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**BOSSINI INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 592)

**CONTINUING CONNECTED TRANSACTION**

**Summary**

The Board announces that on 31 July 2007, Wellong Investment, a wholly-owned subsidiary of the Company, entered into the Cheung Fung Tenancy Agreement with Bright City. A director of Bright City, who has beneficial equity interests therein, is relative of Mr. Law, an executive Director and a substantial shareholder of the Company. Under Rule 14A.11(4) of the Listing Rules, Bright City is considered connected person of the Company.

Accordingly, the Continuing Connected Transaction between Wellong Investment and Bright City will constitute connected transaction for the Company under the Listing Rules and will be subject to reporting and announcement requirements under Rule 14A.34 of the Listing Rules.

**1. The continuing connected transaction**

**The Cheung Fung Tenancy Agreement**

- |                   |   |   |
|-------------------|---|---|
| Date of Agreement | : | 31 July 2007  |
| Landlord          | : | Bright City   |
| Tenant            | : | Wellong Investment  |
| Premises          | : | Units 2 and 3 on the 9th Floor of High Block, Cheung Fung Industrial Building, 23-39 Pak Tin Par Street, Tsuen Wan, New Territories with a total gross floor area of approximately 1,919.36 square meter (20,660 square feet) |
| Term              | : | two years commencing from 1 August 2007 and expiring on 31 July 2009 (both days inclusive)  |
| Annual rental     | : | HK\$1,402,800 (HK\$116,900 per month). The annual rental is fixed and will not be subject to adjustment. The annual rental payable is determined on the basis of the  |

current market rental of the Premises.

The premises which are subject to the Cheung Fung Tenancy Agreement have been used by the Group as warehouse. Under the previous tenancy agreement dated 1 August 2005 entered into between Wellong Investment and Laws International for a term of two year from 1 August 2005 to 31 July 2007 (both days inclusive), the annual rental payable by the Group to Laws International was HK\$1,239,600 which represents the then prevailing market rent of the relevant premises.

The annual caps in respect of the rentals payable under the Cheung Fung Tenancy Agreement for (i) the period from 1 August 2007 to 30 June 2008, (ii) the period from 1 July 2008 to 30 June 2009 and (iii) the period from 1 July 2009 to 31 July 2009 shall not exceed HK\$1,285,900, HK\$1,402,800 and HK\$116,900, respectively.

#### **Reason for the Continuing Connected Transaction**

The premises subject to the Cheung Fung Tenancy Agreement were occupied by the Group since 1 August 2004 and will be used by the Group as warehouse in accordance with the terms of the Cheung Fung Tenancy Agreement. The relevant amount of rent payable under the Cheung Fung Tenancy Agreement was with reference to a valuation report issued by an independent property valuer engaged specifically for the purpose of evaluating the premises under the Cheung Fung Tenancy Agreement which represents the prevailing market rent of the premises. The Directors (including the independent non-executive Directors) are of the opinion that the Cheung Fung Tenancy Agreement is made on normal commercial terms in the ordinary and usual course of business of the Group and are in the best interests of the Group and the Shareholders as a whole and that the terms and conditions thereof are fair and reasonable to the Company.

As each of the relevant percentage ratios (other than the profit ratio) in respect of the annual rental is less than 2.5%, the Continuing Connected Transaction constitutes connected transaction for the Company under the Listing Rules and will be subject to reporting and announcement requirements under Rule 14A.34 of the Listing Rules. The Company will comply with the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

## 2. GENERAL

The Group is principally engaged in the retailing and distribution of garments under the brand names of “**bossini**”, “**bossinistyle**” and “**sparkle**”. Bright City is principally engaged in property investment for rental income purposes.

A director of Bright City, who has beneficial equity interests therein, is relative of Mr. Law, an executive Director and a substantial shareholder of the Company. Under Rule 14A.11(4) of the Listing Rules, Bright City is considered connected person of the Company.

## 3. DEFINITIONS

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

“ <b>Board</b> ”	the board of Directors;
“ <b>Cheung Fung Tenancy Agreement</b> ”	the tenancy agreement dated 31 July 2007 entered into between Bright City and Wellong Investment;
“ <b>Bright City</b> ”	Bright City International Limited, a company incorporated in Hong Kong with limited liability;
“ <b>Company</b> ”	Bossini International Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“ <b>connected person(s)</b> ”	has the meaning as given in the Listing Rules;
“ <b>Continuing Connected Transaction</b> ”	the transaction under the Cheung Fung Tenancy Agreement;
“ <b>Directors</b> ”	the directors of the Company;
“ <b>Group</b> ”	the Company and its subsidiaries;
“ <b>Hong Kong</b> ”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“ <b>Laws International</b> ”	Laws International Group Limited, a company incorporated in Hong Kong with limited liability;
“ <b>Listing Rules</b> ”	the Rules Governing the Listing of Securities on the Stock Exchange;
“ <b>Mr. Law</b> ”	Mr. LAW Ka Sing, a Director and a substantial shareholder of the Company who holds approximately 69.3% of the issued share capital of the Company as at the date of this

	announcement;
“Shares”	shares of HK\$0.10 each in the issued share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning as given in the Listing Rules;
“Wellong Investment”	Wellong Investment Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong; and
“%”	Percent.

By order of the Board  
**Bossini International Holdings Limited**  
**LAW Ka Sing**  
Chairman

Hong Kong, 31 July 2007

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. LAW Ka Sing, Ms. CHAN So Kuen and Mr. MAK Tak Cheong Edmund 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.