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Bosideng International Holdings Limited

波 司 登 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3998)

(1) CONNECTED TRANSACTION

Non-Exercise of Right of First Refusal

(2) CONDITIONAL CALL OPTION AGREEMENT

(1) Connected Transaction — Non-Exercise of Right of First Refusal

Reference is made to the Prospectus in relation to the Non-competition Deed pursuant to which Mr. Gao Dekang or any of his associates (other than members of the Group) shall offer to the Company the right to acquire, among others, that portion of the Menswear Business which is owned by any or all of them.

Pursuant to the Non-competition Deed, Changshu Bosideng (an associate of Mr. Gao Dekang) served a written notice to the Company on 8 August 2008 of its intention to transfer 70% of its equity interest in the Menswear Company to LPL (an indirect wholly owned subsidiary of HFL) for a consideration of RMB385,000,000. Under this written notice, the sale of the 70% equity interest in the Menswear Company by Changshu Bosideng to LPL will not proceed if the Company exercises its Right of First Refusal to acquire 70% equity interest in the Menswear Company at a consideration of RMB385,000,000. The terms of sale relating to the 70% equity interest in the Menswear Company offered by Changshu Bosideng to LPL are not more favourable than those offered to the Company under the written notice by Changshu Bosideng. Mr. Gao Xiaodong (being the son and an associate of Mr. Gao Dekang) owns 83% of the equity interest of Changshu Bosideng, which in turn owns 70% of the equity interest of the Menswear Company, to which the Right of First Refusal relates. Changshu Bosideng has, through this written notice, also sought the Company's decision as to whether it will exercise its Right of First Refusal to acquire the said 70% equity interest of the Menswear Company.

The Directors (excluding the independent non-executive Directors who reserve their views pending receipt of advice from an independent financial advisor) are of the opinion that it is not appropriate and is not in the best interests of the Company and the Shareholders as a whole, for the Company to exercise the Right of First Refusal at the present time. Accordingly, subject to compliance with the requirements of the Listing Rules, the Board intends to issue a letter to Changshu Bosideng to inform them of the non-exercise of the Right of First Refusal.

The non-exercise of the Right of First Refusal constitutes a connected transaction of the Company under Rule 14A.70(3) of the Listing Rules. The applicable percentage ratios (other than the profit ratio) relating to the non-exercise of the Right of First Refusal would exceed 2.5% under the Listing Rules. As such, the non-exercise of the Right of First Refusal is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, further details of the Transaction, together with the recommendations of the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders as soon as practicable.

The EGM will be convened as soon as practicable at which an ordinary resolution will be proposed for the Independent Shareholders to consider, and if thought fit, to approve the Transaction and the matters thereunder. Pursuant to the Listing Rules, Mr. Gao Dekang, Ms. Mei Dong, Ms. Gao Miaoqin, Mr. Gao Xiaodong, Kong Bo Investment Limited and Kong Bo Development Limited (and any of their respective associates) are required to abstain from voting on the resolution approving the Transaction, and voting will be conducted by way of poll.

The Independent Board Committee comprising all independent non-executive Directors has been formed to consider the terms of the Transaction. The Group will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

(2) Conditional Call Option Agreement

In order to retain the option to acquire the Menswear Business at an appropriate time in the future if the Right of First Refusal is not exercised and pursuant to further discussions between the Company, Changshu Bosideng and HFL, on 29 August 2008, Bosideng BVI entered into a conditional call option agreement with HFL (as guarantor of GHG's obligations) and GHG (as grantor of the Call Option, and which will indirectly own the entire issued share capital of the Menswear Company if the Company does not exercise its Right of First Refusal). This agreement was entered into based on negotiations on an arm's length basis and on normal commercial terms.

Under the Conditional Call Option Agreement, GHG has agreed to grant a Call Option in favour of Bosideng BVI at for a nominal consideration of HK\$10. The Conditional Call Option Agreement shall only be effective upon the later of (i) the date of approval by the Independent Board Committee and the Independent Shareholders of the Company's non-exercise of the Right of First Refusal, and (ii) the date on which LPL (an indirect wholly-owned subsidiary of GHG) is registered as the sole shareholder of the Menswear Company (as evidenced in the business licence of the Menswear Company). On and after the effective date of the Call Option, Bosideng BVI has a right (but is not obliged) to indirectly acquire the entire equity interest of the Menswear Company through purchasing the entire issued share capital of YFL (a direct wholly-owned subsidiary of GHG), which will in turn indirectly own 100% of the equity interest of the Menswear Company through LPL, its wholly-owned subsidiary.

The Call Option may be exercised only once upon the satisfaction of any of the stipulated audited NPAT targets of the Menswear Business during the financial year ending 31 March 2009 (being not less than RMB55 million), 31 March 2010 (being not less than RMB65 million) or 31 March 2011 (being not less than RMB75 million).

The option exercise price under the Call Option will be determined as follows:

- (a) if the Call Option is exercised within the financial year ending 31 March 2010, the option exercise price shall be 10 times the audited NPAT for the financial year ended 31 March 2009 and shall not be more than RMB650 million;
- (b) if the Call Option is exercised within the financial year ending 31 March 2011, the option exercise price shall be 9.5 times the audited NPAT for the financial year ended 31 March 2010 and shall not be more than RMB750 million; and
- (c) if the Call Option is exercised within the financial year ending 31 March 2012, the option exercise price shall be 9 times the audited NPAT for the financial year ended 31 March 2011 and shall not be more than RMB850 million.

Upon exercise of the Call Option, Bosideng BVI will pay GHL 70% of the total option exercise price upon Bosideng BVI becoming registered as the indirect owner of the entire equity interest of the Menswear Company. The remaining 30% of the option exercise price (comprising the Holdback Amount) will be kept in an escrow account and may be payable to GHL in up to three separate annual installments, each of which comprises 10% of the option exercise price. Payment of each annual installment is conditional upon the satisfaction of stipulated targets relating to the year-on-year increase of the audited NPAT (“**Rate of Increase**”) for each of the subsequent three consecutive financial years immediately following the financial year in which the Call Option was exercised. The Holdback Amount for a particular financial year will generally (a) not be paid (if the Rate of Increase is less than 15%), (b) be partially paid (if the Rate of Increase ranges from 15% to 30%), or (c) be paid in full (if the Rate of Increase exceeds 30%). Bosideng BVI shall be entitled to any remaining Holdback Amount which has not been paid to the GHL after the elapse of these three subsequent financial years.

As the Call Option was granted by GHL to Bosideng BVI at a nominal consideration of HK\$10, the Call Option constitutes a *de minimis* transaction exempt from reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14 of the Listing Rules. The Company will issue an announcement upon the exercise, expiry or transfer of the Call Option in accordance with the applicable requirements under the Listing Rules.

(1) CONNECTED TRANSACTION — NON-EXERCISE OF RIGHT OF FIRST REFUSAL

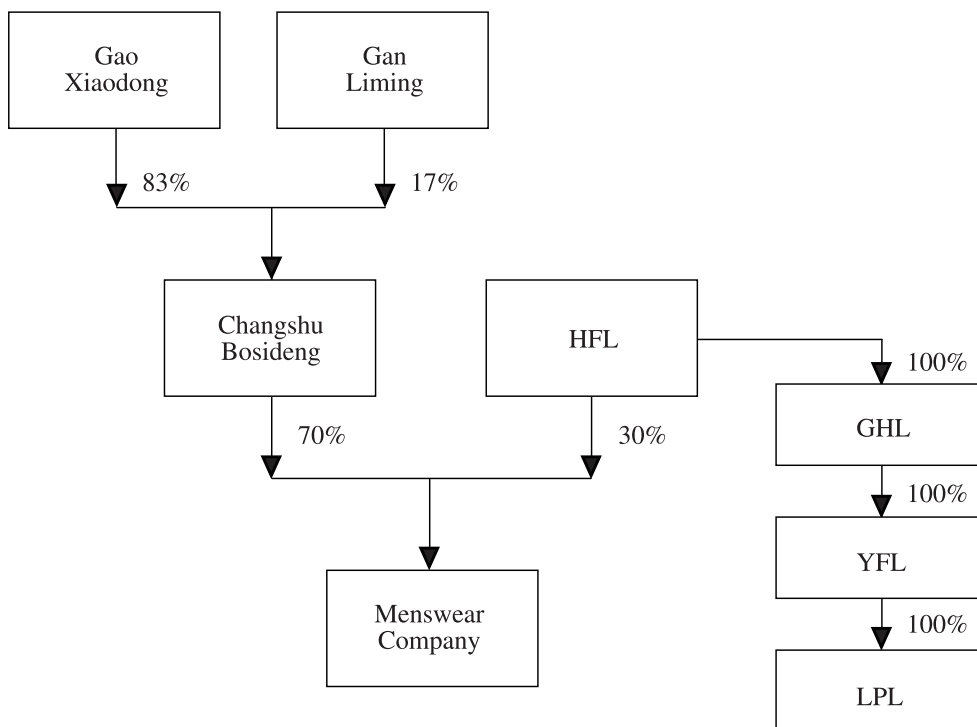
Background

As disclosed in the Prospectus, under the Non-competition Deed, if Mr. Gao Dekang or any of his associates (except any members of the Group) intend to dispose of the Menswear Business, the seller shall first offer to the Company the right to acquire such business. Even if the Company rejects such offer, Mr. Gao Dekang and his associates (except any members of the Group) may not proceed with such disposal to any third party unless the terms of disposal are not more favourable than those offered to the Company. As required under the Non-competition Deed, the Company will also seek approval from the Independent Board Committee as to whether to pursue or decline such offer. The Right of First Refusal is valid for the period during which:

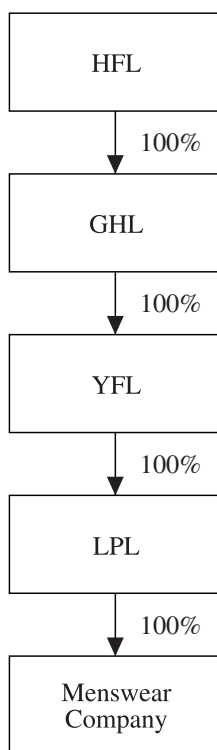
- (i) the shares of the Company remain listed on the Stock Exchange; and
- (ii) Mr. Gao Dekang and/or his associates (other than members of the Group), individually or jointly, are entitled to exercise or control the exercise of not less than 30% of the voting power at general meetings of the Company; or
- (iii) Mr. Gao Dekang or the relevant associates remain as a director of any member of the Group.

Non-exercise of Right of First Refusal

Mr. Gao Xiaodong (being the son and an associate of Mr. Gao Dekang) owns 83% of the equity interest of Changshu Bosideng, which in turn owns 70% of the equity interest of the Menswear Company, to which the Right of First Refusal relates. Mr. Gan Liming, an Independent Third Party, owns the remaining 17% equity interest of Changshu Bosideng. The remaining 30% of the equity interest of the Menswear Company is owned by HFL (which is an Independent Third Party). The current shareholding structure of the Menswear Company is set out below.



On 8 August 2008, pursuant to the Non-competition Deed, Changshu Bosideng (an associate of Mr. Gao Dekang) issued a written notice to the Company of its intention to sell 70% of its equity interest in the Menswear Company to LPL (an indirect wholly-owned subsidiary of HFL) for a consideration of RMB385,000,000. The consideration was appraised pursuant to a valuation report dated 31 July 2008 by Jiangsu Zhongtian Assets Appraisal Office Co., Ltd., which was derived after having considered, among other things, the historical performance of the Menswear Business, its management team, its research and development capability, its brand equity and the future prospects of the menswear industry. Under this written notice, the sale of the 70% equity interest in the Menswear Company by Changshu Bosideng to LPL will not proceed if the Company exercises its Right of First Refusal to acquire 70% equity interest in the Menswear Company at a consideration of RMB385,000,000. The terms of sale relating to the 70% equity interest in the Menswear Company offered by Changshu Bosideng to LPL are not more favourable than those offered to the Company under the written notice by Changshu Bosideng. The written notice also stated that HFL intends to transfer its 30% equity interest of the Menswear Company to LPL. Consequently, if the Company decides not to exercise the Right of First Refusal, LPL will be the sole shareholder of the Menswear Company and the shareholding structure of the Menswear Company will be as set out below.



Changshu Bosideng has, through this written notice, also sought the Company's decision as to whether it will exercise its Right of First Refusal to acquire the said 70% equity interest of the Menswear Company.

Reasons for Non-exercise of the Right of First Refusal

Having taken into account the principal factors and considerations set out below, the Directors (excluding the independent non-executive Directors who reserve their views pending receipt of advice from an independent financial advisor) consider that it would not be in the best interests of the Company and the Shareholders as a whole to exercise the Right of First Refusal at the present time.

- Given the relative short operating history of the Menswear Business under the Menswear Company following the injection of the Menswear Business into the Menswear Company by Changshu Bosideng in April 2008, there is no assurance that the operational and financial results of the Menswear Company will be consistent and achieve continuous growth in view of the macro-economic factors and competitive landscape of the menswear apparel industry in the PRC. Furthermore, there is no assurance that the senior management team and other key personnel of the Menswear Company will remain with the Menswear Company.
- Exercising the Right of First Refusal will only result in the Company having ownership of 70% of the equity interest of the Menswear Company. There is no assurance that the Company will be able to acquire the remaining 30% of the equity interest of the Menswear Company and its extent of management and shareholding control over the Menswear Company may therefore be limited.
- As the foreign investor of the Menswear Company, HFL is currently contributing its resources to the Menswear Company for the purposes of exploring suitable overseas markets. As such, the Directors are of the view that more time is required to evaluate the extent to which such overseas expansion plans have been beneficial to the financial performance of the Menswear Company before deciding whether to acquire the Menswear Company.
- Even if the Company (upon obtaining approval from the Independent Board Committee and Independent Shareholders) does not exercise the Right of First Refusal, it may exercise the Call Option to indirectly acquire the entire equity interest of the Menswear Company in the future should the Board consider it appropriate, pursuant to arrangements provided under the Conditional Call Option Agreement (further details of which are disclosed below). The Call Option also provides the Company with the added advantage of having more time to evaluate the commercial viability of acquiring the Menswear Company in the future at such consideration derived from a price-earnings ratio (ranging from 9 to 10) which will not be higher than the price-earnings ratio in relation to the price offered by Changshu Bosideng under its written notice (being approximately 10.4 based on the net profit of the Menswear Business amounting to approximately RMB53 million for the financial year ended 31 December 2007).

The Directors (excluding the independent non-executive Directors who reserve their views pending receipt of advice from the independent financial adviser) are of the opinion that the terms of the Conditional Call Option Agreement are in the best interests of the Company and the Shareholders as a whole.

Accordingly, subject to compliance with the requirements of the Listing Rules (including obtaining the approval of the Independent Board Committee and Independent Shareholders), the Board intends to issue a letter to Changshu Bosideng to inform them of the non-exercise of the Right of First Refusal.

Listing Rules Implications and EGM

Mr. Gao Xiaodong is one of the Company's substantial shareholders since he is, together with Mr. Gao Dekang, entitled to exercise or control the exercise of 10% or more of the voting power at general meetings of the Company. Mr. Gao Xiaodong also owns 83% of the equity interest of Changshu Bosideng. Changshu Bosideng is therefore an associate of Mr. Gao Xiaodong and is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Board's issuance of a letter to Changshu Bosideng to inform them of the non-exercise of the Right of First Refusal would constitute a connected transaction of the Company under Rule 14A.70(3) of the Listing Rules.

The total consideration relating to 70% of the equity interest of the Menswear Company (amounting to RMB385,000,000) exceeds HK\$10,000,000, and the applicable percentage ratios (other than the profit ratio) relating to the Transaction would exceed 2.5% under the Listing Rules. As such, the Transaction would be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Independent Board Committee comprising all independent non-executive Directors has been formed to consider the terms of the Transaction. The Group will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

A circular containing, among other things, further details of the Transaction, together with the recommendations of the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders as soon as practicable.

The EGM will be convened as soon as practicable at which an ordinary resolution will be proposed for the Independent Shareholders to consider, and if thought fit, to approve the Transaction and the matters thereunder. Pursuant to the Listing Rules, Mr. Gao Dekang, Ms. Mei Dong, Ms. Gao Miaoqin, Mr. Gao Xiaodong, Kong Bo Investment Limited, Kong Bo Development Limited (and any of their respective associates) are required to abstain from voting on the resolution approving the Transaction, and voting will be conducted by way of poll.

(2) CONDITIONAL CALL OPTION AGREEMENT

In order to retain the option to acquire the Menswear Business at an appropriate time in the future and pursuant to further discussions between the Company, Changshu Bosideng and HFL, Bosideng BVI entered into a Conditional Call Option Agreement on 29 August 2008 with HFL (as guarantor of GHF's obligations) and GHF (as grantor of the Call Option, and which will indirectly owns the entire issued share capital of the Menswear Company if the Company does not exercise its Right of First Refusal). The Conditional Call Option Agreement was entered into based on negotiations on an arm's length basis and on normal commercial terms. Save for the facilitation by Changshu Bosideng of communications between the Company and HFL, Mr. Gao Dekang and his associates (as defined in the Listing Rules and except any members of the Group) have not been involved in the negotiations of the Conditional Call Option Agreement.

Under the Conditional Call Option Agreement, GHF has agreed to grant a Call Option in favour of Bosideng BVI at a nominal consideration of HK\$10. The Conditional Call Option Agreement shall only be effective upon the later of (i) the date of approval by the Independent Board Committee and the Independent Shareholders of the Company's non-exercise of the Right of First Refusal, and (ii) the date on which LPL (an indirect wholly-owned subsidiary of GHF) is registered as the sole shareholder of the Menswear Company (as evidenced in the business licence of the Menswear Company). On and after the effective date of the Call Option, Bosideng BVI has a right (but is not obliged) to indirectly acquire the entire equity interest of the Menswear Company through purchasing the entire issued share capital of YFL (a direct wholly-owned subsidiary of GHF), which will in turn indirectly own 100% of the equity interest of the Menswear Company through LPL, its wholly-owned subsidiary.

The Call Option may be exercised only once upon the satisfaction of any of the following stipulated NPAT targets of the Menswear Business:

- (a) the audited NPAT for the financial year ending 31 March 2009 is not less than RMB55 million;
- (b) the audited NPAT for the financial year ending 31 March 2010 is not less than RMB65 million; or
- (c) the audited NPAT for the financial year ending 31 March 2011 is not less than RMB75 million.

The option exercise price under the Call Option will be determined as follows:

- (x) if the Call Option is exercised within the financial year ending 31 March 2010, the option exercise price shall be 10 times the audited NPAT for the financial year ended 31 March 2009 and shall not be more than RMB650 million;

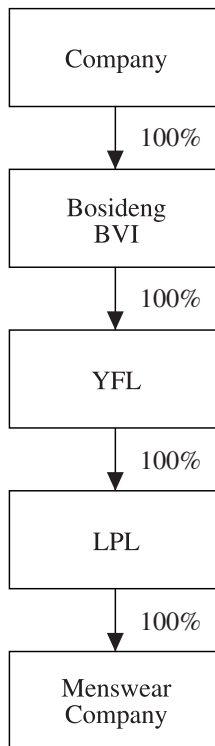
- (y) if the Call Option is exercised within the financial year ending 31 March 2011, the option exercise price shall be 9.5 times the audited NPAT for the financial year ended 31 March 2010 and shall not be more than RMB750 million; and
- (z) if the Call Option is exercised within the financial year ending 31 March 2012, the option exercise price shall be 9 times the audited NPAT for the financial year ended 31 March 2011 and shall not be more than RMB850 million.

The premium over the audited NPAT for the relevant financial year was determined with reference to the price-to-earnings ratio of comparable companies and market transactions. This premium is also reflective of the future development potential of the Menswear Business, taking into consideration the potential economic growth in the PRC, the increasing disposable income of PRC residents within major cities, the increasing fashion-consciousness of the general public in the PRC and the Menswear Company's expertise and experience in the Menswear Business.

Upon exercise of the Call Option, Bosideng BVI will pay GHJ 70% of the total option exercise price upon Bosideng BVI becoming registered as the indirect owner of the entire equity interest of the Menswear Company. The remaining 30% of the option exercise price (comprising the Holdback Amount) will be kept in an escrow account and may be payable to GHJ in up to three separate annual installments, each of which comprises 10% of the option exercise price. Payment of each annual installment is conditional upon the satisfaction of stipulated targets relating to the year-on-year increase of the audited NPAT ("**Rate of Increase**") for each of the subsequent three consecutive financial years immediately following the financial year in which the Call Option is exercised. The Holdback Amount for a particular financial year will generally (a) not be paid (if the Rate of Increase is less than 15%), (b) be partially paid (if the Rate of Increase ranges from 15% to 30%), or (c) be paid in full (if the Rate of Increase exceeds 30%). As an example, if the Call Option is exercised within the financial year ending 31 March 2010, the Holdback Amount may be payable (either partly or wholly) in three annual installments during the financial years ending 31 March 2011, 31 March 2012 and 31 March 2013, respectively. Bosideng BVI shall be entitled to any remaining Holdback Amount which has not been paid to the GHJ after the elapse of these three subsequent financial years.

The Conditional Call Option Agreement shall terminate upon the occurrence of any of the following: (1) (if the Call Option is exercised) the outstanding Holdback Amount has been fully paid to GHJ or Bosideng BVI (as the case may be) in accordance with the Conditional Call Option Agreement, (2) (if the Call Option has not been exercised) the expiry of a sixty-day period commencing from the issuance date of the audited consolidated financial statements of YFL for the financial year ending 31 March 2011, or (3) Bosideng BVI, HFL and GHJ have agreed in writing to terminate the Conditional Call Option Agreement.

The shareholding structure of the Menswear Company (in the event that the Company exercises the Call Option) is set out below.



LISTING RULES IMPLICATIONS ARISING FROM THE CALL OPTION

As the Call Option was granted by GHJ to Bosideng BVI at a nominal value of HK\$10, the Call Option constitutes a *de minimis* transaction exempt from reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will issue an announcement upon the exercise, expiry or transfer of the Call Option in accordance with the applicable requirements under the Listing Rules.

INFORMATION ON THE MENSWEAR BUSINESS

Changshu Bosideng was the entity which was engaged in the Menswear Business prior to the injection of the Menswear Business into the Menswear Company in April 2008. The Menswear Company is an equity joint venture company incorporated in the PRC on 13 October 2006 and is owned by Changshu Bosideng (as to 70%) and HFL (as to 30%). HFL is an Independent Third Party and is not a connected person (as defined in the Listing Rules) of the Company. The business scope of the Menswear Company primarily relates to the design, production and sale of menswear (other than down apparel products) within the PRC under the *Bosideng* brand. Based on the unaudited PRC financial statements

of Changshu Bosideng (as the entity operating the Menswear Business prior to April 2008) for the years ended 31 December 2006 and 31 December 2007, the Menswear Business recorded the following:

	For the year ended 31 December	
	2006	2007
	RMB	RMB
Sales revenue	250,934,190.76	266,526,197.40
Net Profit		
Before income tax	41,890,043.33	53,662,878.57
After income tax	41,282,532.93	52,850,401.75
Net assets	79,090,935.77	131,941,337.52

As the Menswear Company commenced operations of the Menswear Business in April 2008, no financial statements for the preceding two financial years ended 31 December 2006 and 31 December 2007 have been prepared.

YFL and LPL (which were incorporated on 2 June 2008 and 22 May 2008, respectively) are investment holding companies which have not booked in any revenue, profits and assets since their respective incorporation dates.

INFORMATION ON THE GROUP

The Group primarily focuses on developing and managing its portfolio of down apparel brands, which includes research, design and development, raw materials procurement, outsourced manufacturing, and marketing and distribution of branded down apparel products.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Bosideng BVI”	Bosideng International Fashion Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Call Option”	a conditional call option granted by GHF to Bosideng BVI for the indirect acquisition of 100% of the equity interest of the Menswear Company through the acquisition of 100% of the equity interest of YFL
“Changshu Bosideng”	常熟市波司登服飾有限公司 (Changshu Bosideng Fashion Co., Ltd.*), a limited liability company established in the PRC, whose principal business activities are processing, manufacturing and sale of apparel, and sale of fabric, ancillary materials, bedding, textile, suitcases, leather products and shoes

“Company”	Bosideng International Holdings Limited (波司登國際控股有限公司), a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange
“Conditional Call Option Agreement”	the agreement dated 29 August 2008 between HFL, GHL and Bosideng BVI in relation to the grant by GHL of the Call Option to Bosideng BVI
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Transaction and other matters contemplated thereunder
“GHL”	Goldwai Holdings Limited (金威控股有限公司), a company incorporated in the British Virgin Islands, a direct and wholly-owned subsidiary of HFL and an Independent Third Party
“Group”	the Company and its subsidiaries
“HFL”	Harvest Fancy Limited (盛怡有限公司), a company incorporated under the laws of Hong Kong, the sole shareholder of GHL and an Independent Third Party
“Holdback Amount”	the holdback amount comprising the remaining 30% of the option exercise price of the Call Option under the Conditional Call Option Agreement and including any accumulated interest arising therefrom
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company consisting exclusively of independent non-executive Directors who do not have a material interest in the matter (namely Mr. Dong Binggen, Mr. Jiang Hengjie, Mr. Wang Yao and Mr. Ngai Wai Fung)
“Independent Shareholders”	the Shareholders other than Mr. Gao Dekang, Ms. Mei Dong, Ms. Gao Miaoqin, Mr. Gao Xiaodong, Kong Bo Investment Limited and Kong Bo Development Limited (and any of their respective associates)
“Independent Third Party”	an independent third party (to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry), including the ultimate beneficial owners of such party, not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates (within the meaning of the Listing Rules)

“LPL”	Long Pacific (H.K.) Limited (長隆(香港)有限公司), a company incorporated under the laws of Hong Kong, a direct wholly-owned subsidiary of YFL and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Menswear Business”	the design, production and sale of menswear (other than down apparel products)
“Menswear Company”	江蘇康博製衣有限公司 (Jiangsu Kangbo Apparel Co., Ltd.*), a limited liability company established in the PRC, which is primarily engaged in the Menswear Business
“Non-competition Deed”	the deed of non-competition dated 15 September 2007 entered into by Mr. Gao Dekang in favour of the Company, further details of which are disclosed in the Prospectus under the section “Relationship with Controlling Shareholders and Connected Transactions — Non-Competition Undertaking”
“NPAT”	the net profit after tax of YFL based on the consolidated audited financial statements of the relevant financial year ended 31 March in accordance with the International Financial Reporting Standards
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus issued by the Company dated 27 September 2007
“Right of First Refusal”	the right of first refusal offered by Mr. Gao Dekang or any of his associates (except any members of the Group) to the Company under the Non-competition Deed in the event of a disposal relating to 70% of the equity interest of the Menswear Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Transaction”	the connected transaction under Rule 14A.70(3) of the Listing Rules in relation to the Board’s issuance of a letter to Changshu Bosideng to inform them of the non-exercise of the Right of First Refusal

“YFL”

Ying Fai Int’l Investment Limited (盈輝國際投資有限公司), a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of GHIL and an Independent Third Party

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

Hong Kong, 29 August 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.

* *For identification purpose only*