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波司登
BOSIDENG

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)

**PROPOSED ISSUE OF US\$275,000,000 1.00 PER CENT.
CONVERTIBLE BONDS DUE 2024 UNDER GENERAL MANDATE**

Sole Global Coordinator



Joint Bookrunners



The Board is pleased to announce that on 4 December 2019 (after trading hours), the Company entered into the Subscription Agreement with the Managers, under which the Managers have agreed to severally and not jointly subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds to be issued by the Company in an aggregate principal amount of US\$275,000,000, on the terms and subject to the conditions set out therein.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$4.91 per Share, the Convertible Bonds will be convertible into 438,470,977 Shares, representing approximately 4.05% of the issued share capital of the Company as at the date of this announcement and approximately 3.89% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares resulting from the full conversion of the Convertible Bonds. The Conversion Shares will rank pari passu and carry the same rights and privileges in all respects with the Shares then in issue on the relevant Conversion Date.

The Convertible Bonds shall at all times rank pari passu and without any preference or priority among themselves.

The Convertible Bonds have not been offered or sold and may not be offered or sold in Hong Kong to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong).

The Convertible Bonds and the Conversion Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Convertible Bonds are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

The gross proceeds from the Subscription of the Convertible Bonds amounts to US\$275,000,000. The Company intends to use the net proceeds from the Subscription in the manner detailed in the section headed "Proposed Use of Proceeds".

The Conversion Shares are to be issued under the General Mandate. The issue of the Convertible Bonds is not subject to the specific approval of the Shareholders.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. An application will also be made for the listing of the Convertible Bonds on the Stock Exchange.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed "THE SUBSCRIPTION AGREEMENT" below for further information.

WARNING: As the Subscription Agreement may or may not proceed to completion, and the Convertible Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date

4 December 2019

Parties

- (i) the Company as issuer;
- (ii) Citigroup Global Markets Limited as the sole global coordinator and a joint bookrunner (the “**Sole Global Coordinator**”); and
- (iii) China International Capital Corporation Hong Kong Securities Limited as a joint bookrunner (together with the Sole Global Coordinator, the “**Managers**”, and each a “**Manager**”).

Subscription

Pursuant to the Subscription Agreement, the Managers have agreed to severally and not jointly subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds to be issued by the Company in an aggregate principal amount of US\$275,000,000, on the terms and subject to the conditions set out therein.

To the best of the Directors’ knowledge, information and belief, each of the Manager is a third party independent of the Company and is not connected with the Company and its connected persons (as defined in the Listing Rules).

Managers

The Managers have informed the Company that they intend to offer and sell the Convertible Bonds to no less than six (6) independent placees (who will be independent individual, corporate and/or institutional investors). The Convertible Bonds will be offered and sold to persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the Securities Act. None of the Convertible Bonds will be offered to the retail public in Hong Kong.

To the best of the Directors’ knowledge, information and belief as at the date of this announcement, each of the placees of the Convertible Bonds (and their respective ultimate beneficial owners) is a third party independent of the Company and is not connected with the Company and its connected persons (as defined in the Listing Rules).

Conditions Precedent

The obligations of the Managers to subscribe and pay for the Convertible Bonds are subject to, among others, the following conditions precedent:

- (a) **Due Diligence:** the Managers being satisfied with the results of its due diligence investigations with respect to the Company and its subsidiaries and the Offering Circular shall have been prepared in form and content satisfactory to the Managers;
- (b) **Other Contracts:** the execution and delivery (on or before the Closing Date) of the Trust Deed and the Agency Agreement, each in a form satisfactory to the Managers, by the respective parties;
- (c) **Shareholder's Lock-up:** The relevant Controlling Shareholders shall have executed and delivered to the Managers a valid, binding and enforceable lock-up agreement on or before the Closing Date in the form set out in the Subscription Agreement;
- (d) **Auditors' Letters:** upon the Publication Date and on the Closing Date, there having been delivered to the Managers comfort letters, in form and substance satisfactory to the Managers, dated the Publication Date in the case of the first letter and dated the Closing Date in the case of the subsequent letter, and addressed to the Managers from KPMG, certified public accountants of the Company;
- (e) **Compliance:** at the Closing Date:
 - (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on, such date;
 - (ii) the Company having performed all of its obligations under the Subscription Agreement, the Trust Deed and the Agency Agreement to which it is a party to be performed on or before such date; and
 - (iii) there having been delivered to the Managers a certificate in the form provided in the Subscription Agreement, dated as of such date, of a duly authorised officer of the Company to such effect;
- (f) **Material Adverse Change:** after the date hereof up to and at the Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change) in the condition (financial or other), prospects, results of operations or general affairs of the Company or of the consolidated group, which, in the opinion of the Managers, is material and adverse in the context of the issue and offering of the Convertible Bonds;
- (g) **Other Consents:** on or prior to the Closing Date there shall have been delivered to the Managers copies of (i) the constitutional documents of the Company and (ii) all consents and approvals required in relation to the issue of the Convertible Bonds and the performance of the Company's obligations under the Trust Deed, the Agency Agreement and the Convertible Bonds;
- (h) **Listing:** the Stock Exchange having agreed to list the Conversion Shares upon conversion of the Convertible Bonds and the Stock Exchange having agreed, subject to any conditions satisfactory to the Managers, to list the Convertible Bonds (or, in each case, the Managers being satisfied that such listing will be granted);

- (i) **NDRC Pre-Issuance Registration Certificate:** there shall have been delivered to the Managers a copy of the pre-issuance registration certificate issued pursuant to the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015] 2044 號) promulgated by the NDRC on 14 September 2015, which came into effect immediately, evidencing the registration of the issue of the Convertible Bonds with the NDRC prior to the launch date of the Convertible Bonds and remaining in full force and effect as at the Closing Date;
- (j) **Legal Opinions:** on or before the Closing Date, there having been delivered to the Managers certain legal opinions on the laws of various jurisdictions, in form and substance satisfactory to the Managers, dated the Closing Date; and

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent other than items (b), (h) and (i) above.

Shareholder's Lock-up Undertaking

The relevant Controlling Shareholders have undertaken on a joint and several basis that, for a period from the date of the lock-up undertaking to 90 days after the Closing Date, without the prior written consent of the Sole Global Coordinator, they will not:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any of the Lock-up Shares or securities of the same class as the Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or other instruments representing interests in the Lock-up Shares or securities of the same class as the Lock-up Shares;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Lock-up Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing.

Company's Lock-up Undertaking

Neither the Company nor any person acting on its behalf will:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Convertible Bonds or the Shares or securities of the same class as the Convertible Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Convertible Bonds, the Shares or securities of the same class as the Convertible Bonds, the Shares or other instruments representing interests in the Convertible Bonds, the Shares or other securities of the same class as them;

- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing,

in any such case without the prior written consent of the Sole Global Coordinator between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Convertible Bonds and the Conversion Shares (ii) any Shares or options granted or issued pursuant to the Share Option Schemes and the Share Award Scheme; and (iii) any Shares issued pursuant to the exercise of the Talent Shine Put.

Termination

Notwithstanding anything contained the Subscription Agreement, the Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Convertible Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform, or breach of, any of the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the conditions precedent specified in the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;
- (c) if in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view (after prior consultation with the Company), be likely to prejudice materially the success of the offering and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market;
- (d) if in the opinion of the Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange, the Singapore Stock Exchange and/or the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, the PRC, Singapore, Hong Kong, and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore or the United Kingdom; or (iv) a change or development involving a prospective change in taxation that will or is likely to have a material adverse effect on the Company, the Convertible Bonds and the Conversion Shares or the transfer thereof; or

- (e) if, in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the offering and distribution of the Convertible Bonds or dealings in the Convertible Bonds on the secondary market.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised as follows:

Issuer	The Company
Form and Denomination:	The Convertible Bonds are in registered form in the denomination of US\$200,000 each and integral multiples of US\$100,000 in excess thereof. Upon issue, the Convertible Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV and Clearstream Banking S.A.
Issue Price:	100% of the principal amount of the Convertible Bonds.
Issue Size:	US\$275,000,000
Maturity Date:	17 December 2024
Interest:	1.00% per annum, payable semi-annually in arrear in equal instalments of US\$5.00 per US\$1,000 on 17 June and 17 December of each year, beginning on 17 June 2020.
Conversion Right:	Subject as provided in the Conditions, each Convertible Bond shall entitle the holder to convert such Convertible Bond into Conversion Shares credited as fully paid at any time during the Conversion Period referred to below. The number of Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the relevant Conversion Date.
Initial Conversion Price:	The initial Conversion Price at which Conversion Shares will be issued will initially be HK\$4.91 per Share, representing: <ul style="list-style-type: none">(i) a premium of 27.5% to the closing price of HK\$3.85 per Share as quoted on the Stock Exchange on the Last Trading Day;(ii) a premium of 29.6% to the average closing price of HK\$3.79 per Share for the last 5 consecutive trading days up to and including the Last Trading Day; and

- (iii) a premium of 28.9% to the average closing price of HK\$3.81 per Share for the last 10 consecutive trading days up to and including the Last Trading Day.

The Conversion Price will be subject to adjustment for, among other things, upon the occurrence of consolidation, reclassification or subdivision, capitalisation of profits or reserves, distributions, rights issues of shares or options over shares at less than 95% of the current market price per Share, rights issues of other securities, issues and other issues at less than 95% of the current market price per Share, modification of rights of conversion at less than 95% of the current market price per Share, other offers to Shareholders and other events as described in the Conditions.

The Conversion Price shall not in any event be reduced to below the nominal value of the Shares as a result of any adjustment under the Conditions unless under applicable law then in effect the Convertible Bonds may be converted at such reduced Conversion Price into legally issued, fully paid and non-assessable Shares.

Adjustment upon Change
of Control:

If a Change of Control shall occur, the Company shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) within 7 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of conversion rights such that the relevant Conversion Date falls within the period of 30 days following the later of (a) the relevant Change of Control and (b) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \frac{\text{OCP}}{1 + (\text{CP} \times c/t)}$$

Where:

“**NCP**” means the Conversion Price after such adjustment;

“**OCP**” means the Conversion Price before such adjustment. For the avoidance of doubt, OCP shall be the Conversion Price applicable on the relevant Conversion Date;

“**CP**” means conversion premium of 27.5% expressed as a fraction;

“**c**” means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date; and

“**t**” means the number of days from and including the Closing Date to but excluding the Maturity Date.

Initial Conversion Ratio:	318,887.9837 Shares per US\$200,000 principal amount of the Convertible Bonds at the Initial Conversion Price.
Conversion Period:	At the option of the Bondholder, at any time (a) on or after 27 January 2020 up to the close of business (at the place where the certificate evidencing the Convertible Bonds are deposited for conversion) on the date falling ten days prior to the Maturity Date (both days inclusive), (b) if the Convertible Bonds shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof, or (c) if notice requiring redemption has been given by the Bondholders, up to the close of business (at the place aforesaid) on the day prior to the giving of such notice.
Ranking of the Conversion Shares:	The Conversion Shares will be fully paid and will in all respects rank pari passu with the fully paid Shares in issue on the relevant date the holder is registered as such in the Company's register of members (the " Registration Date "), except for any right excluded by mandatory provisions of applicable law and except that such Conversion Shares will not rank for any rights, distributions or payments the record or other due date for the establishment of entitlement for which falls prior to the relevant Registration Date.
Redemption at Maturity:	Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Convertible Bond at its principal amount together with accrued and unpaid interest thereon on the Maturity Date.
Conversion Premium:	The Initial Conversion Price represents a premium of 27.5% over the Reference Share Price.
Reference Share Price:	HK\$3.85 per Share (as of market close on 4 December 2019).

Redemption at the Option
of the Company:

On giving not less than 30 nor more than 60 days' notice to the Trustee and the principal agent in writing, and to the Bondholders in accordance with the Conditions, the Convertible Bonds may be redeemed by the Company in whole, but not in part, on the date specified in the redemption notice at their principal amount together with interest accrued but unpaid up to but excluding such date (if any), (a) at any time after 1 January 2023, provided that the closing price of a Share (translated into United States dollars at the Prevailing Rate), for 20 out of 30 consecutive trading days, the last of which occurs not more than 5 trading days prior to the date of the relevant redemption notice, was at least 130% of the Conversion Price (translated into United States dollars at the Fixed Exchange Rate) then applicable for each of the 20 trading days; or (b) at any time if, prior to the date the relevant redemption notice is given, conversion rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90% or more in principal amount of the Convertible Bonds originally issued (which shall for this purpose include any further Convertible Bonds issued pursuant to the Conditions).

Redemption for Taxation
Reasons:

The Convertible Bonds may be redeemed, at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the principal agent in writing and to the Bondholders in accordance with the Conditions, on the date specified in the relevant redemption notice for redemption at their principal amount as at such date together with interest accrued but unpaid up to but excluding such date (if any), if the Company satisfies the Trustee immediately prior to the giving of such notice that (a) it has or will become obliged to pay additional tax amounts as provided or referred in the Conditions as a result of any change in, or amendment to, the laws or regulations of PRC or the Cayman Islands, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 4 December 2019, and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no tax redemption notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Convertible Bonds then due.

On the relevant redemption date, the Company shall redeem the Convertible Bonds at their principal amount, together with interest accrued but unpaid up to but excluding the redemption date.

If the Company issues the relevant redemption notice, each Bondholder will have the right to elect that their Convertible Bonds shall not be redeemed as provided in the Conditions, whereupon no additional amounts shall be payable by the Company pursuant to the Conditions and payment of all amounts shall be made subject to the deduction or withholding of any tax required to be deducted or withheld.

Redemption for Delisting or Change of Control: Following the occurrence of a Relevant Event (as defined below), each Bondholder will have the right at such Bondholder's option to require the Company to redeem all or some only of such Bondholder's Convertible Bonds on the relevant date at their principal amount together with interest accrued up to but excluding such date.

A "**Relevant Event**" occurs when:

- (i) the Shares cease to be listed or admitted to trading or are suspended from the Main Board of the Stock Exchange for a period equal to or exceeding 30 consecutive trading days; or
- (ii) when there is a Change of Control.

Redemption at the Option of the Bondholders: On 17 December 2022 (the "**Optional Put Date**"), each Bondholder will have the right at such holder's option to require the Company to redeem all or some only of the Conversion Bonds of such holder on the Optional Put Date at their principal amount, together with any interest accrued but unpaid up to but excluding such Optional Put Date (if any).

Negative Pledge: Applicable to the Company and its subsidiaries on the Relevant Indebtedness (as defined in the Conditions).

Transferability: The Convertible Bonds are freely transferable subject to the Conditions.

Status: The Convertible Bonds constitute direct, unconditional, unsubordinated and (subject to the Conditions) unsecured obligations of the Company and shall at all times rank pari passu and without preference or priority among themselves.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. An application will also be made for the listing of the Convertible Bonds on the Stock Exchange.

GENERAL MANDATE TO ISSUE THE CONVERSION SHARES

The Conversion Shares will be issued under the General Mandate, subject to the limit of up to 2,144,900,877 Shares (representing 20% of the issued share capital of the Company on the date on which the General Mandate was granted). As at the date of this announcement, the Company has not utilised any part of the General Mandate. As such, the issue of the Conversion Shares falls within the limit of the General Mandate and is not subject to the specific approval of the Shareholders.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$4.91 per Share, the Convertible Bonds will be convertible into 438,470,977 Shares, representing approximately 4.05% of the issued share capital of the Company as at the date of this announcement and approximately 3.89% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares resulting from the full conversion of the Convertible Bonds.

The Conversion Price was determined with reference to the prevailing market price of the Shares and the Conditions (including the redemption options) and was negotiated on an arm's length basis between the Company and the Sole Global Coordinator after a book-building exercise. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Conversion Shares have a nominal value of US\$0.00001 and a market value of HK\$3.85, based on the closing price of HK\$3.85 on the Last Trading Day.

PRINCIPAL BUSINESS OF THE GROUP

The Group is principally engaged in the apparel business, with a developed expertise in down apparel, in which the Group has been widely recognised by consumers as an industry leader.

REASONS FOR AND THE BENEFITS OF THE SUBSCRIPTION

The Directors are of the view that the issue of the Convertible Bonds can provide the Company with additional funds at lower funding cost to repay its existing short-term debts in order to optimise its financing structure and to fund the Company's general corporate and business purposes. The terms of the Subscription Agreement and the Conditions were arrived at after arm's length negotiations between the parties to the Subscription Agreement with reference to the prevailing trading prices of the Shares and the financial conditions of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement and the Conditions are made on normal commercial terms and are fair and reasonable as far as the Shareholders are concerned, and the issue of the Convertible Bonds is in the interests of the Company and the Shareholders as a whole.

CAPITAL RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not raised any funds by issuing equity securities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates: (1) the existing shareholding structure as at the date of this announcement; and (2) the shareholding structure assuming the Convertible Bonds are fully converted into Conversion Shares at the initial Conversion Price of HK\$4.91 each; on the assumptions that (a) there will be no other change to the share capital of the Company from the date of this announcement until the completion of the conversion of the Convertible Bonds in full, save for the issue of the Conversion Shares as a result of the conversion of the Convertible Bonds in full (as the case may be); and (b) the Bondholders do not and will not hold any Shares other than the Conversion Shares as a result of the conversion of the Convertible Bonds.

Shareholder	As at the date of this announcement		Assuming the Convertible Bonds are fully converted into Conversion Shares at the initial Conversion Price	
	No. of Shares	% of issued share capital of the Company	No. of Shares	% of enlarged share capital of the Company
New Surplus International Investment Limited	3,844,862,385	35.50%	3,844,862,385	34.12%
Kong Bo Investment Limited	3,146,219,202	29.05%	3,146,219,202	27.92%
Honway Enterprises Limited	611,656,857	5.65%	611,656,857	5.43%
Kong Bo Development Limited	52,571,999	0.48%	52,571,999	0.47%
Ms. Mei Dong ⁽¹⁾	2,763,697	0.03%	2,763,697	0.02%
Other Shareholders	3,172,148,245	29.29%	3,172,148,245	28.15%
Bondholders	–	–	438,470,977	3.89%
Total	<u>10,830,222,385</u>	<u>100.00%</u>	<u>11,268,693,362</u>	<u>100.00%</u>

Note: (1) Ms. Mei Dong is a Director.

PROPOSED USE OF PROCEEDS

The gross proceeds from the Subscription of the Convertible Bonds amount to US\$275,000,000.

The net proceeds from the Subscription will be used for repayment of existing debt and funding general corporate and business purposes.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “THE SUBSCRIPTION AGREEMENT” above for further information.

WARNING: As the Subscription Agreement may or may not proceed to completion, and the Convertible Bonds and/or the Conversion Shares may or may not be issued or listed, potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

- “Agency Agreement”** a paying, conversion and transfer agency agreement to be entered into between the Company, the Trustee, the principal paying agent, conversion agent, transfer agent and registrar named therein, as amended and/or supplemented from time to time
- “Board”** the board of Directors of the Company
- “Bondholder(s)”** holder(s) of the Convertible Bond(s) from time to time
- “Change of Control”** the occurrence of one or more of the following events:
- (i) any person or persons (other than the Controlling Shareholders), acting together, acquires control of the Company; or
 - (ii) when the Controlling Shareholders, whether individually or together, whether directly or indirectly through their corporations or related trusts, collectively ceases to control the Company; or
 - (iii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person (other than the Controlling Shareholders), unless the consolidation, merger, sale or transfer will not result in such other person or persons acquiring control over the Company or the successor entity;
- “control” means (i) the right to appoint and/or remove all or the majority of the members of the relevant entity’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or (ii) the acquisition or control of more than 51 per cent. of the voting rights of the issued share capital of the relevant entity
- “Closing Date”** 17 December 2019, or such later date, not being later than 31 December 2019 as the Company and the Managers may agree
- “Company”** Bosideng International Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on 10 July 2006, whose Shares are listed on the Stock Exchange (Stock Code: 3998)
- “Conditions”** the terms and conditions in relation to the Convertible Bonds

“Controlling Shareholders”	means: (i) Mr. Gao Dekang, Ms. Mei Dong and any of their children; and (ii) any person directly or indirectly controlled by or under direct or indirect common control with, the person specified in paragraph (i) of this definition
“Conversion Date”	the conversion date in respect of the Convertible Bonds, which must fall at a time when the Conversion Right attaching to the Convertible Bond is expressed in the Conditions to be exercisable
“Conversion Price”	the price at which the Shares will be issued upon conversion of the Convertible Bonds and the initial conversion price being HK\$4.91 per Share (subject to adjustments in the manner provided in the Conditions)
“Conversion Right”	the right of a Bondholder to convert such Convertible Bond into Shares credited as fully paid subject as provided in the Conditions
“Conversion Share(s)”	the Share(s) to be issued by the Company upon conversion of the Convertible Bonds
“Convertible Bonds”	convertible bonds with an initial aggregate principal amount of US\$275,000,000 with a coupon of 1.00 per cent. due 2024 to be issued by the Company
“Director(s)”	director(s) of the Company
“Exchange Act”	U.S. Securities Exchange Act of 1934, as amended
“Fixed Exchange Rate”	fixed rate of HK\$7.8287 to US\$1
“General Mandate”	the general mandate granted to the Directors pursuant to ordinary resolutions passed by the shareholders of the Company on 26 August 2019 to allot, issue and deal with up to 2,144,900,877 Shares or options, warrants or similar rights to subscribe for such Shares
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	4 December 2019
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Lock-up Shares”	7,658,074,140 Shares representing 70.71% of the existing issued share capital of the Company held directly (or through nominees) or indirectly through trusts and/or companies controlled by the Controlling Shareholders or their subsidiaries (or through their nominees)
“Maturity Date”	17 December 2024, being the date on which the Convertible Bonds mature
“NDRC”	the National Development and Reform Commission of the PRC
“Offering Circular”	the offering circular to be issued by the Company in respect of the Convertible Bonds and the listing of the Convertible Bonds on the Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prevailing Rate”	means, in respect of any currency on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the Relevant Page (as defined in the Conditions) or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined
“Publication Date”	the date of the Offering Circular, which shall be no later than three business days prior to the Closing Date or such other date as may be agreed between the Company and the Managers
“Securities Act”	the U.S. Securities Act of 1933, as amended
“Share Award Scheme”	the share award scheme adopted by the Company on 23 September 2011 and as amended on 5 August 2016, the terms of which are described in the Company’s announcements dated 23 September 2011 and 5 August 2016
“Share Option Schemes”	the share options schemes adopted by the Company on 15 September 2007 and 25 August 2017, the terms of which are described in the Prospectus and the Company’s circular dated 26 July 2017, respectively
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the ordinary share(s) of US\$0.00001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription and issue of the Convertible Bonds pursuant to the Subscription Agreement

“Subscription Agreement”	the Subscription Agreement dated 4 December 2019 entered into between the Company and the Managers in relation to, among other things, the Subscription
“Talent Shine Put”	the put option granted by the Group to Talent Shine International Limited on 4 November 2011, details of which were disclosed in the Company’s announcement dated 28 October 2011
“Trust Deed”	the trust deed to be entered into by the Company and the Trustee as amended and/or supplemented from time to time
“Trustee”	Citicorp International Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For presentation purposes, percentage figures presented in this announcement have been rounded to the nearest two decimal places.

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

Hong Kong, 5 December 2019

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