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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
IN RELATION TO SUBSCRIPTION OF INVESTMENT FUND**

SUBSCRIPTION OF INVESTMENT FUND

The Board is pleased to announce that on March 30, 2017 (after trading hours), the Subscriber (an indirect wholly-owned subsidiary of the Company) and the Master Fund entered into a Framework Agreement, pursuant to which the Subscriber has agreed to subscribe for the Participating Shares corresponding to the Investment Fund for an amount up to USD100 million pursuant to one or more subsequent subscription agreements to be entered into between the Subscriber and the Master Fund. The Investment Fund is managed by the Investment Manager with the objectives of capturing investment opportunities in projects relating to relevant sectors within the fashion and apparel industry and to the extent that cash assets of the Investment Fund have not been fully invested in or committed for such investment projects, enhancing short-to-medium term investment income by investing the spare cash assets of the Investment Fund on investment products with high liquidity and appreciation potential.

IMPLICATION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the Subscription are more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE FRAMEWORK AGREEMENT

Date of the Framework Agreement

March 30, 2017

Parties to the Framework Agreement

- (1) the Master Fund; and
- (2) the Subscriber, an indirect wholly-owned subsidiary of the Company.

Purpose of the Investment Fund

The Investment Fund is a segregated portfolio that will be established and operated by the Master Fund exclusively for the Subscriber to pursue the following investment objectives:

- (a) to source, evaluate and invest in appropriate projects in relevant sectors within the fashion and apparel industry as the Group may designate from time to time that have good growth potential within a period of three to five years;
- (b) to enhance the effective growth and enterprise value of invested projects by working closely with the Group to offer them with exposure at industry conferences, exhibitions, as well as providing their management teams with access to industry intelligence and expert advice on management and operations (such as strategies for sale optimization, pricing, cost efficiencies, and other vital management techniques); and
- (c) to the extent cash assets of the segregated portfolio have not been fully invested in or committed for projects within the fashion and apparel industry sector, invest such spare cash assets on investment products with high liquidity and appreciation potential.

The Investment Fund has the benefit of statutory segregation under Cayman Islands law so that the assets and liabilities of each segregated portfolio of the Master Fund are entirely segregated from the assets and liabilities of any other segregated portfolios of the Master Fund.

Subscription Amount

The Subscriber has agreed to subscribe for the Participating Shares corresponding to the Investment Fund for an amount up to USD100 million by a number of instalments pursuant to one or more subsequently subscription agreements to be entered into between the Subscriber and the Master Fund.

The subscription amount was determined after arm's length negotiation between the Subscriber and the Master Fund on normal commercial terms.

Procedure for Redemptions

The Subscriber may, at any time after six months commencing from the date of subscription redeem up to 50% of the subscription amount or the net asset value of the Participating Shares corresponding to the Investment Fund then outstanding (as the case maybe) by serving not less than ten business days' notice to the Master Fund.

Right of First Refusal on Investment Projects

In the event the Investment Fund proposes to dispose of its interest in or otherwise exit from an invested project, the Subscriber has a right of first refusal to acquire the interest in the invested project.

Information and Management of the Master Fund

The Master Fund is an exempted segregated portfolio company that was incorporated with limited liability under the Companies Law of the Cayman Islands. The Subscriber, as the sole holder of the Participating Shares corresponding to the Investment Fund is entitled to receive dividends which may be declared by directors of the Master Fund in respect of the Investment Fund.

The Master Fund's directors' primary function is to supervise the general conduct of the affairs of the Master Fund. They have appointed the Investment Manager to perform and/or delegate certain management and administrative tasks on behalf of the Master Fund and its segregated portfolios, including the Investment Fund. The Investment Manager will manage and invest the asset of the Investment Fund and may also manage the assets of other segregated portfolios established by the Master Fund from time to time. In making investment decisions, the Investment Fund will rely on the advice of the Investment Manager based on the criteria to be stipulated in the subscription agreement to be entered into between the Subscriber and the Master Fund.

To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, the Master Fund, its ultimate beneficial owner(s) and key management personnel are independent third parties of the Company and its connected person.

Management and Performance Fee

The Investment Fund shall pay an annual management fee to the Investment Manager of 1% of the total subscription amount being managed by the Investment Manager. The Investment Manager may, in its discretion, effectively waive all or part of the management fee with respect to any shareholder by rebate or otherwise.

The Investment Manager is also entitled to receive performance fee from the Investment Fund which shall be 10% of the appreciation of the net asset value of the Investment Fund over the high water mark with respect to a particular year where the appreciation is less than 10%, and shall be 20% for appreciation above and beyond the aforementioned 10% hurdle rate.

INFORMATION OF THE GROUP AND SUBSCRIBER

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 Subscriber is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Board believes the Subscription will enable the Group to capture investment opportunities relating to projects in relevant sectors within the fashion and apparel industry and enhance short to medium-term investment returns by investing spare cash assets of the Investment Fund on investment products with high liquidity and appreciation potential. The Board is of the view that the terms of the Subscription are fair and reasonable, on normal commercial terms and the entering into the Subscription Agreement is in the interest of the Group and its shareholders as a whole.

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription are more than 5% but less than 25%, the Subscription constitutes a disclosure transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms used in this announcement shall have the following meanings when used herein:

“Board”	the board of directors of the Company
“Company”	Bosideng International Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“Framework Agreement”	the agreement dated March 30, 2017 entered into between the Subscriber and the Master Fund in relation to the Subscription of Participating Shares corresponding to the Investment Fund up to USD100 million
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Fund”	a segregated portfolio to be established and operated by the Master Fund under the name of “Bosideng Industry Investment Fund S.P.”
“Investment Manager”	Cithara Investment International Limited, a company incorporated with limited liability in Hong Kong, licensed for type 4 (Advising on Securities) and type 9 (Asset Management) regulated activities by the Securities and Futures Commission of Hong Kong
“Master Fund”	Cithara Global Multi-Strategy SPC, an exempted company incorporated in the Cayman Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mutual Funds Law”	The Cayman Islands Mutual Funds Law (2013 Revision), as amended from time to time
“Participating Share(s)”	participating redeemable share(s) in the capital of the Master Fund
“PRC”	The People’s Republic of China

“Subscriber” Delight Kingdom Group Limited, a company incorporated in the British Virgin Islands with limited liability

“Subscription” the proposed subscription of the Participating Shares corresponding to the Investment Fund by the Company

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

Hong Kong, March 30, 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.