BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

ANNOUNCEMENT OF RESULTS
FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2007

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 period from 1 April 2006 to 30 June 2007 (the "Period"), together with the comparative figures for the previous year, as follows:

Change of financial year end date

Pursuant to a resolution of the Board of the Company passed on 7 February 2007, the Company's financial year end date was changed from 31 March to 30 June. Accordingly, the current accounting period covered the Group's 15 months of operation from 1 April 2006 to 30 June 2007, and the comparative amounts for the consolidated income statement, consolidated balance sheet and the related notes are not entirely comparable. The period of annual planning of the Company and its subsidiaries would coincide with the peak sales season of the Group if the financial year end of 31 March was to be maintained, and the Board considers that the change of financial year end date would enable the Group to better utilise its resources and facilitate better planning and operational processes of the Group.

Consolidated income statement

Period from 1 April 2006 to 30 June 2007

	Notes	**Period ended 30 June 2007** ***HK$'000***	Year ended 31 March 2006 *HK$'000*
Revenue	*2, 3*	**2,568,325**	2,199,515
Cost of sales		**(1,298,059)**	(1,174,301)
Gross profit		**1,270,266**	1,025,214
Other income and gains	*3*	**12,825**	16,616
Selling and distribution costs		**(904,248)**	(660,924)
Administrative expenses		**(288,621)**	(202,424)
Other operating expenses		**(53,377)**	(38,939)
Profit from operating activities		**36,845**	139,543
Finance costs	*4*	**(1,822)**	(722)
Profit before tax	*5*	**35,023**	138,821
Tax	*6*	**(25,829)**	(33,786)
Profit for the period/year attributable to equity holders of the Company		**9,194**	105,035
Dividends	*7*		
Interim		**–**	28,240
Proposed final		**–**	28,240
		–	56,480
Earnings per share attributable to ordinary equity holders of the Company	*8*		
Basic		**HK0.59 cent**	HK6.69 cents
Diluted		**HK0.58 cent**	HK6.52 cents

Consolidated balance sheet

	Notes	30 June 2007 HK$'000	31 March 2006 HK$'000
Non-current assets			
Property, plant and equipment		**176,349**	153,334
Trademark		**1,164**	1,164
Deferred tax assets		**1,774**	2,672
Deposits paid		**61,042**	48,849
Bank deposits		**–**	15,600
Total non-current assets		**240,329**	221,619
Current assets			
Inventories		**306,318**	253,591
Debtors	*9*	**70,706**	55,664
Bills receivable		**5,753**	11,973
Deposits paid		**25,367**	30,442
Prepayments and other receivables		**62,406**	57,621
Derivative financial instruments		**60**	998
Tax recoverable		**2,271**	35
Pledged bank deposits		**786**	787
Cash and cash equivalents		**131,526**	227,513
Total current assets		**605,193**	638,624
Current liabilities			
Trade creditors and accruals	*10*	**184,786**	196,038
Bills payable		**23,450**	22,243
Tax payable		**29,802**	28,531
Due to related companies		**19,558**	23,573
Derivative financial instruments		**914**	1,153
Provisions		**6,628**	–
Total current liabilities		**265,138**	271,538
Net current assets		**340,055**	367,086
Total assets less current liabilities		**580,384**	588,705
Non-current liabilities			
Provisions		**1,233**	583
Deferred tax liabilities		**2,594**	701
Total non-current liabilities		**3,827**	1,284
Net assets		**576,557**	587,421
Equity			
Issued capital		**157,458**	156,891
Reserves		**419,099**	402,290
Proposed final dividend		**–**	28,240
Total equity		**576,557**	587,421

Notes to the consolidated financial statements

1. Basis of preparation and changes in accounting policies

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include 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. These financial statements have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value, and certain land and buildings which have been measured at valuation. These financial statements are presented in Hong Kong dollars ("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 period's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no significant effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 *Financial Reporting in Hyperinflationary Economies*

The principal changes in accounting policies are as follows:

(a) HKAS 21 *The Effects of Changes in Foreign Exchange Rates*

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no significant impact on these financial statements at 30 June 2007 or 31 March 2006.

(b) HKAS 39 *Financial Instruments: Recognition and Measurement*

(i) Amendment for financial guarantee contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 *Provisions*, *Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*. The adoption of this amendment has had no significant impact on these financial statements.

(ii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

(iii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

(c) HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*

The Group has adopted this interpretation as of 1 April 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This interpretation has had no significant impact on these financial statements.

(d) HK(IFRIC)-Int 7 *Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies*

This interpretation is not relevant to the Group and accordingly has had no significant impact on these financial statements.

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 1 Amendment	Capital Disclosures
HKAS 23 (Revised)	Borrowing Costs (Revised)
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of the HKAS 1 Amendment, HKFRS 7 and HKFRS 8 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

Inventories

With effect from the current period, the Group has changed its provisioning policies on inventories by decelerating the rates of provision applied to slow-moving inventories. This constitutes a change in accounting estimate. In the opinion of the directors, the net realisable value of inventories is more accurately reflected by the revised rates. This change has been applied prospectively and has resulted in a reduction in the provision against slow-moving inventories of approximately HK$13 million for the period.

2. Segment information

Segment information is presented by way of geographical segment as the primary segment. In determining the Group's geographical segments, revenue and results are attributed to the segments based on the location of assets.

Since over 90% of the Group's revenue, results and assets and liabilities are derived from the retailing and distribution of garments, no separate analysis of financial information by business segment is presented in these financial statements.

Geographical segments

	Hong Kong		**Mainland China**		**Taiwan**		**Singapore & Malaysia**		**Consolidated**	
	Period ended 30 June 2007	Year ended 31 March 2006	**Period ended 30 June 2007**	Year ended 31 March 2006	**Period ended 30 June 2007**	Year ended 31 March 2006	**Period ended 30 June 2007**	Year ended 31 March 2006	**Period ended 30 June 2007**	Year ended 31 March 2006
	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	**1,352,602**	1,129,195	**536,627**	489,491	**415,726**	379,404	**263,370**	201,425	**2,568,325**	2,199,515
Other income and gains	**3,034**	6,684	**2,145**	1,416	**2,242**	3,657	**90**	86	**7,511**	11,843
Total	**1,355,636**	1,135,879	**538,772**	490,907	**417,968**	383,061	**263,460**	201,511	**2,575,836**	2,211,358
Segment results	**111,371**	122,368	**(27,675)**	6,524	**(53,832)**	(11,450)	**1,667**	17,328	**31,531**	134,770
Interest income									**5,314**	4,773
Profit from operating activities									**36,845**	139,543
Finance costs									**(1,822)**	(722)
Profit before tax									**35,023**	138,821
Tax									**(25,829)**	(33,786)
Profit for the period/year									**9,194**	105,035

	Hong Kong		Mainland China		Taiwan		Singapore & Malaysia		Consolidated	
	30 June 2007	31 March 2006	**30 June 2007**	31 March 2006	**30 June 2007**	31 March 2006	**30 June 2007**	31 March 2006	**30 June 2007**	31 March 2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**402,415**	424,974	**226,880**	235,443	**109,288**	124,743	**102,894**	72,376	**841,477**	857,536
Unallocated assets									**4,045**	2,707
Total assets									**845,522**	860,243
Segment liabilities	**105,571**	134,942	**89,096**	75,033	**29,378**	27,785	**12,524**	5,830	**236,569**	243,590
Unallocated liabilities									**32,396**	29,232
Total liabilities									**268,965**	272,822

	Period ended 30 June 2007	Year ended 31 March 2006	**Period ended 30 June 2007**	Year ended 31 March 2006	**Period ended 30 June 2007**	Year ended 31 March 2006	**Period ended 30 June 2007**	Year ended 31 March 2006	**Period ended 30 June 2007**	Year ended 31 March 2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:										
Capital expenditure	**59,485**	30,104	**21,888**	17,340	**11,221**	24,697	**13,619**	8,420	**106,213**	80,561
Depreciation	**35,172**	22,052	**22,670**	18,975	**12,541**	9,257	**8,434**	4,699	**78,817**	54,983
Loss/(gain) on disposal/ write-off of items of property, plant and equipment	**5**	679	**1,205**	1,264	**6,040**	593	**(111)**	37	**7,139**	2,573
Inventory provision/ (write-back) of inventory provision	**(2,656)**	2,918	**2,529**	7,287	**(4,510)**	2,126	**31**	156	**(4,606)**	12,487
Impairment losses of property, plant and equipment charged to/ (reversed in) the consolidated income statement	**–**	(5,400)	**–**	–	**–**	–	**298**	–	**298**	(5,400)
Impairment of debtors	**–**	–	**514**	–	**–**	–	**–**	–	**514**	–
Impairment losses of land and building reversed in the asset revaluation reserve	**(3,368)**	(10,151)	**–**	–	**–**	–	**–**	–	**(3,368)**	(10,151)

3. Revenue, other income and gains

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, and the rendering of services, but excludes intra-group transactions.

An analysis of revenue, other income and gains is as follows:

	Period ended 30 June 2007 *HK$'000*	Year ended 31 March 2006 *HK$'000*
Revenue:		
Retailing and distribution of garments	**2,539,946**	2,147,499
Rendering of garment-related services	**28,379**	52,016
	2,568,325	2,199,515
Other income and gains:		
Interest income	**5,314**	4,773
Claims received	**2,016**	1,210
Royalty income	**2,359**	204
Gross rental income	**1,671**	2,447
Impairment losses of land and buildings reversed in the consolidated income statement	**–**	5,400
Others	**1,465**	2,582
	12,825	16,616
	2,581,150	2,216,131

4. Finance costs

	Period ended 30 June 2007 *HK$'000*	Year ended 31 March 2006 *HK$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**1,822**	722

5. Profit before tax

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

	Period ended 30 June 2007 *HK$'000*	Year ended 31 March 2006 *HK$'000*
Cost of sales:		
Cost of inventories sold	**1,302,665**	1,161,814
Inventory provision/(write-back) of inventory provision	**(4,606)**	12,487
	1,298,059	1,174,301
Depreciation	**78,817**	54,983
Loss on disposal/write-off of items of property, plant and equipment	**7,139**	2,573
Net rental income	**(197)**	(104)
Fair value losses/(gains) on derivative instruments – transactions not qualifying as hedges, net	**522**	(4,939)

6. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (year ended 31 March 2006: 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.

	Period ended 30 June 2007 *HK$'000*	Year ended 31 March 2006 *HK$'000*
Current – Hong Kong		
Charge for the period/year	**17,654**	21,697
Overprovision in prior periods	**(210)**	(324)
Current – Elsewhere		
Charge for the period/year	**7,582**	11,589
Underprovision in prior periods	**320**	365
Deferred	**483**	459
Tax charge for the period/year	**25,829**	33,786

7. Dividends

	Period ended 30 June 2007 *HK$'000*	Year ended 31 March 2006 *HK$'000*
Interim – Nil (year ended 31 March 2006: HK1.8 cents per ordinary share)	**–**	28,240
Proposed final – Nil (year ended 31 March 2006: HK1.8 cents per ordinary share)	**–**	28,240
	–	56,480

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 period attributable to ordinary equity holders of the Company of HK$9,194,000 (year ended 31 March 2006: HK$105,035,000), and the weighted average of 1,570,535,280 (year ended 31 March 2006: number of ordinary shares of 1,568,911,394) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK$9,194,000 (year ended 31 March 2006: HK$105,035,000). The weighted average number of ordinary shares used in the calculation is the 1,570,535,280 (year ended 31 March 2006: number of ordinary shares of 1,568,911,394) ordinary shares in issue during the period, as used in the basic earnings per share calculation and the weighted average number of 26,684,740 (year ended 31 March 2006: 41,323,712) ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary share 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 customers 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. Trade debtors are non-interest-bearing.

An aged analysis of debtors at the balance sheet date, based on invoice date, is as follows:

	30 June 2007 *HK$'000*	31 March 2006 *HK$'000*
0 to 30 days	**47,743**	45,364
31 to 60 days	**15,421**	8,097
61 to 90 days	**4,087**	1,250
Over 90 days	**3,455**	953
	70,706	55,664

10. **Trade creditors and accruals**

Included in trade creditors and accruals is a trade creditors balance of HK$47,584,000 (31 March 2006: HK$61,402,000).

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

	30 June 2007	31 March 2006
	HK$'000	*HK$'000*
0 to 30 days	**43,013**	52,800
31 to 60 days	**2,894**	6,223
61 to 90 days	**933**	1,969
Over 90 days	**744**	410
	47,584	61,402

DIVIDEND

The Board does not recommend payment of any dividend (2006: HK3.60 cents per ordinary share) for the period from 1 April 2006 to 30 June 2007.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from Wednesday, 21 November 2007 to Monday, 26 November 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting of the Company to be held on Monday, 26 November 2007, 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 Shop Nos. 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 20 November 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

The financial year end date of the Company has been changed from 31 March to 30 June since the financial period 2006/07 (for details, please refer to the Company's announcement dated 7 February 2007). Accordingly, this set of preliminary results covers the 15-month period from 1 April 2006 to 30 June 2007. It should be noted that the financial data presented herein are being compared with that for financial year 2005/06, the 12-month period ended 31 March 2006. The difference in duration of the two financial periods should be considered when making year-on-year comparisons.

During the financial period under review, the mass apparel sector continued to experience keen market competition. Rental and staff costs remained at high levels, impairing the Group's profitability in both Hong Kong and other core markets.

The management of the Group was disappointed with its results for the 15 months ended 30 June 2007 as performance of the Group's retail business remained sluggish and below par. The overall disappointing performance was mainly attributable to sub-optimal competitiveness of the Group's product mix and escalating operating overheads, in particular rental and staff costs. Despite this, pursuant to progressive launch of the spring/summer collection for 2007, improvement in sales started to gather upward momentum.

The Group's revenue for the 15 months ended 30 June 2007 was HK$2,568 million (2006: HK$2,200 million). Gross profit of the Group for the period was HK$1,270 million (2006: HK$1,025 million). Gross margin rose by 2 percentage points to 49% (2006: 47%). Operating profit and operating margin were HK$37 million (2006: HK$140 million) and 1% (2006: 6%) respectively. Profit for the period attributable to equity holders was HK$9 million (2006: HK$105 million).

Operating Efficiencies

Overall same-store sales of the Group declined 8% during the 15 months ended 30 June 2007 (2006: 5% decline). Net sales per sq. ft. of retail space reduced by 14% to HK$2,500 from HK$2,900 in 2006.

The Group's operating expenses for the 15 months ended 30 June 2007 amounted to HK$1,246 million (2006: HK$902 million), comprising 48% (2006: 41%) of the total revenue of the Group. The increase in operating expenses was mainly attributable to surging rental and staff costs.

Operating Cost Analysis

	For the 15 months ended 30 June 2007		For the 12 months ended 31 March 2006		
	HK$ million	**% of revenue**	HK$ million	% of revenue	Change
Revenue	**2,568**	**100%**	2,200	100%	+17%
Selling and distribution costs	**904**	**35%**	661	30%	+37%
Administrative expenses	**289**	**11%**	202	9%	+43%
Other operating expenses	**53**	**2%**	39	2%	+36%
Total operating expenses	**1,246**	**48%**	902	41%	+38%

Business Review

Network Expansion

At 30 June 2007, the Group operated 1,051 outlets around the world (2006: 1,068), covering more than 20 countries and regions. Of these, 524 outlets were managed directly (2006: 521), while 527 were franchised (2006: 547).

Breaking down into geographically locations, the Group had 41 directly managed outlets (2006: 33) in Hong Kong, 346 directly managed (2006: 344) and 205 franchised outlets (2006: 284) in Mainland China, 93 directly managed outlets (2006: 112) in Taiwan, 33 directly managed outlets (2006: 29) in Singapore, 11 directly managed outlets (2006: 3) in Malaysia, and 322 export franchised outlets (2006: 263) in other countries. The Group has also expanded its foothold in India, Oman and Reunion Island. The total retail floor space of the Group slightly increased by 1% to 636,900 sq. ft. at 30 June 2007 (2006: 631,100 sq. ft.).

Regional Performance Analyses

	Hong Kong			**Mainland China**			**Taiwan**			**Singapore**			**Malaysia**			**Total**		
	For the 15 months ended 30 June 2007	For the 12 months ended 31 March 2006	Change	**For the 15 months ended 30 June 2007**	For the 12 months ended 31 March 2006	Change	**For the 15 months ended 30 June 2007**	For the 12 months ended 31 March 2006	Change	**For the 15 months ended 30 June 2007**	For the 12 months ended 31 March 2006	Change	**For the 15 months ended 30 June 2007**	For the 12 months ended 31 March 2006	Change	**For the 15 months ended 30 June 2007**	For the 12 months ended 31 March 2006	Change
Retail																		
Net retail sales *(in HK$ million)*	**935**	815	+15%	**425**	351	+21%	**416**	379	+10%	**245**	200	+23%	**18**	1	+1,700%	**2,039**	1,746	+17%
Operating profit/(loss) *(in HK$ million)*	**18**	51	–65%	**(34)**	(9)	–278%	**(53)**	(10)	–430%	**4**	19	–79%	**(3)**	(1)	–200%	**(68)**	50	–236%
Operating margin *(%)*	**2%**	6%	–4% pts	**–8%**	–3%	–5% pts	**–13%**	–3%	–10% pts	**2%**	10%	–8% pts	**–17%**	–100%	+83% pts	**–3%**	3%	–6% pts
Retail floor area *(sq. ft.) (a)*	**149,600**	111,400	+34%	**300,000**	307,300	–2%	**136,400**	176,000	–23%	**36,200**	32,000	+13%	**14,700**	4,400	+234%	**636,900**	631,100	+1%
Net sales per sq. ft. *(in HK$) (b)*	**5,700**	7,300	–22%	**1,100**	1,200	–8%	**2,000**	2,500	–20%	**6,000**	6,400	–6%	**1,400**	1,100	+27%	**2,500**	2,900	–14%
Same store sales growth *(c)*	**–7%**	–5%	–2% pts	**–1%**	–9%	+8% pts	**–14%**	–11%	–3% pts	**–13%**	+3%	–16% pts	**n/a**	n/a	n/a	**–8%**	–5%	–3% pts
No. of outlets	**41**	33	+8	**346**	344	+2	**93**	112	–19	**33**	29	+4	**11**	3	+8	**524**	521	+3
Franchise																		
Sales *(in HK$ million)*	**389**	291	+34%	**112**	110	+2%	**n/a**	n/a	n/a	**n/a**	n/a	n/a	**n/a**	n/a	n/a	**501**	401	+25%
Operating profit *(in HK$ million)*	**114**	86	+33%	**8**	15	–47%	**n/a**	n/a	n/a	**n/a**	n/a	n/a	**n/a**	n/a	n/a	**122**	101	+21%
Operating margin *(%)*	**29%**	30%	–1% pt	**7%**	14%	–7% pts	**n/a**	n/a	n/a	**n/a**	n/a	n/a	**n/a**	n/a	n/a	**24%**	25%	–1% pt
No. of outlets	**322**	263	+59	**205**	284	–79	**n/a**	n/a	n/a	**n/a**	n/a	n/a	**n/a**	n/a	n/a	**527**	547	–20
Regional total																**Consolidated**		
Sales *(in HK$ million)*	**1,352**	1,130	+20%	**537**	490	+10%	**416**	379	+10%	**245**	200	+23%	**18**	1	+1,700%	**2,568**	2,200	+17%
Operating profit/(loss) *(in HK$ million)*	**116**	125	–7%	**(27)**	7	–486%	**(53)**	(10)	– 430%	**4**	19	–79%	**(3)**	(1)	–200%	**37**	140	–74%
Operating margin *(%)*	**9%**	11%	–2% pts	**–5%**	1%	–6% pts	**–13%**	–3%	–10% pts	**2%**	10%	–8% pts	**–17%**	–100%	+83% pts	**1%**	6%	–5% pts
No. of outlets	**41**(d)	33(d)	+8	**551**	628	–77	**93**	112	–19	**33**	29	+4	**11**	3	+8	**1,051**	1,068	–17

Notes:

(a) At period end

(b) On weighted average basis

(c) Same store sales growth is the comparison of sales of the same stores having full month operations in comparable periods (no comparison for Malaysia as the operation in financial year 2005/06 was not on a full year term)

(d) No. of export franchised outlets is not included (30 June 2007: 322 outlets, 31 March 2006: 263 outlets)

Brand Revamp Program

Established in the industry for two decades, "bossini" has emerged to become a household label of high quality, value-for-money casual apparel appealing to consumers in the region. During the period under review, the Group embarked on an integrated brand revamp program to inject new elements of family-centric values into the "bossini" brand identity, making it a synonym for offering care for the needs of every family member in many aspects, ranging from product offering, shop décor to shopping experience. The Group appointed an internationally renowned designer to lead the comprehensive brand revamp program. A new brand icon design and revolutionary shop décor were introduced to provide a more enjoyable shopping experience to customers. The Group believes that the program will help rejuvenate the brand and enhance its competitiveness.

Launch of New Product Lines

A total of three new product lines, namely, Maternity, Baby and Young, were launched in early 2007 in an effort to reinforce bossini's new positioning as a family-fit brand that provided home feeling to customers. The new lines received enthusiastic response from customers. Subsequent to the launch of the brand revamp program, the Group continued to implement marketing campaigns refreshing customers' awareness of the new attributes of the "bossini" brand and the new product lines and licensed products to penetrate into different market segments.

Key Operational Breakdown Analysis

The Group operated on a global platform, with core markets located in Hong Kong, Mainland China, Taiwan, Singapore and Malaysia. During the financial period under review, Hong Kong remained the major source of income, representing 52% (2006: 52%) of the Group's consolidated revenue, followed by Mainland China, Taiwan, Singapore and Malaysia, which accounted for 21% (2006: 22%), 16% (2006: 17%), 10% (2006: 9%) and 1% (2006: 0%), respectively, of the Group's consolidated revenue.

Hong Kong

For the 15 months ended 30 June 2007, total revenue generated from Hong Kong amounted to HK$1,352 million (2006: HK$1,130 million). The retail and export franchising businesses accounted for 36% and 15% (2006: 37% and 13%), respectively, of the Group's total revenue. The overall operating profit in Hong Kong was HK$116 million (2006: HK$125 million), representing an operating margin of 9% (2006: 11%).

Bossini added 8 directly managed outlets in Hong Kong during the fifteen months under review, bringing the total number of outlets to 41 at 30 June 2007 (2006: 33) and the total retail floor area to 149,600 sq. ft. (2006: 111,400 sq. ft.). A remarkable 4-floor flagship store was opened at the end of March 2007. Retail sales in the financial period reached HK$935 million (2006: HK$815 million). Same-store sales declined by 7% (2006: 5% decline) during the period under review. Operating profit was HK$18 million (2006: HK$51 million), equivalent to an operating profit margin of 2% (2006: 6%).

The export franchising business recorded satisfactory performance. Revenue for export franchising was HK$389 million (2006: HK$291 million). Operating profit reached HK$114 million (2006: HK$86 million), while operating margin was 29% (2006: 30%). In the overseas franchising business, including the 59 new outlets opened during the past 15 months, there were in aggregate 322 stores (2006: 263 stores) at 30 June 2007. The Group commenced export franchising business in India, Oman and Reunion Island during the financial period under review.

Mainland China

The Group's focus has always been on profitability. In line with this goal, the Group continued its efforts on evaluating individual store performance and reconfigured its operations in Mainland China. During the 15-month period under review, the Group actively restructured its sales network under "sparkle" by closing down 60 directly managed outlets and franchised outlets of the label. A total of 79 franchised outlets of the "bossini" and "sparkle" label were closed, significantly reducing the number of franchised outlets to 205 (2006: 284) while adding only 2 directly managed outlets. These in effect increased slightly the total number of directly managed outlets to 346 (2006: 344). The total number of outlets in Mainland China was therefore further reduced to 551 (2006: 628). Total retail floor area decreased to 300,000 sq. ft. (2006: 307,300 sq. ft.).

In the network of directly managed outlets, there were 247 (2006: 225) "bossini" outlets and 99 (2006: 119) "sparkle" outlets. In the franchising network, 170 (2006: 209) were "bossini" outlets and 35 (2006: 75) were "sparkle" outlets.

Total revenue in Mainland China for the 15 months ended 30 June 2007 reached HK$537 million (2006: HK$490 million). Sales from directly managed outlets reached HK$425 million (2006: HK$351 million) whereas sales from franchised outlets was HK$112 million (2006: HK$110 million). The sales revenue from directly managed and franchised outlets in Mainland China as a percentage of the Group's consolidated revenue were 17% (2006: 16%) and 4% (2006: 5%), respectively. Same-store sales for the retail business declined by 1% in Mainland China (2006: 9% decline). Nevertheless, sales picked up modestly in the first quarter of 2007. It is therefore expected that the growth momentum would continue throughout the year.

The three brands in Mainland China, namely "bossini", "bossinistyle" and "sparkle" incurred an operating loss of HK$27 million for the 15 months ended 30 June 2007 (2006: HK$7 million operating profit) from the Mainland China operation. The operating margin was negative 5% (2006: positive 1%).

Taiwan

Taiwan was yet to recover from the economic downturn and political instability during the financial period under review. The Group closed 19 outlets during the 15-month period under review, resulting in a total number of 93 (2006: 112). Total retail floor area decreased by 23% to 136,400 sq. ft. (2006: 176,000 sq. ft.).

Sales in Taiwan for the period was HK$416 million (2006: HK$379 million) and same-store sales experienced a decline of 14% (2006: 11% decline). Operating loss amounted to HK$53 million (2006: HK$10 million loss).

Singapore

At 30 June 2007, the total number of directly managed outlets reached 33 (2006: 29) and the total retail floor area increased by 13% to 36,200 sq. ft. (2006: 32,000 sq. ft.).

Retail sales in Singapore reached HK$245 million (2006: HK$200 million) while same-store sales recorded a decline of 13% (2006: 3% growth). The operation registered an operating profit of HK$4 million for the financial period under review (2006: HK$19 million) at an operating margin of 2% (2006: 10%).

Malaysia

The Group re-entered the market and operated for about a year and a half. Such market was in its initial stage of progressive growth. During the fifteen months under review, sales revenue hit HK$18 million (2006: HK$1 million) with an operating loss of HK$3 million (2006: HK$1 million loss). The Group opened 8 outlets in the period under review, bringing the total number of stores to 11 (2006: 3).

Changes of Inventory Provision Policy

The Group revised its inventory provision policy during the period under review. If the previous inventory provision policy were applied for the current period, profit for the period attributable to equity holders would have been HK$13 million less. The Group anticipates that this revision of inventory policy will facilitate better inventory and margin management.

Change of Financial Year End Date

The financial year end date of the Company has been changed from 31 March to 30 June commencing from the financial period 2006/07 (for details, please refer to the Company's announcement dated 7 February 2007). Accordingly, this set of preliminary results covered the period from 1 April 2006 to 30 June 2007. The annual report for the 15 months ended 30 June 2007 will be distributed on or before 31 October 2007.

Liquidity and Financial Resources

At 30 June 2007, the Group's net cash balance amounted to HK$132 million (2006: HK$244 million) after payment of a final dividend of HK$28.2 million in September 2006 for the last financial year. The Group's current ratio stood at a healthy level of 2.28 times (2006: 2.35 times) and the total liabilities to equity ratio at 47% (2006: 46%). The Group had no bank borrowings (2006: Nil) payable within one year.

The Group's inventory turnover days[#] was 54 days (2006: 42 days) for the fifteen months under review. Return on equity ratio was 1% (2006: 18%).

\# *Inventory held at period end divided by annualised revenue times 365 days*

Contingent Liabilities

	30 June 2007	31 March 2006
	HK$'000	*HK$'000*
Bank guarantees given in lieu of utility and property rental deposits	**1,580**	1,510

The Company has given guarantees in favour of banks to the extent of HK$433 million (31 March 2006: HK$455 million) in respect of banking facilities granted to certain subsidiaries. These facilities were utilised to the extent of HK$25 million at 30 June 2007 (31 March 2006: HK$24 million).

Human Capital

At 30 June 2007, the Group employed full-time staff or equivalent of 4,300 (2006: 4,300) in Hong Kong, Macau, Mainland China, Taiwan, Singapore and Malaysia. It deploys a performance-based and share option remuneration system and offers benefits such as insurance and retirement schemes as well as discretionary performance bonuses.

Outlook

The management of the Group was disappointed with its results for the 15-month period ended 30 June 2007 and are determined in turning around the Group's performance by focusing on enhancing brand image, enriching product portfolio, strengthening overseas market penetration and realigning non-performing outlets in both Taiwan and Mainland China. With clear mandates coupling with strong economic growth in most countries in Asia, the Group's core market, the management is confident that the Group's performance will substantially rebound in the coming year; and signs of revival were present in the first half of 2007.

During the period, the Group has been receiving good market response to its holistic 360 degree brand revamp initiatives in Hong Kong. The new brand image and color together with refurbished outlets drew public attention effectively. The Group will continue to replicate this brand revamp in overseas markets in phases in this calendar year. The programme had been rolled out in Mainland China and Singapore at the end of September of 2007 and scheduled to roll out in Taiwan in November of 2007, spreading the new "bossini" brand attributes of Family Values, Smile, Color and Humor around the world to further enhancing the brand image and its market awareness. We estimate that additional cost impact for the roll out of the new concept to the overseas markets would be modest. The management believes that the long-term benefits derived from the program will far outweigh its efforts and costs.

On the product front, the three newly launched product lines, Maternity, Baby and Young, have been well received. In the next financial year, the Group will continue to extend and revitalise its product lines with refreshing product designs and functional fabrics so as to stimulate demand, complementing with large scale cooperation for licensed products. In mid September 2007, the Group introduced a brand-new limited edition of "bossini X M&M's" Miss Green collection. The crossover with M&M's synergistically extended both companies' common brand value of emphasis on family, riding on the perfect harmony of Miss Green's tone and the Group's new vivid green brand color.

The outlook for our Hong Kong retail operation next year appears to be mixed with both opportunities and challenges. The Group will continue to maintain a pragmatic expansion strategy with a strong emphasis on profitability and efficiency. With the sales improvement realised in the first half of 2007, plus double-digit growth in overall retail sales for Hong Kong according to the published statistics, the management is confident that our Hong Kong retail operation has gone through its turning point which will ignite further improvements in the future. We planned to open additional 2 to 4 stores for the financial year 2007/08. Our export franchise business consistently delivered encouraging performance with double-digit growth in revenue during the last three months of the period under review. We expect that this trend of steady growth will sustain. The Group launched a well-received new "Young" product line in such market to diversify its revenue streams and customer base and the market response was encouraging. We plan to further expand our export franchise business into five new countries in the next financial year, which include, South Korea, Syria, Egypt and Romania to further bolster market presence worldwide.

Mainland China continues to be the world's leading growth engine and its economy is expected to be buoyant in the coming years. With more management involvement in our Mainland China operation and outlets and product line realignment in progress, the management is confident that a modest turnaround would materialise in the upcoming year.

Apart from the significant reduction in number of franchised outlet by 79 stores, the realignment of the "sparkle" operation will continue until early 2008 to reduce operating costs, reallocate financial resources and enhance profitability. Approximately 40 "sparkle" loss-making outlets are gradually being phased out and the remaining stores would be converted into the new young line "Yb by bossini" as appropriate. The Group also plans to open at least two new flagship stores in major cities of China in the financial year 2007/08.

Taiwan's retail market is expected to remain lackluster due to political and economic instabilities. We plan to further close down 9 outlets in the upcoming financial year, reducing the total number of outlets to 84 from 93 at 30 June 2007. We also plan to redeploy our resources to other markets while putting our network expansion on the island on hold due to the lingering economic uncertainty there. With the network realignment commenced in the latter part of the period under review, we are quite confident that the Taiwan operation would improve significantly in the upcoming financial year.

The management expects that Singapore will experience stable performance in the near future. We shall continue to expand our sales network in the country throughout the financial year 2007/08 with three additional outlets. We are particularly optimistic about the outlook of our Malaysia operation which look promising in long-term once a considerable size of distribution network is established. We plan to increase the number of shops in Malaysia by 12 in the upcoming financial year. We anticipate the market will record satisfactory top-line growth and achieve breakeven in the financial year 2007/08.

Leveraging the brand revamp program, product range innovation and effective network restructuring approach, the Group is well poised to reap the harvest from its efforts on revitalisation. In the coming year, the businesses in export franchise will still be a driving force of growth. The Group remains confident about the long-term growth potential.

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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 financial results for the 15 months ended 30 June 2007. The audit committee comprises four Independent Non-executive Directors of the Company, namely Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han, 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 15 months ended 30 June 2007, except for the following deviations:

a. The Company did not have a separate Chairman and Chief Executive Officer until 5 January 2007 and Mr. LAW Ka Sing held both positions for the period from 1 April 2006 to 4 January 2007. The Board had considered that previous structure provided consistent leadership. In order to reinforce their respective independence, accountability and responsibility and to comply with the CG code, the role of Chairman and Chief Executive Officer were delegated to separate individuals with effect from 5 January 2007. To this end, Mr. LAW Ka Sing was redesignated from the Chairman and Chief Executive Officer of the Company to the Chairman and Ms. CHAN So Kuen, Executive Director of the Company, was appointed as the Chief Executive Officer. Mr. Law continued to be responsible for the overall direction of the Group.

b. 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 15-month period ended 30 June 2007.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

The Annual Report for the 15 months ended 30 June 2007 of the Company containing all the information required by the Listing Rules will be published on the websites 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 October 2007

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.