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波司登國際控股有限公司

Bosideng International Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3998)

**DISCLOSEABLE TRANSACTION
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE**

On July 8, 2016, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Target Shares, representing 70% of the issued share capital of the Target Company. The aggregate consideration for the Acquisition shall be satisfied by a cash payment of RMB70,000,000 and the allotment and issue of the Consideration Shares by the Company to the Vendors. As at the date of this announcement, Talent Shine HK, which is owned as to 70% by the Purchaser, is interested in 30% of the issued share capital of the Target Company and upon Completion, the Purchaser and Talent Shine HK will collectively be interested in 100% of the issued share of the Target Company.

The Consideration Shares will be issued under the General Mandate. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

As the applicable percentage ratio as calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25% under the Listing Rules, the Acquisition contemplated under the Agreement constitutes a discloseable transaction of the Company and is only subject to the reporting and announcement requirements under the Listing Rules.

I. THE AGREEMENT

1. Date

July 8, 2016

2. Parties

- (a) the First Vendor;
- (b) the Second Vendor; and
- (c) the Purchaser, an indirect wholly-owned subsidiary of the Company.

The Purchaser is an investment holding company. As at the date of this announcement, Talent Shine HK, which is owned as to 70% by the Purchaser, is interested in 30% of the issued share capital in the Target Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, (i) each of the Vendors is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding; (ii) each of the Vendors and its ultimate beneficial owner are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

3. Assets to be acquired

Subject to and in accordance with the terms and conditions of the Agreement, the Purchaser has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Target Shares, representing 70% of the issued share capital of the Target Company.

As at the date of this announcement, (i) the Target Company was owned as to 67.08% and 2.92% by the First Vendor and the Second Vendor respectively and (ii) Talent Shine HK is interested in the remaining 30% of the issued share of the Target Company. Upon Completion, the Purchaser and Talent Shine HK collectively will be interested in 100% of the issued share of the Target Company.

The Target Company is an investment holding company and the Target Group is principally engaged in sourcing and distribution of ladieswear.

4. Consideration for the Target Shares

The consideration for the Target Shares shall be satisfied by a cash payment of RMB70,000,000 and the allotment and issue of the Consideration Shares by the Company to the Vendors. Upon Completion, (i) the Purchaser shall pay RMB67,080,000 to the First Vendor in cash and allot and issue 814,542,857 Shares to the First Vendor and (ii) the Purchaser shall pay RMB2,920,000 to the Second Vendor in cash and allot and issue 35,457,143 Shares to the Second Vendor. The cash payment will be funded by internal resources of the Group.

The Consideration Shares represent (i) approximately 10.63% of the existing issued share capital of the Company; and (ii) approximately 9.61% of the Company's issued share capital as enlarged by the issue of the Consideration Shares. The Consideration Shares will be allotted and issued under the General Mandate, which has not been used since granted. The maximum number of Shares which may be allotted and issued under the General Mandate is 1,601,470,000 Shares. Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares when allotted and issued shall be credited as fully paid and rank pari passu with all other Shares in issue in the share capital of the Company.

The issue price of HKD0.652 per Consideration Share represents:

- (a) a premium of approximately 0.31% over the closing price of HKD0.65 per Share as quoted on the Stock Exchange on July 8, 2016, being the date of the Agreement;
- (b) equal to the average closing price of the Shares as quoted on the Stock Exchange for the last five consecutive full trading days prior to the date of the Agreement, being approximately HKD0.652 per Share; and
- (c) a premium of approximately 1.56% over the average closing price of the Shares as quoted on the Stock Exchange for the last ten consecutive full trading days prior to the date of the Agreement, being approximately HKD0.642 per Share.

The consideration for the Acquisition was agreed between the Purchaser and the Vendors after arm's length negotiations and is determined based on the profit of the Target Company for the year ended March 31, 2016 and the price-to-earning of industry peers. The Directors consider that the consideration for the Acquisition is fair and reasonable.

5. Lock-up Period

Under the Agreement, the First Vendor undertakes to the Purchaser not to sell, transfer or create encumbrance over any part of its Consideration Shares for a period of nine months commencing from the Completion Date.

6. Distribution of profits of the Target Company

The distributable profits of the Target Company generated before April 1, 2016 shall be distributed in accordance with the shareholding percentage in the Target Company as at the date of this announcement.

7. Conditions Precedent

Completion of the Agreement is conditional upon, inter alia:

- (a) the obtaining of all necessary consents and approvals in respect of the Acquisition from the relevant governmental or regulatory bodies; and
- (b) the Purchaser having conducted due diligence investigation in respect of the Target Group including but not limited to the affairs, business, assets and financing structure of the Target Group and the Purchaser being satisfied with the results of such due diligence investigation;
- (c) there being no material adverse change to the Target Group;
- (d) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Consideration Shares and such approval not being revoked; and
- (e) the warranties given by the Vendors in the Agreement remaining true and accurate and not misleading at the date of the Agreement and up to and including the Completion Date.

The Purchaser is entitled to waive any of the above conditions precedent (save for items (a) and (d) above). If any of the conditions has not been fulfilled or waived by the Purchaser on or before July 31, 2016 (or such other later date as agreed by the parties in writing), the Agreement will lapse and all parties' rights and obligations under the Agreement will be released save for antecedent breaches.

8. Completion

Completion shall take place on the third Business Day after the date of the fulfillment or waiver of all the conditions precedent to Completion.

Upon Completion, the Purchaser and Talent Shine HK collectively will be interested in 100% of the issued share of the Target Company and therefore the Target Company will become a non-wholly-owned subsidiary of the Company and the Target Group will be accounted for as subsidiaries in the Group's financial statements.

II. FINANCIAL INFORMATION

The Target Company is a company incorporated on March 13, 2014 in the British Virgin Islands with limited liability.

The consolidated net profits before and after taxation of the Target Company for the year ended March 31, 2016 were approximately RMB56,377,000 and RMB49,012,000, respectively. The consolidated net profits before and after taxation of the Target Company for the year ended March 31, 2015 were approximately RMB107,822,000 and RMB88,843,000, respectively.

The total asset value and net asset value of the Target Group were approximately RMB506,179,000 and RMB296,168,000, respectively as at March 31, 2016.

III. SHAREHOLDING STRUCTURE OF THE COMPANY IMMEDIATELY BEFORE AND AFTER COMPLETION

Name of Shareholders	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Kong Bo Investment Limited (Note 1)	3,146,219,202	39.34	3,146,219,202	35.56
Kong Bo Development Limited (Note 2)	52,571,999	0.66	52,571,999	0.59
New Surplus International Investment Limited (Note 3)	2,010,000,000	25.13	2,010,000,000	22.72
Directors (Note 4)	8,409,333	0.10	8,409,333	0.09
First Vendor	–	–	814,542,857	9.21
Second Vendor	–	–	35,457,143	0.40
Other public Shareholders	<u>2,780,497,466</u>	<u>34.77</u>	<u>2,780,497,466</u>	<u>31.43</u>
Total	<u>7,997,698,000</u>	<u>100.00</u>	<u>8,847,698,000</u>	<u>100.00</u>

Notes:

1. Kong Bo Investment Limited is wholly owned by Kova Group Limited, which is in turn wholly owned by The GDK Trust. The GDK Trust is a discretionary trust set up by Mr. Gao Dekang as the founder, for the benefit of his family members (including Ms. Mei Dong).
2. Kong Bo Development Limited is wholly owned by Kova Group Limited, which is in turn wholly owned by The GDK Trust. The GDK Trust is a discretionary trust set up by Mr. Gao Dekang as the founder, for the benefit of his family members (including Ms. Mei Dong).
3. New Surplus International Investment Limited, the ordinary shares of which are wholly owned by Topping Wealth Limited and the non-voting preference shares of which are wholly owned by IC International Hong Kong Limited. Topping Wealth Limited is wholly owned by Mr. Gao Dekang.
4. These Shares are held by Ms. Mei Dong (2,763,697 Shares), Ms Gao Miaoqin (1,003,697 Shares), Ms. Huang Qiaolian (2,763,697 Shares), and Mr. Rui Jingsong (1,878,242 Shares), respectively.

IV. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the research, design and development, raw materials procurement, outsourced manufacturing, marketing and distribution of branded down apparel products, original equipment manufacturing products and non-down apparel products in the PRC. The Group's operations are substantially conducted in the PRC through its direct and indirect subsidiaries.

The Target Group is principally engaged in sourcing and distribution of ladieswear. As at the date of this announcement, the Purchaser is interested in 30% of the Target Company. The Acquisition will enable the Purchaser to control the Target Company. The Directors are optimistic about the prospects of the ladieswear industry and are of the view that the Target Group has good potential to achieve further growth. The Directors also consider that the Agreement is entered into after an arm's length negotiation between the Purchaser and the Vendors and the terms therein are on normal commercial terms and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. LISTING RULES IMPLICATION

As the applicable percentage ratio as calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25% under the Listing Rules, the Acquisition contemplated under the Agreement constitutes a discloseable transaction of the Company and is only subject to the reporting and announcement requirement under the Listing Rules.

VI. DEFINITIONS

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

“Acquisition”	the proposed acquisition by the Purchaser of the Target Shares pursuant to the Agreement
“Agreement”	the share sale and purchase agreement entered into between the Purchaser and the Vendors on July 8, 2016 in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business
“Company”	Bosideng International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Acquisition contemplated under the Agreement
“Completion Date”	the date on which Completion takes place in accordance with the Agreement, which is the third Business Day after the satisfaction or waiver of the all the conditions precedent to Completion

“Consideration Shares”	850,000,000 new Shares to be issued to the Vendors at HKD0.652 per Share, as part of the consideration for the Acquisition and each a Consideration Share
“Director(s)”	the director(s) of the Company
“First Vendor”	Kingford Investment Development Limited, a company incorporated in the British Virgin Islands with limited liability
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on August 28, 2015, among other things, to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“Purchaser”	Jessie International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Second Vendor”	Prestige Stand Investment Development Limited, a company incorporated in the British Virgin Islands with limited liability
“Share(s)”	ordinary share(s) of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Talent Shine HK”	Talent Shine Limited, a company incorporated in Hong Kong with limited liability which is owned by the Purchaser as to 70%
“Target Company”	Buoubuou International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries

“Target Shares”	70% of issued share capital of the Target Company as at the date of this announcement
“Vendors”	the First Vendor and the Second Vendor
“Vendors Group”	each of the Vendors and their respective subsidiaries or affiliated companies
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, July 8, 2016

As at the date of this announcement, the executive Directors are Mr. Gao Dekang, Ms. Mei Dong, Ms. Gao Miaoqin, Ms. Huang Qiaolian, Mr. Mak Yun Kuen and Mr. Rui Jinsong; and the independent non-executive Directors are Mr. Dong Binggen, Mr. Wang Yao, Dr. Ngai Wai Fung and Mr. Lian Jie.