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bossini

BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock code: 592

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS

Summary

Each of Bright City and Laws International is wholly owned by the brothers and sister of Mr. Law who are also the uncles and mother of Mr. Orr. Mr. Law and Mr. Orr are Directors. Mr. Law is also a substantial shareholder of the Company. Under Rule 14A.11(4) of the Listing Rules, Bright City and Laws International are considered connected persons of the Company.

Wellong Investment, a wholly-owned subsidiary of the Company, entered into the Cheung Fung Tenancy Agreement with Laws International on 30 July 2004. Bossini Enterprises, a wholly-owned subsidiary of the Company, entered into the Spinners Tenancy Agreement with Bright City on 30 July 2004. The Continuing Connected Transactions constitute connected transactions for the Company under the Listing Rules and will be subject to reporting and announcement requirements under Rule 14A.34 of the Listing Rules.

1. THE CONTINUING CONNECTED TRANSACTIONS

The Cheung Fung Tenancy Agreement

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| Date of agreement | : 30 July 2004 |
| Landlord | : Laws International |
| Tenant | : Wellong Investment |
| Premises | : Units 2 and 3 on the 9th Floor of High Block, Cheung Fung Industrial Building, 23-39 Pak Tin Par Street, Tsuen Wan, New Territories with a total gross floor area of approximately 1,919.36 square metre (20,660 square feet) |
| Term | : one year commencing from 1 August 2004 and expiring on 31 July 2005 (both days inclusive) |
| Annual rental | : HK\$1,115,640 (HK\$92,970 per month) |

The premises which are subject to the Cheung Fung Tenancy Agreement have been used by the Group as warehouse prior to 1 August 2004. Under the previous tenancy agreement entered into between Wellong Investment and Laws International on 1 August 2002, the annual rental payable by the Group to Laws International was HK\$991,680 which represents the then market rent of the relevant premises.

The Spinners Tenancy Agreement

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| Date of agreement | : 30 July 2004 |
| Landlord | : Bright City |
| Tenant | : Bossini Enterprises |
| Premises | : Portion of 6th Floor of Hong Kong Spinners Industrial Building, Phases I & II 601-603, Tai Nan West Street and 800 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, with a gross floor area of approximately 3,266.91 square metre (35,165 square feet) |
| Term | : one year commencing from 1 August 2004 and expiring on 31 July 2005 (both days inclusive) |
| Annual rental | : HK\$4,925,160 (HK\$410,430 per month) |

The premises which are subject to the Spinners Tenancy Agreement have been used by the Group as head office prior to 1 August 2004. Under the previous tenancy agreement entered into between Bossini Enterprises and Bright City on 22 July 2003, the annual rental payable by the Group to Bright City was HK\$4,069,200 which represents the then market rent of the relevant premises.

Reason for the Continuing Connected Transactions

The premises subject to the Cheung Fung Tenancy Agreement and the Spinners Tenancy Agreement will be used by the Group as warehouse and head office respectively in accordance with the terms of the respective agreements. The relevant amount of rent payable under each of the agreements represents the market rent of the relevant premises. The Directors (including the independent non-executive Directors) are of the opinion that both the Cheung Fung Tenancy Agreement and the Spinners Tenancy Agreement are made on normal commercial terms in the ordinary and usual course of business of the Group and are in the best interests of the Group and the Shareholders as a whole and that the respective terms and conditions thereof are fair and reasonable to the Company.

The Continuing Connected Transactions constitute connected transactions for the Company under the Listing Rules and will be subject to reporting and announcement requirements under Rule 14A.34 of the Listing Rules. The Company will comply with the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

2. GENERAL

The Group is principally engaged in the retailing and distribution of garments under the brand names of “**bossini**” and “**sparkle**”.

The principal business of Bright City is property investment for rental income purpose. The principal business of Laws International is investment and property holding and its subsidiaries are principally engaged in the design, manufacture and sales of garment products. Each of Bright City and Laws International is wholly owned by the brothers and sister of Mr. Law who are also the uncles and mother of Mr. Orr. Mr. Law and Mr. Orr are Directors. Mr. Law is also a substantial shareholder of the Company. Under Rule 14A.11(4) of the Listing Rules, Bright City and Laws International are considered connected persons of the Company.

As at the date of this announcement, members of the Board comprise six executive Directors, namely Mr. Law Ka Sing, Ms. Chau Wai Man, Pansy, Mr. Orr Kuen Fung, Simon, Mr. Fung Ping Chuen, Mr. Fu Shing Kwan, Dickie and Ms. Chan So Kuen and two independent non-executive Directors, namely Mr. Cheung Sik Ho, David and Mrs. Leung Wong Wing Yue, Winnie.

3. DEFINITIONS

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

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| “Board” | the board of Directors; |
| “Bossini Enterprises” | Bossini Enterprises Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company; |
| “Bright City” | Bright City International Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by the brothers and sister of Mr. Law who are also the uncles and mother of Mr. Orr; |
| “Cheung Fung Tenancy Agreement” | the tenancy agreement dated 30 July 2004 entered into between Wellong Investment and Laws International; |
| “Company” | Bossini International Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange; |
| “connected person(s)” | has the meaning as given in the Listing Rules; |
| “Continuing Connected Transactions” | the transactions under the Cheung Fung Tenancy Agreement and the Spinners Tenancy Agreement; |
| “Directors” | the directors of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |

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| “Laws International” | Laws International Group Limited (formerly known as Laws Fashion Knitters Limited), a company incorporated in Hong Kong with limited liability, which is wholly owned by the brothers and sister of Mr. Law who are also the uncles and mother of Mr. Orr; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Mr. Law” | Mr. Law Ka Sing, a Director and a substantial shareholder of the Company who holds approximately 70.85% of the issued share capital of the Company as at the date of this announcement; |
| “Mr. Orr” | Mr. Orr Kuen Fung, Simon, a Director; |
| “Shares” | shares of HK\$0.10 each in the issued share capital of the Company; |
| “Shareholders” | holders of the Shares; |
| “Spinners Tenancy Agreement” | the tenancy agreement dated 30 July 2004 entered into between Bossini Enterprises and Bright City; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “substantial shareholder” | has the meaning as given in the Listing Rules; |
| “Wellong Investment” | Wellong Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; and |
| “%” | per cent. |

By order of the Board of
Bossini International Holdings Limited
Chan So Kuen
Director

Hong Kong, 13 August 2004

The full text of this announcement will be available on the Internet at <http://www.irasia.com/listco/hk/bossini>.

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*