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波司登國際控股有限公司

**BOSIDENG INTERNATIONAL HOLDINGS LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3998)

**CLARIFICATION ANNOUNCEMENT  
UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS  
RESUMPTION OF TRADING**

The board of directors (the “**Board**”) of Bosideng International Holdings Limited (the “**Company**”) would like to clarify the recent report on rumours and allegations on certain tax evasion activities of the Company’s subsidiaries.

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) was suspended at 2:30 p.m. on 13 November 2008 pending the release of this announcement. Application has been made by the Company for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 14 November 2008.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) .

The directors of the Company (the “**Directors**”) noted the article in the Ming Pao News on 13 November 2008 (the “**Article**”), which referred to rumours and misleading allegations on the following:

- that there are ongoing tax investigations by the PRC Tax Bureau in 5 provinces/cities (namely Hebei, Liaoning, Shanxi, Shandong and Chongqing) in relation to alleged tax evasion activities of the Company’s subsidiaries;
- that two ex-employees of the Company have been detained by the Hebei Public Security Department to assist in investigations; and
- that the PRC State Tax Bureau in Beijing has commenced a nation-wide tax investigation on the Company’s subsidiaries.

The Directors wish to clarify that the rumours and allegations of tax evasion activities by the Company's subsidiaries are groundless. In addition, the Directors understand the following:

- (a) The PRC Tax Bureau in Liaoning and Chongqing provinces commenced regular investigations on the Company's subsidiaries in these provinces in May 2008 and September 2008, respectively as part of the annual tax inspections. Investigations on the Company's subsidiaries in the Chongqing province continued after such regular inspections as a result of anonymous allegations of tax-evasion. **Subsequent to these investigations and to-date, the PRC tax authorities have not notified the Company's subsidiaries in Liaoning and Chongqing provinces of any proven tax evasion activities.**
- (b) The PRC Tax Bureau in Hebei and Shanxi provinces commenced investigations of the Company's subsidiaries in these regions in October 2008 in response to allegations of tax evasion from anonymous sources. **Subsequent to these investigations and to-date, the PRC tax authorities have not notified the Company's subsidiaries in the Hebei and Shanxi provinces of any proven tax evasion activities.**
- (c) To-date, the Company has not received any notification from the PRC State Tax Bureau in Beijing or from the PRC Tax Bureau in Shandong that investigations are required for its subsidiaries.
- (d) The two ex-employees of the Company's subsidiary in Hebei province (who are not part of the senior management of the Company and its subsidiaries) have been detained by the Hebei Public Security Department for alleged criminal misconduct which is unrelated to the activities of the Company and its subsidiaries. These ex-employees left the employment of the Company's subsidiary in Hebei for personal reasons and were not retrenched.

Save as disclosed above and save for any regular annual tax inspections of the Company's subsidiaries, as at the date of this announcement, the Board confirms that the PRC tax authorities have not conducted investigations on any other of the Company's subsidiaries in response to tax evasion allegations.

The Directors also wish to reiterate that the Company and its subsidiaries have been, and remain committed to compliance with the relevant tax laws and regulations of the PRC. Further announcements will be made in the event that the Company becomes aware of any material developments to any tax investigations by the PRC Tax Bureau of the Company's subsidiaries. Shareholders of the Company and the potential investors are advised to exercise caution when trading in shares of the Company.

### **Unusual price and trading volume movements**

The Directors have noted the recent decrease in the price and the increase in the trading volume of the shares of the Company today and wish to state that they are not aware of any reasons for such movements save as disclosed above.

The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither are the Directors aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature (save as disclosed above).

### **Resumption of trading**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended at 2:30 p.m. on 13 November 2008 pending the release of this announcement. Application has been made by the Company for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 14 November 2008.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board of  
**Bosideng International Holdings Limited**  
**Mr. Gao Dekang**  
*Chairman*

Hong Kong, 13 November 2008

*As at the date of this announcement, the executive Directors are Mr. Gao Dekang, Ms. Mei Dong, Ms. Gao Miaoqin, Dr. Kong Shengyuan, Ms. Huang Qiaolian and Ms. Wang Yunlei, the non-executive Director is Mr. Shen Jingwu, and the independent non-executive Directors are Mr. Dong Binggen, Mr. Jiang Hengjie, Mr. Wang Yao and Mr. Ngai Wai Fung.*