

PRESS RELEASE

August 28, 2002

Bossini International Holdings Limited
Invests HK\$40m in new brand “SPARKLE”

New label expected to generate huge interest in PRC casual wear market and record sales of HK\$120m in first seven months

Bossini International Holdings Limited (592), the Hong Kong-based fashion chain store, today announced the September launch of SPARKLE, targeting the casual wear sector on the Mainland.

During the next seven months, Bossini plans to build an extensive sales network for the new brand by establishing **SPARKLE** fashion chains in seven major cities including Shanghai, Beijing, Tianjin, Wuhan, Nanjing, Guangzhou, and Shenzhen.

An anticipated 50 directly managed stores will open in the first phase of the launch, most located in high traffic areas and within department stores. Store sizes range from an average of 1,000 square feet to a maximum of 3,000 square feet.

Mr. Edgar To, Executive Director of Bossini International Holdings Limited said, “Our capital expenditure for the first stage launch of the **SPARKLE** brand is HK\$17m. In return, we expect to record sales of HK\$120m in the first seven months of operations to the end of March 2003. We also anticipate rapid growth in sales over the next three years, with retail gross margin of 45%.”

Mr. To said the time is right to implement a multi-brand strategy and grow Bossini's share of the Mainland market. “There is rapid economic growth in many cities in the PRC and it is expected that this will be sustained at least up to 2008,” he said.

Mr. To added that there are numerous examples of success when international brands have implemented a multi-brand strategy. “We believe that this strategy is both opportune and applicable to the mainland market because consumers there now spend not only on daily necessities but also to improve their outlook, gain inspiration and demonstrate personal success with stylish and trendy products,” he said.

“Furthermore, the prior success and market position of **bossini** products in China provides an excellent foundation for the extensive development and anticipated success of the **SPARKLE** brand,” he said.

Marketed as ‘Everyday fashion that adds **SPARKLE** to people’s lives’, the concept behind the collection is a stylish, shining and healthy image that emphasizes **SPARKLE** garments as trendy options. **SPARKLE** focuses mainly on the low to medium price market and the 20-40 years age group, and brings to stores over 150 new product items for men and women.

Discussing the competitive advantage, Mr. To said that offering super-value products with good quality and reasonable prices differentiates **SPARKLE** from other brands.

“In order to create maximum awareness and build up the image of a unique and quality fashion chain, Bossini will spend HK\$23m promoting the **SPARKLE** brand in the first stage. As the PRC is a huge market, we will focus our resources on targeted promotions. In addition, Bossini is delighted to announce Ms. Kelly Chen as the **SPARKLE** spokesperson. Kelly is always chic, stylish and lives a shining and healthy lifestyle that is very close to the image we wish to project,” Mr. To said.

Ms. Kelly Chen, spokesperson of **SPARKLE**, will be present at the premier launch ceremony and fashion show at Shanghai Youth Palace (上海少年宫) on September 21.

About Bossini International Holdings Limited

Bossini International Holdings Limited (BIHL), which listed on the Stock Exchange of Hong Kong in 1993, operates one of the territory's largest retail chains of casual wear, apparel and accessories.

Headquartered in Hong Kong, the **bossini** chain, as at June 30, 2002, had 32 stores in Hong Kong and Macau, 28 in Singapore, and 73 in Taiwan. The Group operated 123 directly-managed stores and 104 authorised dealer-ventures on the Mainland.

#

**Issued for and on behalf of Bossini International Holdings Limited through
Beyond Communications Limited**

For more information, please contact:

Beyond Communications Ltd

Ms Eleanor Chan (eleanor@beyondpr.com)/Ms Holly Tse (holly@beyondpr.com)

Room 1502, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong

Tel: (852) 2815 5088

Fax: (852) 2815 5123