
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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

The logo for Bossini International Holdings Limited, featuring the word "bossini" in a white, lowercase, sans-serif font centered within a solid black rectangular box.**BOSSINI INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

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



A letter from the Board is set out on pages 3 to 7 of this circular and a letter from the Independent Board Committee is set out on page 8 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee is set out on pages 9 to 18 of this circular.

A notice convening the Special General Meeting to be held at Tang Room I, 3rd Floor, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 23 March 2007 at 10:00 a.m. 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 6th Floor, Phases 1 and 2, Hong Kong Spinners Industrial Building, 601-603 Tai Nan West Street, 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.

1 March 2007

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates 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;
“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 four independent non-executive Directors, namely Ms. LEUNG Mei Han, Mr. Raymond LEE Man Chun, Mr. WONG Wai Kay 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;
“Independent Financial Adviser”	Access Capital Limited, a licensed corporation under the SFO and engages in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Purchases;
“Independent Shareholders”	the Shareholders other than Mr. Law, Laws International and their respective associates;

DEFINITIONS

“Latest Practicable Date”	27 February 2007, 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, an executive Director and a substantial shareholder of the Company who held approximately 69.52% of the issued share capital of the Company as at the Latest Practicable Date;
“PRC”	the People’s Republic of China;
“Products”	garments which bear the brand name of “ bossini ”, “ bossinistyle ” or “ sparkle ”;
“Purchase Agreement”	the purchase agreement entered into between Bossini Enterprises and Laws International on 7 February 2007;
“Purchases”	the transactions contemplated under the Purchase Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“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;
“Shareholder(s)”	holder(s) of the Share(s);
“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; and
“%”	per cent.

For the purpose of this circular, amounts in RMB have been translated into RMB1.00 = HK\$0.96.

LETTER FROM THE BOARD

bossini

BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

Executive Directors:

Mr. LAW Ka Sing (*Chairman*)

Ms. CHAN So Kuen

Independent non-executive Directors:

Ms. LEUNG Mei Han

Mr. Raymond LEE Man Chun

Mr. WONG Wai Kay

Prof. SIN Yat Ming

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Principal place of business

in Hong Kong:

6th Floor, Phases 1 & 2

Hong Kong Spinners Industrial Building

601-603 Tai Nan West Street

Kowloon, Hong Kong

1 March 2007

To the Shareholders

Dear Sir/Madam,

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement of the Company dated 7 February 2007.

It was announced on 7 February 2007 that Bossini Enterprises and Laws International entered into the Purchase Agreement. Bossini Enterprises is a wholly-owned subsidiary of the Company. Certain directors of Laws International, who have equity interests therein, are relatives of Mr. Law, an executive Director and a substantial shareholder of the Company. Accordingly, transactions between Bossini Enterprises and Laws International will constitute connected transactions for the Company under the Listing Rules.

The purpose of this circular is:

- (i) to provide the Shareholders with details of the Purchase Agreement and the relevant cap amounts under the Purchases;
- (ii) to set out the opinion of the Independent Financial Adviser in respect of the terms of the Purchase Agreement and the relevant cap amounts under the Purchases;

LETTER FROM THE BOARD

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

THE PURCHASE AGREEMENT

- Date: 7 February 2007
- Parties: (1) Bossini Enterprises as purchaser
(2) Laws International as supplier
- Subject: Pursuant to the Purchase Agreement, Bossini Enterprises will, and will procure other members of the Group to, purchase the Products from Laws International and its subsidiaries.
- Term: Subject to the approval by the Independent Shareholders at the Special General Meeting, the Purchase Agreement will take effect from 1 April 2007 and expire on 30 June 2009. Both parties may renew the Purchase Agreement in writing for successive 3 years' term upon the expiry on 30 June 2009 subject to compliance with the Listing Rules.
- Price: The basis of determining the prices for the Purchases will be 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 would compare the quotations obtained from various potential suppliers and determine the price to be charged 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.
- Payment: Payments for the Purchases will be on 30-day credit terms after delivery of the Products.

With the change of the financial year end date from 31 March to 30 June commencing from the financial year of 2006/2007, the Directors propose that the cap amounts of the Purchases under the Purchase Agreement for the period from 1 April 2007 to 30 June 2007 and each of the two financial years ending 30 June 2009 will not exceed:

- (i) HK\$74,000,000.00 for the 3-month period from 1 April 2007 to 30 June 2007;
- (ii) HK\$287,000,000.00 for the financial year ending 30 June 2008; and
- (iii) HK\$345,000,000.00 for the financial year ending 30 June 2009.

LETTER FROM THE BOARD

The cap amounts are determined with reference to the historical figures of the transaction amounts between Bossini Enterprises and Laws International for the two years ended 31 March 2006 and the 9 months ended 31 December 2006 and the anticipated business volume of the Group for the two financial years ending 30 June 2009 being maintained at the current level of transactions between Bossini Enterprises and Laws International and/or its associates plus a growth of approximately 20% for anticipated increases in demand for the Products. With recovery in the Hong Kong economy since the Asian economic crisis and the development in the PRC, the retail markets in both Hong Kong and the PRC have experienced steady growth. In this connection, the Company is of the view that the anticipated growth of 20% per year is in line with anticipated market development.

Transactions in respect of the Purchases for the three financial years ending 31 March 2007 were disclosed in the circular of the Company dated 30 June 2004 and were approved by the then independent shareholders at the special general meeting of the Company held on 19 July 2004. The historical transaction amounts between Bossini Enterprises and Laws International for the two financial years ended 31 March 2006 and the 9 months ended 31 December 2006 were as follows:

	For the year ended 31 March 2005	For the year ended 31 March 2006	For the 9 months ended 31 December 2006
	Amount	Amount	Amount*
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Purchases	232.3	256.3	167.8

* *unaudited figures*

REASONS FOR THE PURCHASES

The Group is principally engaged in the retailing and distribution of garments. The Group has been purchasing the Products from Laws International since April 2003. The Directors consider that the transactions with Laws International 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 Group and on a frequent and regular basis. Therefore, the Directors consider that it would be: (i) impracticable to negotiate for numerous agreements with Laws International for the Purchases; and (ii) too costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders, as required by the Listing Rules. Hence, the Directors (including the independent non-executive Directors) are of the view that the Purchase Agreement will be beneficial to the Shareholders and the Group as a whole.

Bossini Enterprises is a wholly-owned subsidiary of the Company. Certain directors of Laws International, who have equity interests therein, are relatives of Mr. Law, an executive Director and a substantial shareholder of the Company. Accordingly, transactions between Bossini Enterprises and Laws International will constitute connected transactions for the Company under the Rule 14A.13 of the Listing Rules.

As the annual amount of the Purchases is expected to exceed the 2.5% threshold provided in Rule 14A.34 of the Listing Rules, the Purchases will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

LETTER FROM THE BOARD

The Directors (including the independent non-executive 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 Laws International. The Directors (including the independent non-executive 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.

The Company will therefore seek the approval by the Independent Shareholders of the Purchase Agreement and the proposed cap amounts in relation to the Purchases for a period from 1 April 2007 to 30 June 2009 on terms in compliance with Rules 14A.37 to 14A.41 of the Listing Rules. Mr. Law, Laws International and their respective associates will abstain from voting in the Special General Meeting to be convened for the approval of the Purchases.

GENERAL

The Group is principally engaged in the retailing and distribution of garments under the brand names of “**bossini**”, “**bossinistyle**” and “**sparkle**”. Laws International and its subsidiaries are principally engaged in the design, manufacture and sale of garment products.

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 under the Purchases and the Independent Financial Adviser has been appointed to advise the Independent Board Committee in respect of the terms of the Purchase Agreement and the relevant cap amounts under the Purchases.

SPECIAL GENERAL MEETING

The notice convening the Special General Meeting to be held at Tang Room I, 3rd Floor, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 23 March 2007 at 10:00 a.m. at which an ordinary resolution will be proposed to consider and, if thought fit, approve 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, Laws International and their respective 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 6th Floor, Phases 1 and 2, Hong Kong Spinners Industrial Building, 601-603 Tai Nan West Street, 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.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to Bye-Laws 70 and 70A of the Bye-laws, a resolution put to the vote of a general meeting of the Company shall be decided on a show of hands unless a poll (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person or by duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or by duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting;
- (d) by any Shareholder or Shareholders present in person or, by duly authorised corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (e) by the chairman of the meeting and/or the Directors individually or collectively hold proxies in respect of Shares holding 5% or more of the total voting rights at such meeting and if on a show of hands a meeting votes in the opposite manner to that instructed in those proxies.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 8 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 9 to 18 of this circular which contains, amongst 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
LAW Ka Sing
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The logo for Bossini, featuring the word "bossini" in a white, lowercase, sans-serif font inside a black rectangular box.

BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 592)

1 March 2007

To the Independent Shareholders

Dear Sir or Madam,

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 1 March 2007 (the “Circular”), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will 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 Group 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 9 to 18 of the Circular and the letter from the Board as set out on pages 3 to 7 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that 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 Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Purchase Agreement and the relevant cap amounts under the Purchases to be proposed at the Special General Meeting.

Yours faithfully,

For and on behalf of

Independent Board Committee

Ms. LEUNG Mei Han

Independent Non-executive Director

Mr. Raymond LEE Man Chun

Independent Non-executive Director

Mr. WONG Wai Kay

Independent Non-executive Director

Prof. SIN Yat Ming

Independent Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser prepared for the purpose of incorporation in this circular.



Suite 606, 6th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

1 March 2007

*To: The Independent Board Committee and the Independent Shareholders of
Bossini International Holdings Limited*

Dear Sirs,

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases. Details of the Purchase Agreement and the transactions contemplated thereunder are contained in the “Letter from the Board” of the circular to the Shareholders dated 1 March 2007 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise specifies.

Reference is also made to the circular of the Company dated 30 June 2004 in relation to the continuing connected transactions as contemplated under the existing purchase agreement (“Existing Purchase Agreement”) entered into between Bossini Enterprises and Laws International on 2 June 2004 (the “Existing Continuing Connected Transactions”). At the special general meeting of the Company convened on 19 July 2004, the then independent shareholders of the Company approved the Existing Continuing Connected Transactions. In addition to approving the Existing Continuing Connected Transactions, the annual cap amounts of the Existing Continuing Connected Transactions were also approved through until 31 March 2007.

Given the terms of the Existing Purchase Agreement will expire on 31 March 2007, Bossini Enterprises and Laws International entered into the Purchase Agreement on 7 February 2007 for a period from 1 April 2007 to 30 June 2009. Bossini Enterprises is a wholly-owned subsidiary of the Company. Certain directors of Laws International, who have equity interests therein, are relatives of Mr. Law, an executive Director and a substantial shareholder of the Company. Accordingly, transactions between Bossini Enterprises and Laws International will constitute connected transactions for the Company under the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the annual amount of the Purchases is expected to exceed the 2.5% threshold provided in Rule 14A.34 of the Listing Rules, the Purchases will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

As at the Latest Practicable Date, Mr. Law and his associates, beneficially owned approximately 69.52% interest in the Company, will abstain from voting in the Special General Meeting to be convened for the approval of the Purchase Agreement and the relevant cap amounts in relation to the Purchases.

II. THE INDEPENDENT BOARD COMMITTEE

The Board currently consists of two executive Directors, namely Mr. LAW Ka Sing and Ms. CHAN So Kuen and four independent non-executive Directors, namely Ms. LEUNG Mei Han, Mr. Raymond LEE Man Chun, Mr. WONG Wai Kay and Prof. SIN Yat Ming.

The Independent Board Committee comprising the independent non-executive Directors, Ms. LEUNG Mei Han, Mr. Raymond LEE Man Chun, Mr. WONG Wai Kay and Prof. SIN Yat Ming has been established to consider the terms of the Purchase Agreement and the relevant cap amounts in relation to the Purchases.

We have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Purchase Agreement (together with the respective cap amounts for the period from 1 April 2007 to 30 June 2009) and the transactions contemplated therein were agreed on normal commercial terms and 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 and to give our opinion in relation to the terms of the Purchase Agreement (together with the respective cap amounts for the period from 1 April 2007 to 30 June 2009) for their consideration when making their recommendation to the Independent Shareholders.

III. BASIS AND ASSUMPTIONS OF THE ADVICE

In formulating our advice, we have relied solely on the statements, information, opinions and representations for matters relating to the Group contained in the Circular and the information and representations provided to us by the Company and/or its senior management staff and/or the Directors. We have assumed that all such statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular or otherwise provided or made or given by the Company and/or its senior management staff and/or the Directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations for matters relating to the Group made or provided by the Directors and/or the senior management staff of the Company contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or its senior management staff and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have reviewed all currently available information and documents which are available to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company and/or its senior management staff and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out an independent verification of the information provided, nor have we conducted an independent investigation into the business and affairs of the Company or any of its subsidiaries.

IV. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation, we have taken into consideration the following principal factors and reasons:

1. Background to and reasons for the Purchases

The Group is principally engaged in the retailing and distribution of garments under the brand names of “**bossini**”, “**bossinistyle**” and “**sparkle**”. Laws International and its subsidiaries are principally engaged in the design, manufacture and sale of garment products.

The Group has been purchasing the Products from Laws International since April 2003. The Directors consider that the transactions with Laws International 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.

Given that the principal business of the Group is retailing and distribution of garments and Laws International and its subsidiaries is design, manufacture and sale of garment products respectively, the Purchases fall within the ordinary and usual course of business of the Group.

The Purchases are of the types that are entered into in the ordinary and usual course of business of the Group and on a frequent and regular basis. Therefore, the Directors consider that it would be (i) impracticable to negotiate for numerous agreements with Laws International for the Purchases; and (ii) too costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders, as required by the Listing Rules. Hence, the Directors are of the view that the Purchase Agreement will be beneficial to the Shareholders and the Group as a whole.

As a result of entering into the Purchase Agreement, the Group can formalise its business arrangements (in terms of the length of the supply contract, the pricing and the payment method) with Laws International and secure regular purchases from one of the reliable producers of garment; and accordingly, we concur with the view of the Directors that the entering of the Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Overall financial performance of the Group

For the year ended 31 March 2006, the Group recorded a turnover of approximately HK\$2,199.5 million, representing a growth of approximately 9.1% over the financial year 2005. Such increase was contributed by the increase in sales from export franchise business for the Hong Kong market; sales from both directly managed outlets and franchised outlets in the PRC; and sales in Taiwan. As stated in the annual report for the year ended 31 March 2006, during the year, the Group was faced by a number of challenges, including the intensified competition environment in the apparel retail business, continuous interest rate hikes and rising rental expenses for retail shops, the Group recorded a profit attributable to equity holders of approximately HK\$105.0 million (2005 restated: HK\$181.1 million), representing a decrease of approximately 42.0% from the previous year.

For the six months ended 30 September 2006, the Group's turnover amounted to approximately HK\$970.0 million, representing a decline of approximately 2.7% when compared with approximately HK\$997.1 million for the same period in 2005, the decrease was affected by the intensified competition in the retail industry. Profit attributable to equity holders of the Company for the six months ended 30 September 2006 was approximately HK\$6.4 million, representing a decrease of approximately 85.8% over the previous year.

Outlook

As stated in the Group's interim report for the six months ended 30 September 2006, in light of the challenges faced in the retail operating environment, the Group adopted a pragmatic expansion approach and continued to expand its directly managed outlets and franchised outlets in Hong Kong, Singapore and Malaysia.

The Group will roll out a comprehensive brand revamp program, which comprises an injection of a new shop décor concept to provide a brand-new shopping environment and experience for customers. A four-storey flagship store in Mong Kok is scheduled to be opened around the end of March 2007. The new concept will be replicated subsequently and progressively in other regions to complement the new brand-building direction. The Group will continue to expand in new markets, such as Korea and Syria in the following fiscal year.

The Group's growth will be largely driven by organic growth, mainly through market expansion and productivity enhancements, with businesses in export franchising and the PRC as its growth engines.

3. Terms of the Purchase Agreement and the transactions contemplated thereunder

Details of the Purchase Agreement are set out in the "Letter from the Board". In sum, the key terms thereof are as follows:

- The Purchase Agreement will take effect from 1 April 2007 and expire on 30 June 2009 and will be subject to the approval of the Independent Shareholders at the Special General Meeting.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- The basis of determining the prices for the Purchases will be in accordance with 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 would compare the quotations obtained from various potential suppliers and determine the price to be charged after taking into consideration the quality of the Products to be supplied by the relevant suppliers.
- Payments for the Purchases will be on 30-day credit terms after delivery of the Products.

With the change of the financial year end date from 31 March to 30 June commencing from the financial year of 2006/2007, the Directors propose that the cap amounts of the Purchases under the Purchase Agreement for the period from 1 April 2007 to 30 June 2007 and each of the two financial years ending 30 June 2009 will not exceed:

- (i) HK\$74,000,000.00 for the 3-month period from 1 April 2007 to 30 June 2007;
- (ii) HK\$287,000,000.00 for the financial year ending 30 June 2008; and
- (ii) HK\$345,000,000.00 for the financial year ending 30 June 2009.

As stated in the “Letter from the Board”, the cap amounts are determined with reference to the historical figures of the transaction amounts between Bossini Enterprises and Laws International for the two years ended 31 March 2006 and the 9 months ended 31 December 2006 and the anticipated business volume of the Group for the two financial years ending 30 June 2009 being maintained at the current level of transactions between Bossini Enterprises and Laws International and/or its associates plus a growth of approximately 20% for anticipated increases in demand for the Products.

As advised by the senior management, for each of the two financial years ended 31 March 2006, the auditors of the Group have conducted annual review of the Existing Continuing Connected Transactions and have confirmed that, among others, the Existing Continuing Connected Transactions have been entered into on terms no less favourable to the Group than those available from independent third parties. 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 each of the two years ended 31 March 2006 and the six months ended 30 September 2006 and noted that the prices quoted from Laws International and its subsidiaries were similar to the sampled price quotations from independent third party suppliers. Accordingly, we consider that the prices quoted from Laws International is in line with the prices quoted from the Group’s other independent suppliers.

Furthermore, we note from the Group’s annual report for the year ended 31 March 2006 that the trade creditors were normally settled on 30-day terms. Accordingly, we consider that the credit period of 30-days offered by Laws International as stipulated under the Purchase Agreement is in line with the Group’s general credit terms with other independent suppliers. We, therefore, are of the view that the terms of the Purchase Agreement are normal commercial terms and fair and reasonable so far as the Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. The proposed cap amounts for the Purchases

According to the Directors, the cap amounts of the Purchases under the Purchase Agreement for the period from 1 April 2007 to 30 June 2007 and each of the two financial years ending 30 June 2009 will not exceed:

	For the 3-month period from 1 April 2007 to 30 June 2007 HK\$	For the financial year ending 30 June 2008 HK\$	For the financial year ending 30 June 2009 HK\$
Annual cap	74,000,000	287,000,000	345,000,000
Growth rate (year-on-year)	N.A.	N.A.*	20.0%

* *Due to the change of the financial year end date from 31 March to 30 June commencing from the financial year of 2006/2007, the calculation of the growth rate on a year-on-year basis for the financial year ending 30 June 2008 as compared to the year ending 30 June 2007 is not applicable.*

As stated in the “Letter from the Board”, the cap amounts are determined with reference to the historical figures of the transaction amounts between Bossini Enterprises and Laws International for the two years ended 31 March 2006 and the 9 months ended 31 December 2006 and the anticipated business volume of the Group for the two financial years ending 30 June 2009 being maintained at the current level of transactions between Bossini Enterprises and Laws International and/or its associates plus a growth of approximately 20% for anticipated increases in demand for the Products. With recovery in the Hong Kong economy since the Asian economic crisis and the development in the PRC, the retail markets in both Hong Kong and the PRC have experienced steady growth. In this connection, the Company is of the view that the anticipated growth of 20% per year is in line with anticipated market development.

The historical transaction amounts between Bossini Enterprises and Laws International for the two financial years ended 31 March 2006 were as follows:

Year/Period	Turnover of the Group HK\$' million	The amounts of purchases from Laws International and its subsidiaries HK\$' million	The amount of purchases as a percentage to the turnover of the Group	Annual caps approved by the then shareholders on 19 July 2004 ("Existing Cap(s)") HK\$' million	The amount of purchases from Laws International and its subsidiaries as a percentage to the Existing Caps
2005 (restated)	2,016.9	232.3	11.5%	236.0	98.4%
2006	2,199.5	256.3	11.6%	330.0	77.7%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the two years ended 31 March 2006, the purchases of garments by the Group from Laws International and its subsidiaries amounted to approximately HK\$232.3 million and HK\$256.3 million respectively, representing approximately 11.5% and 11.7% of the total turnover of the Group for the year respectively. As stated in the “Letter from the Board”, the purchases of garments by the Group from Laws International and its subsidiaries amounted to approximately HK\$167.8 million (unaudited) for the nine months ended 31 December 2006.

We note that the Directors has proposed a cap for the 3-month period from 1 April 2007 to 30 June 2007 of HK\$74 million, we have reviewed and discussed with the Company’s senior management the basis and assumptions behind their internal estimation.

Despite that there was a slight decrease in turnover of the six months ended 30 September 2006 (as compared to the same period of the preceding year), which, partly caused the reduction of purchase from Laws International, we have taken into account (i) the past performance of the Group for the two years ended 31 March 2006, details of which are described under the paragraph headed “2. Overall financial performance of the Group” above, (ii) the utilisation rate for the Existing Caps for the two years ended 31 March 2006; (iii) the current purchase orders and the anticipated business for the three months ending 30 June 2007, we are of the view that it is reasonable for the Directors to propose a cap for the 3-month period from 1 April 2007 to 30 June 2007 of HK\$74 million.

As at 30 September 2006, the Group had a distribution network covering more than 20 countries with a total of 1,086 outlets of which 552 were directly managed outlets and 734 were franchised outlets. Set out below the global distribution network of the Group as at 30 September 2006:

Region	As at 30 September 2006
Hong Kong	
Directly managed outlets	37
The PRC	
Directly managed outlets	366
Franchised outlets	239
Sub-total	605
Taiwan	
Directly managed outlets	113
Singapore	
Directly managed outlets	28
Malaysia	
Directly managed outlets	8
Other countries	
Export franchised outlets	295
Total	
Directly managed outlets	552
Franchised outlets	534
	<hr/>
	1,086

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the interim report of the Company for the six months ended 30 September 2006, sales generated from Hong Kong, the PRC, Taiwan and Singapore represented approximately 52.7%, 20.8%, 17.2% and 8.9% respectively of the total revenue.

Accordingly, we have looked at certain economic data of major markets, in particular, the Gross Domestic Product (“GDP”) of which the Group operates, namely Hong Kong, the PRC, Taiwan and Singapore in order to assess the fairness and reasonableness of the anticipated business growth of the Group of 20%.

	2003	2004	2005	For the nine months ended 30 September 2006 ¹
Hong Kong				
Gross Domestic Product (nominal)				
– HK\$ billion	1,234	1,292	1,382	1,075
– year-on-year growth rate at constant market prices	3.2%	8.6%	7.3%	6.8% ²
Retail sales				
Total value of purchases of goods for sale				
– in HK\$ million	131,722	144,731	158,255	N.A.
– year-on-year growth	N.A.	9.9%	9.3%	N.A.

Notes:

1. Preliminary estimated figures
 2. Compared with the same period a year earlier
- Source: Hong Kong Census and Statistics Department

	2003	2004	2005	For the nine months ended 30 September 2006 ¹
PRC				
Gross Domestic Product (nominal)				
– RMB billion	13,582	15,988	18,232	14,148
– year-on-year growth rate at constant market prices	10.0%	10.1%	9.9%	10.7% ²

Notes:

1. Preliminary estimated figures
 2. Compared with the same period a year earlier
- Source: National Bureau of Statistics of China

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taiwan	2003	2004	2005	2006 ¹
Gross Domestic Product (nominal)				
– NT\$ billion	10,319	10,770	11,147	11,529
– year-on-year growth rate				
at constant market prices	3.4%	6.1%	4.0%	4.4%

Note:

1. *Preliminary estimated figures*

Source: Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. (Taiwan)

Singapore	2003	2004	2005	For the nine months ended 30 September 2006
Gross Domestic Product (nominal)				
– SG\$ billion	162	182	194	153 ¹
– year-on-year growth rate				
at constant market prices	2.9%	8.7%	6.4%	7.2% ²
Wholesale & retail trade				
– in SG\$ million	22,856	26,242	28,838	23,438
– year-on-year growth	4.3%	14.8%	9.9%	N.A.

Notes:

1. *Preliminary estimated figures*

2. *Compared with the same period a year earlier*

Source: Singapore Department of Statistics

As illustrated from the above tables, the overall economic environments for the major markets of the Group with growth in GDP recorded in the range of 4% (Taiwan) to 9.9% (the PRC) for 2005 as compared to 2004. In addition, we also noted that the growth in GDP for the nine months ended 30 September 2006 for Hong Kong, the PRC and Singapore also showed a healthy growth rate within the range of approximately 6.8% to approximately 10.7% whilst the preliminary growth rate for Taiwan is expected to be approximately 4.4% for the whole year in 2006. In addition, since the sales in the Hong Kong market accounted for a majority part of the Group's business, we have also looked at the other economic indicator in Hong Kong, namely the retail sales, which also showed a healthy growth rate of approximately 9.3% in 2005 as compared to the previous year.

Notwithstanding that the Company will change its financial year end date from 31 March to 30 June commencing from the financial year of 2006/2007, for comparative purposes only, we have compared the proposed cap for the year ending 30 June 2008 of HK\$287 million and the actual purchase from Laws International and its subsidiaries for the year ended 31 March 2006 of HK\$256.3 million, the difference only represented an increase of approximately 12.0%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given (i) the favourable economic conditions of the major markets of the Group as indicated above; (ii) the Group's commitment to enhance its competitiveness; (iii) the continued expansion in both the existing and new markets as evidenced by the pace of opening of a total 18 retail outlets and franchised outlets in major markets of the Group for the period from 1 October 2006 to 31 December 2006, and more outlets are expected to be opened in the future as explained under the heading "Outlook" in the section headed "2. Overall financial performance of the Group" to capture potential business, which, in turn, will result in additional purchase from suppliers (including Laws International); (iv) the proposed cap for the year ending 30 June 2008 represented an adequate increase from the actual purchase for the year ended 31 March 2006, we are of the view that it is prudent and reasonable for the Directors to determine the proposed cap amounts by reference to (1) the historical figures of the transaction amounts between Bossini Enterprises and Laws International for the two years ended 31 March 2006 and the 9 months ended 31 December 2006; and (2) the anticipated business volume of the Group for the two financial years ending 30 June 2009 (that is, based on the current level of transactions between Bossini Enterprises and Laws International and/or its associates plus an annual growth of approximately 20% for anticipated increases in demand for the Products). Accordingly, we are of the view that the proposed cap amounts contemplated under the Purchase Agreement are fair and reasonable.

V. RECOMMENDATION

After having considered the above principal factors, namely (i) background to and reasons for the Purchases; (ii) the terms of the Purchase Agreement and the transactions contemplated thereunder; and (iii) the proposed cap amounts for the Purchases, we are of the view that terms of the Purchase Agreement and the transactions contemplated thereunder and the proposed cap amounts for the Purchases are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favor of the ordinary resolution in relation to the Purchase Agreement and the proposed cap amounts for the Purchases, to be proposed at the Special General Meeting.

Yours faithfully,
For and on behalf of
ACCESS CAPITAL LIMITED
Jeanny Leung
Managing Director

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

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

	<i>HK\$</i>
<i>Authorised share capital</i>	
2,000,000,000 Shares	200,000,000.00
<i>Issued and fully paid or credited as fully paid Shares:</i>	
1,572,245,394 Shares	157,224,539.40

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	Number of Shares beneficially held and nature of interest		Number of underlying Shares held	Total	Approximate percentage of total shareholding
	Directly beneficially owned	Through controlled corporation			
Mr. LAW Ka Sing	1,063,091,098	30,000,000	–	1,093,091,098	69.52%
Ms. CHAN So Kuen	–	–	6,668,000 (Note 1)	6,668,000	0.42%

Note:

- The underlying Shares are the subject of the share options granted under the share option scheme of the Company adopted on 27 November 2003.

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 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

- 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	Number of Shares beneficially held and nature of interest		Total	Approximate percentage of total shareholding
	Directly beneficially owned	Through controlled corporation		
Mr. LAW Ka Sing	1,063,091,098	30,000,000	1,093,091,098	69.52%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company were 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

In October 2004, a Taiwan branch of one of the Company's subsidiaries (the "Taiwan Branch") received a notice of claim from the Taipei National Tax Administration, Ministry of Finance (the "TNTA"), relating to the underpayment of business tax on sales made through certain retail stores which operated under co-operative arrangements with third parties during the period from January 2001 to May 2003, together with penalties of approximately NTD27.9 million in aggregate (equivalent to approximately HK\$6.9 million).

TNTA have declined the objection from the Taiwan Branch in relation to the above claims in July 2005, and the Taiwan Branch filed an appeal to the administrative court in January 2006 in respect of the above claims. If the Taiwan Branch is unsuccessful in the appeal of the above claims from TNTA, tax losses of NTD223 million (equivalent to approximately HK\$55 million) arising from the Taiwan Branch as at 31 March 2003 may be disallowed and will not be available to offset against taxable profits of the Taiwan Branch for the years ended 31 March 2004 and 31 March 2005. Accordingly, the Taiwan Branch may be subject to a profits tax charge of NTD33 million (equivalent to approximately HK\$8.2 million) from the TNTA for the years ended 31 March 2004 and 31 March 2005. As requested by TNTA, the Taiwan Branch pledged a cash deposit of NTD3,292,000 (equivalent to approximately HK\$787,000) to TNTA as at 31 March 2006.

The directors, based on the advice from the local tax representative of the Taiwan Branch, believe that the branch has a valid ground to object the claims made by the TNTA, and accordingly, have not made any provision for the tax claim or any potential additional profits tax liabilities as at 31 March 2006. There has been no material change to the status of this case since 31 March 2006.

Save as disclosed above, 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 30 September 2006, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2006, the date to which the latest published audited consolidated accounts of the Group were made up.

8. QUALIFICATION AND CONSENT OF EXPERT

Access Capital Limited 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
Access Capital Limited	A corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

Save as disclosed in this circular, as at the Latest Practicable Date, Access Capital Limited 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.

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 6th Floor, Phases 1 & 2, Hong Kong Spinners Industrial Building, 601-603 Tai Nan West Street, 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) The qualified accountant of the Company is Ms. CHAN So Kuen, a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.
- (e) 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 6th Floor, Phases 1 & 2, Hong Kong Spinners Industrial Building, 601-603 Tai Nan West Street, 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 31 March 2006;
- (c) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 8 of this circular;
- (d) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 9 to 18 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

The logo for Bossini, featuring the word "bossini" in a white, lowercase, sans-serif font, centered within a solid black rectangular box.

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”) will be held at Tang Room I, 3rd Floor, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 23 March 2007 at 10:00 a.m. 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 7 February 2007 entered into between Bossini Enterprises Limited (“Bossini Enterprises”), a wholly-owned subsidiary of the Company, and Laws International Group Limited (“Laws International”), 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 brand name of “**bossini**”, “**bossinistyle**” or “**sparkle**” from Laws International and its subsidiaries (the “Purchases”) be and is hereby confirmed and approved;
- (b) the cap amounts in relation to the Purchases under the Purchase Agreement be and is 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

LAW Ka Sing

Chairman

Hong Kong, 1 March 2007

NOTICE OF SPECIAL GENERAL MEETING

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal place of business in Hong Kong:

6th Floor, Phases 1 & 2
Hong Kong Spinners Industrial Building
601-603 Tai Nan West Street
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 6th Floor, Phases 1 and 2, Hong Kong Spinners Industrial Building, 601-603 Tai Nan West Street, 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, Laws International and their associates.