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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 AND  
CONNECTED TRANSACTION  
IN RELATION TO ACQUISITION OF JOY SMILE AND YOU NUO**

**ACQUISITION OF SHARES IN JOY SMILE**

The Board is pleased to announce that, on March 28, 2017, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Share Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares, representing 100% of the issued shares of Joy Smile at the consideration of RMB660 million. Upon the completion of the Acquisition, the Purchaser will hold 100% of the issued shares of Joy Smile.

**ACQUISITION OF EQUITY INTEREST IN YOU NUO**

The Board further announces that, on March 28, 2017, the Transferee, an indirect wholly-owned subsidiary of the Company, and the Transferors entered into the Equity Transfer Agreement, pursuant to which the Transferors agreed to transfer and the Transferee agreed to acquire 100% of the equity interest in You Nuo at the consideration of RMB20 million. Upon the completion of the Equity Transfer, the Transferee will hold 100% of the equity interest in You Nuo.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Acquisition and the Equity Transfer as aggregated is more than 5% but less than 25%, the entering into the Share Purchase Agreement and the Equity Transfer Agreement, when aggregated, constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements but exempt from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, Mr. Chow is the substantial shareholder of Shenzhen Jessie Fashion Co., Limited, a subsidiary of the Company. Given that the Vendor is a company of which Mr. Chow is interested in 100%, the Vendor is an associate of Mr. Chow and therefore a connected person of the Company at the subsidiary level under the Listing Rules. The entering into of the Share Purchase Agreement and the Acquisition will also constitute connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the Board has approved the Share Purchase Agreement and the Acquisition and the independent non-executive Directors have confirmed that the terms of the Share Purchase Agreement are fair and reasonable and the Acquisition is on normal commercial terms and in the interests of the Company and the Shareholders as a whole, given that the Vendor is a connected person at the subsidiary level only, the Share Purchase Agreement and the Acquisition are exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## **THE SHARE PURCHASE AGREEMENT**

### **Date:**

March 28, 2017

### **Sale Shares Parties:**

- (i) the Vendor, a company incorporated under the laws of the British Virgin Islands with limited liability and the beneficial owner of 100% of the issued shares of Joy Smile as at the date of this announcement, as the vendor of the Sale Shares.
- (ii) the Purchaser, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, as the purchaser of the Sale Shares.
- (iii) Mr. Chow as the guarantor who guarantees the performance of the Vendor's obligation under the Share Purchase Agreement.

### **Acquisition**

Pursuant to the Share Purchase Agreement, it was agreed that the Purchaser shall acquire and the Vendor shall sell the Sale Shares. The Sale Shares represent 100% of the issued shares of Joy Smile.

### **Acquisition Consideration**

The total consideration for the Acquisition is RMB660 million, which was determined by the parties with reference to the profit guarantee provided by the Vendor under the Share Purchase Agreement. Such consideration shall be settled and paid in cash by the Purchaser on the following dates:

- (i) RMB595 million, shall be payable on the Completion Date; and
- (ii) RMB65 million, shall be payable on or before December 31, 2017, provided that Completion has taken place.

## **Conditions precedent**

Completion of the Share Purchase Agreement is subject to the fulfillment (or waiver) of, inter alia, the following conditions:

- (i) the Sale Shares Parties having approved the Acquisition in accordance with their constitutional documents, all applicable laws and Listing Rules;
- (ii) the Sale Shares Parties having obtained all necessary exemptions, consents, approvals, licenses, authorizations, permits, orders and waivers (if necessary) in respect of the Share Purchase Agreement and the Acquisition from the relevant government or regulatory authorities or other third parties;
- (iii) the Purchaser having completed, and being satisfied with the results of, its due diligence in respect of group structure, equity structure, trademarks and other intellectual property rights, finance and security, and litigation of Joy Smile and its affiliates; and
- (iv) the Vendor having procured the execution of the Equity Transfer Agreement to transfer the entire equity interest in You Nuo.

The Purchaser is entitled to waive any of the above conditions precedent (save for items (i) and (ii) above). In the event that any of the conditions referred to above is not fulfilled or waived on or before June 30, 2017 (or a later date as agreed by the Sale Shares Parties in writing), the Share Purchase Agreement shall cease and determine and thereafter, neither party shall have any obligations and liabilities hereunder save for any antecedent breaches.

## **Completion**

Completion shall take place within five Business Days after the conditions precedent have been fulfilled or waived.

## **Profit Guarantee**

Pursuant to the Share Purchase Agreement, the Vendor guaranteed to the Purchaser that the audited profit after taxation of Joy Smile Group for the financial year ending March 31, 2018 shall not be less than RMB70 million. If such profit after taxation is less than RMB70 million, the Vendor shall pay the shortfall amount to the Purchaser within 5 Business Days after the issuance of the Joy Smile Group's audited financial statements for the financial year ending March 31, 2018.

## INFORMATION OF THE SALE SHARES PARTIES

### Information of the Vendor

The Vendor is a company incorporated under the laws of the British Virgin Islands with limited liability and is an investment holding company.

### Information of the Purchaser

The Purchaser is a company incorporated under the laws of the British Virgin Islands with limited liability and is a subsidiary of the Company. The Purchaser is an investment holding company.

## INFORMATION OF JOY SMILE

Joy Smile is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company.

The original acquisition costs of Joy Smile Group by the Vendor was approximately RMB530 million.

## FINANCIAL INFORMATION OF JOY SMILE

As at December 31, 2016, the consolidated unaudited total assets and net assets of Joy Smile are approximately RMB505 million and RMB44 million, respectively.

Set out below is the net (loss)/profit (before and after taxes and extraordinary items) of Joy Smile for the financial years ended December 31, of 2015 and 2016:

	<b>For the year ended December 31, 2015 (Unaudited) RMB'000</b>	<b>For the year ended December 31, 2016 (Unaudited) RMB'000</b>
Net (loss)/profit (before tax and extraordinary items)	(240,019)	13,251
Net (loss)/profit (after tax and extraordinary items)	(190,039)	10,938

## **THE EQUITY TRANSFER AGREEMENT**

### **Date:**

March 28, 2017

### **Equity Transfer Parties:**

- (i) the Transferors, namely, Mr. Sun Yujie, Mr. Wang Tianguo and Mr. Liu Jigang, who are the beneficial owners of 40%, 30% and 30%, respectively, of the equity interest in You Nuo, as at the date of this announcement.
- (ii) the Transferee, a company established under the laws of PRC with limited liability and an indirect subsidiary of the Company, as the transferee of the Equity Transfer in You Nuo.

### **Equity Transfer**

Pursuant to the Equity Transfer Agreement, the Transferee agreed to acquire and the Transferors agreed to sell 100% of the equity interest in You Nuo.

### **Equity Transfer Consideration**

The total consideration of the Equity Transfer is RMB20 million, which was determined by the parties after arms' length negotiation with reference to the net asset value of You Nuo as of December 31, 2016, the prospects of You Nuo and the expected synergy of You Nuo with Joy Smile Group, and shall be settled and paid in cash by the Transferee within 15 days after completion of the Equity Transfer.

### **Conditions precedent**

Completion of the Equity Transfer Agreement is subject to the fulfillment of, inter alia, the following conditions:

- (i) each of the Equity Transfer Parties and You Nuo having completed all requisite filing with AIC in relation to the Equity Transfer; and
- (ii) the Transferors having executed, submitted and performed the Equity Transfer Agreement and other transaction documents and having obtained all necessary third party consents, and the execution and performance of the Equity Transfer Agreement and other transaction documents not having caused the Transferors' breach of any law, regulation, contract, covenant, approval or other documents binding upon the Transferors.

### **Completion**

Completion of the Equity Transfer shall take place on a Business Day that the Equity Transfer Parties agreed after the conditions precedent have been fulfilled and registration of Equity Transfer and change of shareholders with AIC has been completed.

## INFORMATION OF THE EQUITY TRANSFER PARTIES

### Information of the Transferors

Each of Mr. Sun Yujie, Mr. Wang Tianguo and Mr. Liu Jigang is a business man.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Transferors is a third party independent of the Company and connected persons of the Company.

### Information of the Transferee

The Transferee is a company incorporated under the laws of the PRC with limited liability and is a subsidiary of the Company. The Transferee is principally engaging in sourcing and distribution of non-down apparels.

## INFORMATION OF YOU NUO

You Nuo is a company incorporated in the PRC with limited liability and is principally engaging in manufacturing, process and sales of high-end ladieswear.

## FINANCIAL INFORMATION OF YOU NUO

As at December 31, 2016, the unaudited total assets and net assets of You Nuo are approximately RMB131 million and RMB31 million, respectively.

Set out below is the net profit (before and after taxes and extraordinary items) of You Nuo for the financial years ended December 31, of 2015 and 2016:

	<b>For the year ended December 31, 2015 (Unaudited) RMB'000</b>	<b>For the year ended December 31, 2016 (Unaudited) RMB'000</b>
Net Profit (before tax and extraordinary items)	142	42,492
Net Profit (after tax and extraordinary items)	87	31,868

## **REASONS FOR THE ACQUISITION AND THE EQUITY TRANSFER**

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.

Joy Smile Group is principally engaged in sourcing and distribution of ladieswear with brands, including *KOREANO* and *KLOVA*. It owns the trademarks for these two brands and has its own sales channel and management team. The Acquisition will enable the Purchaser to own the Joy Smile Group. The Directors are optimistic about the prospects of the ladieswear industry and are of the view that Joy Smile Group has good potential to achieve further growth.

On the other hand, You Nuo is currently the sole production agent of Joy Smile Group for the ladieswear with the brands *KOREANO* and *KLOVA*. Further, it is in the process of obtaining a piece of land which the Group intends to use as production base and logistic centre for the business of Joy Smile Group after the completion of the Acquisition. Therefore, the Sale Shares Parties agreed that the Completion is conditional upon the Vendor having procured the execution of the Equity Transfer Agreement.

Taking into consideration of the above factors, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition and Equity Transfer are fair and reasonable on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios in respect of the Acquisition and the Equity Transfer as aggregated is more than 5% but less than 25%, the entering into the Share Purchase Agreement and the Equity Transfer Agreement, when aggregated, constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements but exempt from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, Mr. Chow is the substantial shareholder of Shenzhen Jessie Fashion Co., Limited, a subsidiary of the Company. Given that the Vendor is a company of which Mr. Chow is interested in 100%, the Vendor is an associate of Mr. Chow and therefore a connected person of the Company at the subsidiary level under the Listing Rules. The entering into of the Share Purchase Agreement and the Acquisition will also constitute connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the Board has approved the Share Purchase Agreement and the Acquisition and the independent non-executive Directors have confirmed that the terms of the Share Purchase Agreement are fair and reasonable and the Acquisition is on normal commercial terms and in the interests of the Company and the Shareholders as a whole, given that the Vendor is a connected person at the subsidiary level only, the Share Purchase Agreement and the Acquisition are exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Directors have a material interest in the Acquisition and the Equity Transfer and no Directors have abstained from voting in the board resolutions approving the Acquisition and the Equity Transfer.

## DEFINITIONS

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

“Acquisition”	the acquisition by the Purchaser of the Sale Shares pursuant to the Share Purchase Agreement
“AIC”	the Administration for Industry and Commerce
“Board”	the board of Directors of the Company
“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, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 3998)
“Completion”	completion of the Acquisition pursuant to the Share Purchase Agreement
“Completion Date”	the date on which Completion takes place
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer”	the acquisition of the entire equity interest in the You Nuo by the Transferee from the Transferors pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement for the Equity Transfer dated March 28, 2017 entered into between the Transferors and the Transferee
“Equity Transfer Parties”	parties to the Equity Transfer Agreement
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joy Smile”	Joy Smile Development Limited, a company incorporated under the laws of the British Virgin Islands
“Joy Smile Group”	Joy Smile and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“Mr. Chow”	Mr. Chow Mei Wo
“PRC”	the People’s Republic of China
“Purchaser”	Bosideng International Fashion Limited, a company incorporated under the laws of the British Virgin Islands
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the 2 ordinary shares (representing 100% issued capital of Joy Smile) owned by the Vendor
“Sale Shares Parties”	parties to the Share Purchase Agreement
“Share Purchase Agreement”	the share purchase agreement for the Acquisition dated March 28, 2017 entered into among the Purchaser, the Vendor and Mr. Chow
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Transferee”	Rocawear (Shanghai) Fashion Co., Limited, a company established under the laws of the PRC, a subsidiary of the Company
“Transferors”	Mr. Sun Yujie, Mr. Wang Tianguo and Mr. Liu Jigang
“Vendor”	Jun Da Group Limited, a company incorporated under the laws of the British Virgin Islands
“You Nuo”	You Nuo (Tianjin) Clothing Limited, a company established under the laws of the PRC
“%”	percent

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

Hong Kong, March 28, 2017

*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, Mr. Rui Jinsong and Mr. Gao Xiaodong; and the INEDs are Mr. Dong Binggen, Mr. Wang Yao, Dr. Ngai Wai Fung and Mr. Lian Jie.*