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BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 12 May 2009 in respect of the Existing Purchase Agreement entered into between Bossini Enterprises, a wholly-owned subsidiary of the Company, and Sky Dragon for the purchase of the Products.

As the Existing Purchase Agreement will expire on 30 June 2012, Bossini Enterprises and Sky Dragon entered into the Purchase Agreement on 3 May 2012 to renew the terms of the Existing Purchase Agreement for a period of three years commencing from 1 July 2012 and ending on 30 June 2015.

Sky Dragon is a wholly-owned subsidiary of Laws International, and certain directors of Laws International, who have equity interests therein, are relatives of Mr. Law, a substantial shareholder of the Company, and Ms. Tsin, an executive Director, the chairman of the Company and the spouse of Mr. Law. Hence, Sky Dragon is a connected person of the Company. Accordingly, the Purchase Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules. As each of the percentage ratios (other than the profits ratio) under Chapter 14 of the Listing Rules is on an annual basis expected to exceed 5%, the Purchases will be subject to reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

A circular containing, among other things, a notice convening the Special General Meeting and further details relating to the Purchase Agreement, a letter from the independent board committee of the Company and a letter from an independent financial adviser to be appointed by the Company to advise the independent board committee of the Company and the Independent Shareholders on the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases will be despatched to the Shareholders on or before 25 May 2012.

BACKGROUND

Reference is made to the announcement of the Company dated 12 May 2009 in respect of the Existing Purchase Agreement entered into between Bossini Enterprises, a wholly-owned subsidiary of the Company, and Sky Dragon for the purchase of the Products.

The Existing Purchase Agreement will expire on 30 June 2012.

The Board has been monitoring the transactions under the Existing Purchase Agreement. In view of the continuous development and expansion of the Group, and based on the internal forecasts of forthcoming demand and operating conditions, the Board has decided to enter into the Purchase Agreement.

THE PURCHASE AGREEMENT

Date: 3 May 2012

Parties: (1) Bossini Enterprises, as purchaser.
(2) Sky Dragon, as supplier.

Subject: Pursuant to the Purchase Agreement, Bossini Enterprises will, and will procure other members of the Group to, purchase the Products from Sky Dragon and other members of the group to which it belongs

Term: Subject to the approval by the Independent Shareholders at the Special General Meeting, the Purchase Agreement will take effect from 1 July 2012 and expire on 30 June 2015.

Price: The prices for the Products are determined by reference to the prevailing market prices of the raw materials and accessories used in the Products, the labour costs, the order sizes, the complexity of the design of the Products and the prevailing market demand. In general, the Company will compare the quotations obtained from various potential suppliers and determine the price to be paid to Sky Dragon after taking into consideration the quality of the Products to be supplied by the relevant suppliers.

Condition: The Purchase Agreement is subject to approval by the Independent Shareholders at the Special General Meeting.

Payment: Payments for the Purchases will be made on 45-day credit terms after delivery of the Products, unless otherwise specified and agreed in each individual purchase order.

The Directors propose that the cap amounts of the Purchases under the Purchase Agreement for each of the three financial years ending 30 June 2015 will not exceed:

- (i) HK\$292,000,000 for the financial year ending 30 June 2013;
- (ii) HK\$385,000,000 for the financial year ending 30 June 2014; and
- (iii) HK\$504,000,000 for the financial year ending 30 June 2015.

The cap amounts are determined with reference to the anticipated business volume of the Group for the three financial years ending 30 June 2015 being maintained at the current level plus a growth of approximately 20% for anticipated increases in demand for the Products as the Group continues to pursue its strategy of network expansion by increasing the total number of stores operating under its brand. In addition, the total value of the Purchases is expected to increase due to a rise in the expected quantity of the Products to be purchased by the Company from Sky Dragon as a result of the flexibility arising from the implementation of the vendor managed inventory system by Sky Dragon which allows the Group to be more responsive to market demand.

Transactions contemplated under the Existing Purchase Agreement were disclosed in the circular of the Company dated 29 May 2009 and were approved by the then independent shareholders at the special general meeting of the Company held on 17 June 2009. The historical transaction amounts between Bossini Enterprises and Sky Dragon for the two financial years ended 30 June 2011 and the nine months ended 31 March 2012 were as follows:

	For the year ended 30 June 2010 Amount HK\$' million	For the year ended 30 June 2011 Amount HK\$' million	For the nine months ended 31 March 2012 Amount* HK\$' million
Purchases	191.2	180.7	145.9

* *unaudited figures*

REASONS FOR THE PURCHASES

The Group is principally engaged in the retailing and distribution of garments. The Group has been purchasing the Products from Laws International, the holding company of Sky Dragon, since April 2003. The Directors consider that the transactions with Sky Dragon is in the interest of the Group, as it would be able to provide reliable delivery of quality Products to the Group at prices comparable to those offered by other suppliers. The Directors consider that the Purchases are of the types that are entered into by the Company in its ordinary and usual course of business.

IMPLICATIONS UNDER THE LISTING RULES

The Directors (other than the independent non-executive Directors who will form an opinion after considering the recommendation from the independent financial adviser to be appointed by the Company) consider that the Purchases will be entered into in the usual and ordinary course of businesses of the Group and the terms of the Purchases have been negotiated and will be conducted on an arm's length basis and on normal commercial terms, between the Group and Sky Dragon. The Directors (other than the independent non-executive Directors who will form an opinion after considering the recommendation from the independent financial adviser to be appointed by the Company) are of the view that as far as the Company and the Shareholders are concerned, the Purchases and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Bossini Enterprises is a wholly-owned subsidiary of the Company. Sky Dragon is a wholly-owned subsidiary of Laws International, and certain directors of Laws International, who have equity interests therein, are relatives of Mr. Law, a substantial shareholder of the Company, and Ms. Tsin, an executive Director, the chairman of the Company and the spouse of Mr. Law. Hence, Sky Dragon is a connected person of the Company. Accordingly, transactions between Bossini Enterprises and Sky Dragon will constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

As each of the percentage ratios (other than the profits ratio) under Chapter 14 of the Listing Rules is on an annual basis expected to exceed 5% provided in Rule 14A.34 of the Listing Rules, the Purchases will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

GENERAL

The Group is principally engaged in the retailing and distribution of garments bearing the Group's designated brand names including "bossini". Sky Dragon and other members of the group to which it belongs are principally engaged in the design, manufacture and sale of garment products. An independent board committee of the Company comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases and an independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders on the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases.

The Special General Meeting will be convened at which an ordinary resolution will be proposed to consider and, if thought fit, approve the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases where Mr. Law and his associates will abstain from voting. A circular containing, amongst others, further

information on the Purchase Agreement and the relevant cap amounts in relation to the Purchases, the advice of the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases, the recommendation of the independent board committee of the Company in relation to the Purchases and the notice of the Special General Meeting will be despatched to the Shareholders on or before 25 May 2012.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bossini Enterprises”	Bossini Enterprises Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“Company”	Bossini International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Existing Purchase Agreement”	the agreement entered into between Bossini Enterprises and Sky Dragon on 11 May 2009 which sets out the terms for the purchase of the Products from Sky Dragon for the three financial years ending 30 June 2012, the particulars of which are set out in the announcement of the Company dated 12 May 2009
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the shareholders of the Company other than Mr. Law and his associates

“Laws International”	Laws International Group Limited, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Law”	Mr. Law Ka Sing, the spouse of Ms. Tsin, and a substantial shareholder of the Company who holds approximately 67.47% of the issued share capital of the Company as at the date of this announcement
“Ms. Tsin”	Ms. Tsin Man Kuen Bess, an executive Director and the chairman of the Company
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Products”	garments which bear the Group’s designated brand names including “ bossini ”
“Purchase Agreement”	the purchase agreement entered into between Bossini Enterprises and Sky Dragon on 3 May 2012
“Purchases”	the transactions contemplated under the Purchase Agreement
“Shareholders”	holders of the shares of the Company
“Sky Dragon”	Sky Dragon International Industrial Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Laws International
“Special General Meeting”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases, or any adjournment thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder” has the same meaning ascribed to it under the Listing Rules

“%” per cent.

By Order of the Board
Bossini International Holdings Limited
TSIN Man Kuen Bess
Chairman

Hong Kong, 4 May 2012

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.