



Initial court decision made on the dispute between King Fung Fashion and its employees

[21 June 2006, Hong Kong] – Bossini issued a note today with respect to the concerns raised by some NGOs (non-governmental organizations) that urged Bossini to step into a dispute between King Fung Fashion (Shenzhen) Co. Ltd. (“King Fung Fashion”) and its employees. King Fung Fashion is one of the independent suppliers of Bossini. Bossini has contacted directly representatives from both King Fung Fashion and the NGOs, and it has emphasized to King Fung Fashion the request that workers’ legal rights must be protected and respected. Some key points are summarized below as per the findings and understanding:

1. King Fung Fashion did not have any relocation. Its Shenzhen factory is operating as usual.
2. The issue was a dispute between King Fung Fashion and its 33 employees. The dispute had been put forth to the Labour Court, and the court decision was made on 6 June 2006, which was distributed to King Fung Fashion on 16 June 2006. The court dismissed the request to King Fung Fashion for the severance payment as it did not have any relocation. On the calculation of overtime rates, nonetheless, it was decided that King Fung Fashion should repay the difference of approximately RMB40,000 under dispute to the plaintiffs.
3. Both parties are eligible to appeal within 15 days from the distribution of judgment and it is believed that both parties are seeking legal advices. Bossini will continue to keep an eye on the development.

It was regrettably a dispute between King Fung Fashion and its employees. While it was a surprise to be caught into this dispute, Bossini also sends an apology to its customers for the inconvenience caused. Bossini will continue to offer colourful, value-for-money quality products as always, and offer a satisfying shopping experience to customers.

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