to facilitate expansion of its export franchising business. In addition, we will focus efforts on developing our kid's line, a time-tested source of success and competitive advantage that we are enjoying particularly in Hong Kong. The Group also plans to continue rolling out our latest generation of store concept in the year ahead. In view of our diverse range of product offerings, the new store concept has apparently improved shop productivity, namely through better visual merchandising arrangements and lively mix-and-match presentations that accentuate the attributes of our collection, thanks to the highly flexible designs involving the latest furniture, fixtures and renovations. With respect to sales and marketing initiatives, we will continue to pursue fruitful partnerships with well-known brands to unveil co-branded and licensed clothing and merchandise to extend and enhance our brand equity.

In all these efforts, we draw strength from the talent and drive of our people, who continue to form the Group's backbone. We will stay committed to investing in our people, cultivating our "be happy" core brand value, and enhancing our professionalism, particularly in achieving our strategic goals. Amid global uncertainties, we would continue with our strategies and formulas which are proven successful and rewarding over the past years. Through tenacious execution of our initiatives, we are determined to build "bossini" as one of the most valued apparel brands for appealing, competitive and quality everyday wear.

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 year.

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 of Hong Kong Limited (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 Code and Corporate Governance Report (the "CG Code") of the Listing Rules. The audit committee has reviewed the financial results for the year ended 30 June 2014. The audit committee comprises three Independent Non-executive Directors of the Company, namely Ms. LEUNG Mei Han, Mr. LEE Man Chun Raymond and Prof. SIN Yat Ming.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 June 2014 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

CORPORATE GOVERNANCE

The Company was in compliance with the code provisions as set out in the CG Code for the year ended 30 June 2014, except for the following deviation:

– The Chairman of the Company is not subject to retirement by rotation. The Board considers that the continuity of the Chairman of the Company and her leadership are crucial in maintaining the stability of the Group's business operations.

Currently, there are four Board committees, namely, audit committee, remuneration committee, nomination committee and management committee.

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 with the Company's Directors, the Directors have complied with the required standard set out in the Model Code, throughout the year ended 30 June 2014.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

The Annual Report for the year ended 30 June 2014 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 of Hong Kong Limited (www.hkex.com.hk) and despatched to shareholders in due course.

By Order of the Board
TSIN Man Kuen Bess
Chairman

Hong Kong, 17 September 2014

As at the date of this announcement, the Board comprises three Executive Directors, namely Ms. TSIN Man Kuen Bess (Chairman), Mr. MAK Tak Cheong Edmund and Mr. CHAN Cheuk Him Paul and three Independent Non-executive Directors, namely Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han and Prof. SIN Yat Ming.