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## **BOSSINI INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 592)

### **ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS**

The Board announces that on 25 July 2008, Bossini Enterprises, a wholly-owned subsidiary of the Company, entered into the Spinners Tenancy Agreement Extension Letter with Bright City to extend the Spinners Tenancy Agreement for a further period of six months. A director of Bright City, who has beneficial equity interests therein, is a relative of Mr. Law, an executive Director and a substantial shareholder of the Company. Under Rule 14A.11(4) of the Listing Rules, Bright City is considered a connected person of the Company.

As each the applicable percentage ratios (as set out in the Listing Rules) under the Extension is on an annual basis more than 0.1% but less than 2.5%, the Extension is only subject to the reporting and announcement requirements set out in Rule 14A.34 of the Listing Rules and is exempted from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

Reference is made to the 2005 Announcement in connection with, inter alia, the Spinners Tenancy Agreement whereby Bossini Enterprises leased the premises (as mentioned below) from Bright City for a term of three years commencing from 1 August 2005 and expiring on 31 July 2008 (both days inclusive) at a monthly rental of HK\$485,000 per month, which constituted continuing connected transactions of the Company under the Listing Rules.

#### **THE SPINNERS TENANCY AGREEMENT EXTENSION LETTER**

Date: 25 July 2008

Landlord: Bright City

Tenant: Bossini Enterprises

Premises: Portion of the 6th Floor of Hong Kong Spinners Industrial Building, Phases I & II, Nos. 601-603 Tai Nan West Street and No. 800 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong

Term: Six months commencing from 1 August 2008 and expiring on 31 January 2009 (both days inclusive)

Rent: HK\$725,000 per calendar month (HK\$4,350,000 for the entire term)

Bossini Enterprises has the right to terminate the tenancy at any time during the term by serving 60 days' written notice to Bright City. Save as disclosed, all other terms and conditions of the Spinners Tenancy Agreement shall remain unchanged.

#### **REASONS FOR THE EXTENSION**

The premises which are subject to the Spinners Tenancy Agreement Extension Letter have been used by the Group as head office under the Spinners Tenancy Agreement since 1 August 2005. To cater for the business needs of the Group, the Group is planning to relocate its head office to another premises. The interior design and construction plan for the new head office is currently being determined and the Group expects to relocate to the new premises by early 2009. Since the Spinners Tenancy Agreement will expire on 31 July 2008 and the new head office will not be ready for occupation, it is necessary for the Group to continue to use the premises as its head office until the head office can be relocated to the new premises. Accordingly, Bossini Enterprises and Bright City entered into Spinners Tenancy Agreement Extension Letter to extend the term of the Spinners Tenancy Agreement for a period of six months at the new rent of HK\$725,000 per month, payable in cash and monthly in advance.

The new rent was determined after arm's length negotiations with reference to a valuation report issued by an independent property valuer engaged specifically for the purpose of evaluating the market rent of the premises under the Spinners Tenancy Agreement Extension Letter. The valuation by the independent property valuer was based on the prevailing market rental of the premises.

The total rental payable by the Group to Bright City under the Spinners Tenancy Agreement Extension Letter is HK\$4,350,000 (the "Cap"). The monthly rent under the Spinners Tenancy Agreement Extension Letter of HK\$725,000 is higher than the monthly rent under the Spinners Tenancy Agreement of HK\$485,000 per month, which represented the then prevailing market rent of the premises. However, the annual cap of HK\$5,820,000 under the Spinners Tenancy Agreement is higher than the Cap since the former was determined with reference to a twelve-month period, whilst the Cap was determined with reference to a six-month period only.

The Directors (including the independent non-executive Directors) are of the opinion that the Spinners Tenancy Agreement Extension Letter is made on normal commercial terms in the ordinary and usual course of business of the Group and is in the best interests of the Group and the Shareholders as a whole and that the respective terms and conditions of the Spinners Tenancy Agreement Extension Letter including the Cap are fair and reasonable to the Company.

## **GENERAL**

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

The principal business of Bright City is property investment for rental income purpose.

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

As each the applicable percentage ratios (as set out in the Listing Rules) is on an annual basis more than 0.1% but less than 2.5%, the Extension will only be subject to the reporting and announcement requirements of under Rule 14A.34 of the Listing Rules and exempted from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“2005 Announcement”	the announcement made by the Company on 1 August 2005 in relation to, inter alia, the Spinners Tenancy Agreement;
“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;
“Company”	Bossini International Holdings Limited, a 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 meaning as given in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Extension”	the extension of the term of the Spinners Tenancy Agreement as contemplated under the Spinners Tenancy Agreement Extension Letter;

“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Law”	Mr. LAW Ka Sing, an executive Director and substantial shareholder of the Company who holds approximately 68.82% of the issued share capital of the Company as at the date of this announcement;
“PRC”	the People’s Republic of China
“Shareholders”	holders of the shares of the Company
“Spinners Tenancy Agreement”	the tenancy agreement dated 1 August 2005 entered into between Bright City and Bossini Enterprises;
“Spinners Tenancy Agreement Extension Letter”	the extension letter dated 25 July 2008 between Bright City and Bossini Enterprises to extend the term of the Spinners Tenancy Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

By order of the Board  
**BOSSINI INTERNATIONAL HOLDINGS LIMITED**  
**LAW Ka Sing**  
*Chairman*

Hong Kong, 25 July 2008

*As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. LAW Ka Sing, Ms. CHAN So Kuen, Mr. MAK Tak Cheong Edmund, and Mr. WONG Yan Sang and four Independent Non-executive Directors, namely Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han, Prof. SIN Yat Ming and Mr. WONG Wai Kay.*