
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Bossini International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**BOSSINI INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders**

**KGI Capital Asia Limited**

A letter from the Board is set out on pages 4 to 8 of this circular and a letter from the Independent Board Committee is set out on page 9 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 10 to 19 of this circular.

A notice convening the Special General Meeting to be held at 10:00 a.m. on Wednesday, 20 June 2012 at Level 1, The Long Beach, 8 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong is set out on pages 25 to 26 of this circular. A form of proxy for use at the Special General Meeting is enclosed with this circular. Whether or not you are able to attend and vote at the Special General Meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong at Level 1, The Long Beach, 8 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Special General Meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjourned meeting (as the case may be) should you so wish.

24 May 2012

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DEFINITIONS

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

“associate(s)”	has the same meaning as 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
“Business Day”	any day (excluding Saturday and Sunday) that banks in Hong Kong are generally open for business
“Bye-laws”	the bye-laws 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
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“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 Board Committee”	the independent committee of the Board, comprising the three independent non-executive Directors, namely Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han and Prof. SIN Yat Ming, which has been formed for the purpose of advising the Independent Shareholders as to the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases
“Independent Shareholders”	the Shareholders other than Mr. Law and his associates

DEFINITIONS

“Independent Financial Adviser”	KGI Capital Asia Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Purchase Agreement and the proposed annual cap amounts in relation to the Purchases for the three financial years ending 30 June 2015 under the Purchase Agreement
“Latest Practicable Date”	22 May 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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 held approximately 67.47% of the issued share capital of the Company as at the Latest Practicable Date
“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 circular, Hong Kong, the Macau Special Administrative Region and Taiwan
“Products”	garments which bear the Company’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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“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 approve 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 as ascribed to it under the Listing Rules
“%”	per cent.

LETTER FROM THE BOARD



BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

Executive Directors:

Ms. TSIN Man Kuen Bess (*Chairman*)

Mr. MAK Tak Cheong Edmund

Mr. CHAN Cheuk Him Paul

Independent non-executive Directors:

Mr. LEE Man Chun Raymond

Ms. LEUNG Mei Han

Prof. SIN Yat Ming

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Principal place of business
in Hong Kong:*

Level 1

The Long Beach

8 Hoi Fai Road

Tai Kok Tsui

Kowloon, Hong Kong

24 May 2012

To the Shareholders

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

References are made to the announcements of the Company dated 12 May 2009 and 4 May 2012 in respect of the Existing Purchase Agreement and the 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 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 purpose of this circular is to:

- (i) provide the Shareholders with details of the Purchase Agreement and the relevant cap amounts in relation to the Purchases;

LETTER FROM THE BOARD

- (ii) set out the opinion of the Independent Financial Adviser in respect of the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases;
- (iii) set out the recommendation of the Independent Board Committee in respect of the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases; and
- (iv) give you notice of the Special General Meeting to consider and, if thought fit, to approve the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases.

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 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 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.

LETTER FROM THE BOARD

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 from 1,478 stores as at 31 December 2011 to approximately 2,000 stores by 30 June 2015.

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 Group 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.

As disclosed in the announcement and the circular of the Company dated 12 May 2009 and 29 May 2009, respectively, the annual caps for the three financial years ending 30 June 2012 under the Existing Purchase Agreement approved by the Shareholders were as follows:

- (i) HK\$345,000,000 for the financial year ending 30 June 2010;
- (ii) HK\$414,000,000 for the financial year ending 30 June 2011; and
- (iii) HK\$497,000,000 for the financial year ending 30 June 2012.

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

* *unaudited figures*

LETTER FROM THE BOARD

REASONS FOR THE PURCHASES

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 which it belongs are principally engaged in the design, manufacture and sale of garment products. The Group has been purchasing the Products from Laws International, the holding company of Sky Dragon, and/or its subsidiaries 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 in the ordinary and usual course of business of the Company.

The Directors 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 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 the 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 Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases and the Independent Financial Adviser has been appointed to advise the Independent Board Committee on the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases. Except for Ms. Tsin who has a material interest in the transactions contemplated under the Purchase Agreement and has abstained from voting on the relevant board resolutions, the Directors are not interested in the transactions contemplated under the Purchase Agreement.

LETTER FROM THE BOARD

SPECIAL GENERAL MEETING

The notice convening the Special General Meeting to be held at 10:00 a.m. on Wednesday, 20 June 2012 at Level 1, The Long Beach, 8 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong 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, is set out on pages 25 to 26 of this circular. The votes of the Shareholders to be taken at the Special General Meeting will be by poll where Mr. Law and his associates will abstain from voting.

A form of proxy for use at the Special General Meeting is enclosed. Whether or not you are able to attend and vote at the Special General Meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong at Level 1, The Long Beach, 8 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong as soon as possible but in any event, not less than 48 hours before the time appointed for holding the Special General Meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjourned meeting (as the case may be) should you so wish.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 9 of this circular which contains its recommendation to the Independent Shareholders on the terms of the Purchase Agreement and the relevant cap amounts under the Purchases. Your attention is also drawn to the letter of advice received from the Independent Financial Adviser as set out on pages 10 to 19 of this circular which contains, among other matters, its advice to the Independent Board Committee in relation to the Purchase Agreement, the relevant cap amounts under the Purchases and the principal factors and reasons considered by it in concluding its advice.

Your attention is also drawn to the general information set out in the appendix of this circular.

Yours faithfully,
For and on behalf of
Bossini International Holdings Limited
TSIN Man Kuen Bess
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

24 May 2012

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 24 May 2012 (the “Circular”), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter have the same meanings as given to them in the section headed “Definitions” of the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Purchase Agreement and the relevant cap amounts under the Purchases are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser as set out on pages 10 to 19 of the Circular and the letter from the Board as set out on pages 4 to 8 of the Circular. Having considered the principal factors and reasons set out therein, we consider that the terms of the Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of businesses of the Group and are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and that the proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the transactions contemplated under the Purchase Agreement and the proposed annual caps, which will be proposed at the Special General Meeting.

Yours faithfully,

For and on behalf of

Independent Board Committee

Mr. LEE Man Chun Raymond

*Independent Non-executive
Director*

Ms. LEUNG Mei Han

*Independent Non-executive
Director*

Prof. SIN Yat Ming

*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of the letter of advice from KGI Capital Asia Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders of Bossini International Holdings Limited, prepared for inclusion in this circular.



KGI Capital Asia Limited

41/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Tel: 2878 6888
Fax: 2970 0080

24 May 2012

To the Independent Board Committee and the Independent Shareholders
Bossini International Holdings Limited
Level 1, The Long Beach
8 Hoi Fai Road, Tai Kok Tsui
Kowloon, Hong Kong

Dear Sirs and Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Purchase Agreement and the proposed annual cap amounts in relation to the Purchases for each of the three financial years ending 30 June 2015 under the Purchase Agreement (the “Proposed Caps”). Details of which are set out in the “Letter from the Board” (the “Letter”) contained in the circular to the Shareholders dated 24 May 2012 (the “Circular”), of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

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 its group.

As stated in the Letter, 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 pursuant to the Purchase Agreement will constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han and Prof. SIN Yat Ming, has been established to advise the Independent Shareholders as to whether the terms of the transactions contemplated under the Purchase Agreement and the Proposed Caps are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

We, KGI Capital Asia Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the transactions contemplated under the Purchase Agreement and the Proposed Caps are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the information, financial information and facts supplied, and the opinions and representations expressed to us by the Company, its Directors and management of the Company. We have also assumed that all such information, financial information, facts, statements of belief, opinion and intention and representation made to us by the Directors or referred to in the Circular were reasonably made after due and careful enquiry and are based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations referred to in the Circular and provided to us by the Company, its Directors and management of the Company. We have been advised by the Directors that no material facts have been omitted from the information provided to us and referred to in the Circular. We have also assumed that all statement of intention of the Company, its Directors and management of the Company as set out in the Circular will be capable of being implemented. We have assumed that all information and representations made or referred to in the Circular and provided to us by the Company, its Directors and management of the Company, for which they were solely and wholly responsible, were true, complete and accurate at the time they were made and shall continue to be true, complete and accurate at the date of the Special General Meeting.

In formulating our opinion, we have obtained and reviewed relevant information and documents provided by the Company and its Directors and management of the Company in connection with the transactions and discussed with the management of the Company so as to assess the fairness and reasonableness of the terms of the transactions contemplated under the Purchase Agreement and the Proposed Caps. Relevant information and documents included, among other things, the annual report of the Company for the year ended 30 June 2011 (the “2010/11 Annual Report”), the interim report of the Company for the six months ended 31 December 2011 (the “2011/12 Interim Report”), the Existing Purchase Agreement and the Purchase Agreement. We believe that we have reviewed sufficient information to enable us to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion regarding the terms of the transactions contemplated under the Purchase Agreement and the Proposed Caps. We have not, however, carried out any independent verification of the information and representations provided to us by the management of the Company and the Directors nor have we conducted any form of independent investigation into the businesses and affairs, financial position or the future prospects of the Company, Sky Dragon, Laws International or their respective subsidiaries or associated companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our opinion is necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations and opinions made available to us as of, the Latest Practicable Date. Our opinion does not in any manner address the Company's own decision to proceed with the entering into the Purchase Agreement and to determine the Proposed Caps. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Purchase Agreement and the Proposed Caps, we have taken the following principal factors and reasons into consideration:

Reasons for and benefits of entering into the Purchase Agreement

The Group is principally engaged in the retailing and distribution of garments bearing the Group's designed brand names including "bossini". Sky Dragon and other members of the group which it belongs are principally engaged in the design, manufacture and sale of garment products.

As stated in the Letter, the Group has been purchasing the Products from Laws International, the holding company of Sky Dragon, and/or its subsidiaries 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. We understand from the Directors that, as a result of entering into the Purchase Agreement, the Group has been able to formalise its business arrangements (in terms of the length of the supply contract, the pricing and the payment method) with Sky Dragon and other members of its group and secure regular purchases from one of the reliable manufacturer of garments. The Directors are of the view that the entering into the Purchase Agreement is beneficial to the Shareholders and the Group as a whole. Given that the principal business of the Group is retailing and distribution of garments and Sky Dragon and other members of its group are design, manufacture and sale of garment products respectively, the Directors consider that the Purchases fall within the ordinary and usual course of business of the Group.

Having considered that (i) the entering into the Purchase Agreement falls within the principal scope of business of the Group; (ii) the Group has been purchasing the Products from Laws International and/or its subsidiaries since April 2003; and (iii) the entering into the Purchase Agreement would be able to provide delivery of the Products to the Group at prices comparable to those offered by other suppliers, we concur with the Directors' views that the entering of the Purchase Agreement is in the interests of the Group and the Shareholders as a whole.

Terms of the Purchase Agreement

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the Purchase Agreement, Bossini Enterprises, a wholly-owned subsidiary of the Company, will procure other members of the Group to purchase the Products from Sky Dragon and other members of its group. The major terms of the Purchase Agreement are set out as follows:

- Parties: (1) Bossini Enterprises, as purchaser.
(2) Sky Dragon, as supplier.
- 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 on 45-day credit terms after delivery of the Products, unless otherwise specified and agreed in each individual purchase order.

As stated in the Letter, the Directors consider that the Purchases will be entered into in the usual and ordinary course of business 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 are of the view that as far as the Company and the Independent Shareholders are concerned, the Purchases and the terms thereof are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

We have reviewed the Existing Purchase Agreement and the Purchase Agreement and noted that the major terms of the Purchase Agreement (including, inter alia, the prices for the Products and the payment terms for the purchases) are substantially the same as those of the Existing Purchase Agreement.

As stated in the 2010/11 Annual Report, the independent non-executive Directors of the Company have reviewed the continuing connected transactions in relation to the purchases of garments by the Group from Laws International and its subsidiaries and have confirmed that, among others, the continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; and (ii) on normal commercial terms or on terms no less favourable to the Group than terms available from independent third party suppliers. In addition, we have reviewed historical samples of price quotations of purchase of garments between the Group and its suppliers, including Laws International and its subsidiaries and independent third party suppliers, for the financial year ended 30 June 2010, the financial year ended 30 June 2011 and the nine months ended 31 March 2012 and noted that the prices quoted from Laws International and its subsidiaries were no less favourable to the Group than price quotations from independent third party suppliers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Furthermore, we noted from the 2010/11 Annual Report that the trade creditors were normally settled on terms of 30 to 60 days. Accordingly, we consider that the credit period of 45 days offered by Sky Dragon as stipulated under the Purchase Agreement is comparable to the Group's general credit terms with other independent third party suppliers.

In view of the above, we consider that the terms of the Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

The Proposed Caps

As stated in the Letter, the Directors propose that the annual cap amounts of the Purchases under the Purchase Agreement for each of the three financial years ending 30 June 2015 will not exceed:

	For the financial year ending 30 June 2013	For the financial year ending 30 June 2014	For the financial year ending 30 June 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Proposed Caps	292,000	385,000	504,000

As stated in the Letter, the Proposed Caps 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.

In order to assess the fairness and reasonableness of the Proposed Caps, we have discussed with the management of the Company on the principal bases underlying the above factors in the determination of the Proposed Caps and taken into consideration of the following aspects:

(a) Historical figures of the purchase of the Products

We have obtained the historical/estimated transaction amounts between (i) Bossini Enterprises and (ii) Laws International and/or its subsidiaries in relation to the purchases of garments (the "Transaction Amounts") for the financial year ended 30 June 2010, the financial year ended 30 June 2011 and the financial year ending 30 June 2012 and compared them with the relevant annual cap amounts previously sought and approved for the financial year ended 30 June 2010 of HK\$345 million, for the financial year ended 30 June 2011 of HK\$414 million and for the financial year ending 30 June 2012 of HK\$497 million.

We note that, for the financial year ended 30 June 2010 and the financial year ended 30 June 2011, the Transaction Amounts were approximately HK\$191.2 million and approximately HK\$180.7 million respectively, representing approximately 55.4% and approximately 43.6% of the relevant annual cap

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

amounts for the same periods respectively. For the nine months ended 31 March 2012, the Transaction Amounts were approximately HK\$145.9 million and we are further advised by the management of the Company that the Transaction Amounts for the financial year ending 30 June 2012 is estimated to be about HK\$195 million, representing approximately 39.2% of the annual cap amount for the financial year ending 30 June 2012.

We also noted that the estimated Transaction Amounts for the financial year ending 30 June 2012 of about HK\$195 million represents an increase of approximately 7.9% compared to the Transaction Amounts for the financial year ended 30 June 2011 of approximately HK\$180.7 million.

(b) Financial performance of the Group

According to the 2011/12 Interim Report, despite the persistence of the European debt crisis, the unaudited consolidated revenue and the unaudited consolidated profit attributable to owners of the Company for the six months ended 31 December 2011 amounted to approximately HK\$1,447.1 million and approximately HK\$58.6 million respectively, increased by approximately 10.0% and decreased by approximately 19.3% respectively, when compared with the corresponding period in year 2010. Set out below are the sales of the Group (breakdown by regions) for the six months ended 31 December 2011 and the six months ended 31 December 2010:

Regional sales performance analysis	For the six months ended 31 December 2011 (HK\$'million)	For the six months ended 31 December 2010 (HK\$'million)	Percentage change for 2011 versus 2010 (%)
– Hong Kong	820	696	+18%
– Mainland China	328	337	–3%
– Taiwan	158	143	+10%
– Singapore	125	113	+11%
– Malaysia*	16	26	–38%
Consolidated total	1,447	1,315	+10%

* Starting from November 2011, the Malaysian business was changed from directly managed to export franchising mode of operation.

Source: 2011/12 Interim Report

As shown in the above table, although the sales amount for the six months ended 31 December 2011 in two out of the five regions has shown decreases over the same period in year 2010, Hong Kong, Taiwan and Singapore have recorded increases of approximately 18%, approximately 10% and approximately 11% in revenue respectively. Hong Kong remains the largest revenue contributor to the Group, accounting for approximately 56.7% of the Group's total turnover for the six months ended 31 December 2011.

According to the Directors, for the six months ended 31 December 2011, the Group's revenue growth in Hong Kong market was mainly due to the ongoing brand building efforts made by the Group and the benefits arising from the increase in number of tourists visiting Hong Kong. According to the information released by the Government of Hong Kong, inbound tourism stayed sturdy in 2011. In

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2011, the overall visitor arrivals were approximately 41.9 million, increased by approximately 16.4% as compared to the year of 2010. The Mainland market remained the principal growth impetus, with visitor arrivals from this source surging by approximately 23.9% to approximately 28.1 million in 2011, and accounting for approximately 67% of the total. In addition, based on the figures released by the Hong Kong Tourism Board, in the first quarter of 2012, visitor arrivals to Hong Kong exceeded 11.22 million, representing a year-on-year increase of approximately 15.6%. The visitor arrivals from the Mainland China climbed up by approximately 21.1% to approximately 7.9 million. The Directors consider that the Group will continue to be benefited from the increasing trend in the number of tourists visiting to Hong Kong in the future, which is expected to fuel Hong Kong retail sales in general.

In addition, according to the 2011/12 Interim Report, Hong Kong and the Mainland China were the first and second largest contributors to the Group in term of revenue respectively. For the six months ended 31 December 2011, Hong Kong market outperformed the other markets with a double-digit same-store-sales growth rate of approximately 15% while the same-store-sales growth rate in the Mainland China market recorded a slight decrease of approximately 1%. According to the Directors, the double-digit same-store-sales growth in Hong Kong market was mainly due to the Group's continuous focus on brand building and operational efficiency.

According to the 2010/11 Annual Report, the 2011/12 Interim Report and the information provided by the Group, the total number of stores in different geographical regions as at 30 June 2010 was 1,361, which increased to 1,475 as at 30 June 2011, an increase of 114 stores compared to 30 June 2010 and further increased to 1,478 as at 31 December 2011. According to the Directors, the Company continues to hold a positive outlook for the Mainland China, Hong Kong and export markets despite the persistence of the European debt crisis. As such, the Group will continue to pursue its strategy of network expansion by increasing the total number of stores operating under its brands from 1,478 stores as at 31 December 2011 to approximately 2,000 stores by 30 June 2015.

In view of (i) the positive financial performance of the Group for the six months ended 31 December 2011 despite the persistence of the European debt crisis; (ii) the direction of boosting domestic demand and consumer spending in the Mainland China by the PRC government as set out below under the section headed "Economic outlook of the Mainland China and Hong Kong markets"; (iii) the increasing trend in the number of tourists visiting to Hong Kong in the future; and (iv) the stores expansion plan of the Group in the Mainland China, Hong Kong and export markets in the future, we concur with the Directors' views that the business volume of the Group for each of the three financial years ending 30 June 2013, 2014 and 2015 will be further increased.

(c) *Vendor managed inventory system implemented by Sky Dragon*

Vendor managed inventory is a system where the vendor schedules its production process for its customer based on customer's demand information (such as sales forecast) which would allow the customer more accurately to order goods on an "as-needed" basis.

The Directors consider that vendor managed inventory would provide flexibility for the Group to cope with rapid market demand changes and customers' needs which is able to reduce order lead time and help to reduce average inventory level. The Directors consider that it would be beneficial to the Company to establish stable up-and down-stream vendors' partnerships, improve the supply chain competitiveness and optimize the operational efficiency of the Company.

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According to the Directors, as at the Latest Practicable Date, Sky Dragon, amongst available suppliers, was the only supplier which has agreed to supply goods to the Group under its vendor managed inventory system. In the circumstances, the Directors expect that the Group would be able to take advantage of the vendor managed inventory system provided by Sky Dragon and therefore the amount of the Purchases is expected to increase for each of the three financial years ending 30 June 2015. In addition, as stated in the Letter, 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.

In view of the anticipated benefits to be derived from the vendor managed inventory system and Sky Dragon is the only supplier for the time being which has agreed to supply goods to the Group under its vendor managed inventory system, we concur with the Directors' views that the total value of the Purchases is expected to increase for the each of three financial years ending 30 June 2015 as a result of adopting the vendor managed inventory system provided by Sky Dragon.

(d) Economic outlook of the Mainland China and Hong Kong markets

We note from the 2010/11 Annual Report and 2011/12 Interim Report that the Mainland China and Hong Kong markets are the two major markets to the Group in term of revenue.

According to National Bureau of Statistics of China, the year-on-year growth rate of real Gross Domestic Product ("GDP") of the Mainland China was approximately 8.1% for the first quarter of 2012 as compared with the same period in 2011. In term of the total retail sales of consumer goods in the Mainland China, the growth rate in the year 2011 was approximately 17.1% as compared with the year 2010 while the growth rate for the period of the first four months ended 30 April 2012 was approximately 14.7% as compared with the same period in 2011. In addition, we also noted that the Mainland China would move faster to set up a permanent mechanism for boosting consumption by adjusting income distribution, increasing the incomes of low-income and middle-income groups and enhancing people's ability to consume. At the same time, the Mainland China will improve policies that encourage consumption. Expanding domestic demand, particularly consumer demand, which is essential to ensuring China's long-term, steady and robust economic development, is the focus of the economic work of the Mainland China in 2012. It is considered that the Mainland China's economy is relatively robust compared with the global economy given its long-term GDP growth is still positive.

In respect of the prospect of Hong Kong, according to the information released by the Government of Hong Kong, the medium term prospects for the Hong Kong economy should remain bright, although the degree of uncertainty in the external environment would likely stay elevated. Hong Kong will continue to ride on the growing economic prowess of the region and deepen its integration with the Mainland while continuing its stride towards a knowledge-based, high value-added economy. New markets and growth areas will be further explored, and the continued investment in human capital and infrastructure should bolster productivity and ensure sustainable economic growth in the longer run. According to the information released by the Government of Hong Kong, the trend GDP growth rate in real terms is forecasted at 4% per annum from 2013 to 2016.

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Having considered (i) the historical figures of the Transaction Amounts as set out in the section headed “Historical figures of the purchase of the Products” above; (ii) the positive financial performance of the Group for the six months ended 31 December 2011 despite the persistence of the European debt crisis; (iii) the Group’s continued pursuance of its strategy of network expansion by increasing the total number of stores operating under its brands in Hong Kong, the Mainland China and export markets by 30 June 2015; (iv) Sky Dragon is the only supplier for the time being which has agreed to supply goods to the Group under its vendor managed inventory system; (v) the conservatively positive economic outlook of the Mainland China and the anticipated increase of the PRC domestic consumption in the future; and (vi) the increasing trend in the number of tourists visiting to Hong Kong in the future, we consider that the proposed annual cap amounts under the Purchase Agreement for each of the three financial years ending 30 June 2015 of HK\$292 million, HK\$385 million and HK\$504 million respectively are justifiable.

Based on the above, we are of the view that the Proposed Caps for each of the three financial years ending 30 June 2015 are reasonably determined.

Generally speaking, in our opinion, it is in the interest of the Group for the abovementioned Proposed Caps to be as accommodating to the Group as possible (within reason). Provided that the pricing for the transactions contemplated under the Purchase Agreement is fair and reasonable and the conduct of those transactions would be subject to annual review by the independent non-executive Directors and the auditors of the Company as required under the Listing Rules, the Group would have flexibility in conducting its business if the Proposed Caps are tailored to accommodate future business growth. In assessing the reasonableness of the Proposed Caps, we have discussed with the management of the Group regarding their estimated purchase volume and the rationale of the estimation. On the other hand, there is persistent European debt crisis which may have/have had significant impact on the global economy. However, we are not able to assess the likelihood and/or extent of the impact as well as to quantify the impact on the global garment or retail business and such factor, as a result, have not been taken into consideration in determining the Proposed Caps. Therefore, Shareholders should note that the Proposed Caps relate to future events and do not represent a forecast of amounts to be transacted as a result of the transactions contemplated under the Purchase Agreement or as an assurance by the Group of its future revenue. Consequently, we express no opinion as to how closely the actual transaction amounts under the Purchase Agreement will correspond with the Proposed Caps as discussed above.

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RECOMMENDATION

Having considered the above principal factors and reasons, we consider that the terms of the Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and that the Proposed Caps are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the transactions contemplated under the Purchase Agreement and the Proposed Caps, which will be proposed at the Special General Meeting.

Yours faithfully,

For and on behalf of
KGI Capital Asia Limited

Frank Lam
Director

Jimmy Chan
Senior Vice President

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company was as follows:

<i>Authorised share capital:</i>	<i>HK\$</i>
2,000,000,000 Shares	200,000,000.00
<i>Issued and fully paid or credited as fully paid Shares:</i>	
1,620,179,394 Shares	162,017,939.40

All the existing issued Shares rank pari passu in all respects including all rights as to dividends voting and return of capital.

3. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the Directors and the chief executive of the Company and their respective associates had the following interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

Interests and short positions in the Shares, underlying Shares and debentures of the Company

Long positions in the Shares:

Name of Director	Capacity and nature of interest	Number of Shares held	Approximate Percentage of the Company's issued share capital
Ms. TSIN Man Kuen Bess	Directly beneficially owned	1,093,091,098 (Note 1)	67.47%

Note 1:

Such interests arose by attribution through her spouse, Mr. LAW Ka Sing, whose interests are set out in the section headed "Substantial Shareholder Interests" below.

Long positions in the Share options of the Company:

Name of Directors	Number of options directly beneficially owned
Ms. TSIN Man Kuen Bess	4,000,000
Mr. MAK Tak Cheong Edmund	21,650,000
Mr. CHAN Cheuk Him Paul	4,510,000
Total	30,160,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Directors' interests in competing business

As at the Latest Practicable Date, no Directors or any of their associates had an interest in a business (other than businesses where the Directors were appointed to represent the interests of the Company and/or any member of the Group) which were considered to compete or were likely to compete, either directly or indirectly, with the businesses of the Group.

(c) Save as disclosed above, as at the Latest Practicable Date

- (i) None of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and
- (ii) None of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting as at the date of this circular and which is significant in relation to the business of the Group.

4. SUBSTANTIAL SHAREHOLDER INTERESTS

As at the Latest Practicable Date, so far as was known to, or can be ascertained after reasonable enquiry by the Directors, the following person (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in the Shares:

Name of shareholder	Capacity and nature of interest	Number of shares held	Number of share options held	Approximate percentage of the Company's issued share capital
Mr. LAW Ka Sing	Directly beneficially owned	1,093,091,098	–	67.47
	Family interest	–	4,000,000	0.25
Total		1,093,091,098	4,000,000	67.72

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company was aware of any other person (other than the Directors or the chief executive of the Company) who had an interest or short positions in the Shares and underlying Shares or any option in relation thereto which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of Part XV of the SFO, to be entered in the register referred to therein, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries or associated companies, excluding contracts expiring within one year without payment of compensation other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

7. MATERIAL ADVERSE CHANGE

Save as disclosed in the interim report of the Company for the period ended 31 December 2011, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 30 June 2011, the date to which the latest published audited consolidated accounts of the Group were made up.

8. QUALIFICATION AND CONSENT OF EXPERT

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which they appear.

The qualification of the expert who has provided its advice which is contained in this circular is as follows:

Name	Qualification
KGI Capital Asia Limited	a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities

As at the Latest Practicable Date, the Independent Financial Adviser was not interested in any Share or share in any member of the Group nor did it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group. As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any asset which had been, since 30 June 2011, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. MISCELLANEOUS

- (a) The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and the principal place of business in Hong Kong of the Company is located at Level 1, The Long Beach, 8 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited located at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Ms. WONG Suk May, an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (d) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any Business Day at the head office and principal place of business of the Company in Hong Kong at Level 1, The Long Beach, 8 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong from the date of this circular up to and including the date of the Special General Meeting:

- (a) the memorandum of association and Bye-laws of the Company;
- (b) the annual reports of the Company for the two years ended 30 June 2011;
- (c) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 9 of this circular;
- (d) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 10 to 19 in this circular;
- (e) the written consent from the Independent Financial Adviser referred to in paragraph 8 of this Appendix; and
- (f) the Purchase Agreement.

NOTICE OF SPECIAL GENERAL MEETING



BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

NOTICE IS HEREBY GIVEN that a special general meeting of Bossini International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) will be held at 10:00 a.m. on Wednesday, 20 June 2012 at Level 1, The Long Beach, 8 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the purchase agreement (the “Purchase Agreement”) dated 3 May 2012 entered into between Bossini Enterprises Limited (“Bossini Enterprises”), a wholly-owned subsidiary of the Company, and Sky Dragon International Industrial Limited (“Sky Dragon”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, pursuant to which Bossini Enterprises will, and will procure other members of the Group to, purchase garments which bear the Company’s designated brand names including “**bossini**” from Sky Dragon and other members of the group to which it belongs (the “Purchases”) be and is hereby confirmed and approved;
- (b) the cap amounts in relation to the Purchases under the Purchase Agreement be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in and completion of the Purchase Agreement.”

By Order of the Board
TSIN Man Kuen Bess
Chairman

Hong Kong, 24 May 2012

NOTICE OF SPECIAL GENERAL MEETING

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal place of business in Hong Kong:

Level 1
The Long Beach
8 Hoi Fai Road
Tai Kok Tsui
Kowloon, Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number and class of the shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the Company's principal place of business in Hong Kong at Level 1, The Long Beach, 8 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
4. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such share.
6. The resolution shall be voted by way of poll by shareholders who are not interested or involved in the Purchase Agreement, being shareholders other than Mr. LAW Ka Sing and his associates.

As at the date of this notice, 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, Prof. SIN Yat Ming.