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bossini

BOSSINI INTERNATIONAL HOLDINGS LIMITED

堡獅龍國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 592)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
DISPOSAL OF PROPERTIES**

THE DISPOSAL

On 30 December 2021 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, the Purchaser and the Agent entered into the Provisional Agreements for the sale and purchase of the Properties at the aggregate consideration of HK\$184,729,500. Pursuant to the terms of the Provisional Agreements, the Vendor and the Purchaser shall enter into the Formal Agreements on or before 13 January 2022. The Disposal is scheduled to be completed on or before 15 March 2022.

GENERAL

As the Provisional Agreements were entered into between the Vendor and the Purchaser and completion of the Provisional Agreements is inter-conditional, the transactions contemplated under the Provisional Agreements shall be aggregated and treated as if they were one transaction under the Listing Rules. As one or more applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 30 December 2021 (after trading hours), the Vendor, the Purchaser and the Agent entered into the Provisional Agreements for the sale and purchase of the Properties at the aggregate consideration of HK\$184,729,500. Pursuant to the terms of the Provisional Agreements, the Vendor and the Purchaser shall enter into the Formal Agreements on or before 13 January 2022. The Disposal is scheduled to be completed on or before 15 March 2022.

* *For identification purpose only*

PROVISIONAL AGREEMENTS

A) Provisional Agreement 1

Date: 30 December 2021

Vendor: Rapid City Limited, a wholly-owned subsidiary of the Company

Purchaser: Shine Wealthy Limited

Agent: Knight Frank Hong Kong Limited

Assets to be disposed of:

Pursuant to Provisional Agreement 1, the Vendor agreed to sell and the Purchaser agreed to purchase Property 1 on an “as is” basis at a consideration of HK\$91,759,500. The relevant Formal Agreement is expected to be signed on or before 13 January 2022.

Upon completion, the Vendor shall deliver vacant possession of Property 1 to the Purchaser.

Condition precedent:

The completion of the sale and purchase of Property 1 shall be conditional upon the sale and purchase of Property 2 under the Provisional Agreement 2 being completed simultaneously.

Completion:

Completion is expected to take place on or before 15 March 2022.

Terms of payment:

The consideration has been paid/shall be payable by the Purchaser in the following manner:

- a) a sum of HK\$4,587,975 as an initial deposit has been paid by the Purchaser to the Vendor upon the signing of Provisional Agreement 1;
- b) a sum of HK\$4,587,975 as a further deposit will be paid by the Purchaser to the Vendor upon the signing of the Formal Agreement which is expected to be on or before 13 January 2022; and
- c) the remaining balance of the consideration of HK\$82,583,550 shall be paid on completion which is expected to be on or before 15 March 2022.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, the prevailing market price of comparable properties in Hong Kong.

B) Provisional Agreement 2

Date: 30 December 2021

Vendor: Rapid City Limited, a wholly-owned subsidiary of the Company

Purchaser: Shine Wealthy Limited

Agent: Knight Frank Hong Kong Limited

Assets to be disposed of:

Pursuant to Provisional Agreement 2, the Vendor agreed to sell and the Purchaser agreed to purchase Property 2 on an "as is" basis at a consideration of HK\$92,970,000. The relevant Formal Agreement is expected to be signed on or before 13 January 2022.

Upon completion, the Vendor shall deliver vacant possession of Property 2 to the Purchaser.

Conditions precedent:

The completion of the sale and purchase of Property 2 shall be conditional upon the sale and purchase of Property 1 under the Provisional Agreement 1 being completed simultaneously.

Completion:

Completion is expected to take place on or before 15 March 2022.

Terms of payment:

The consideration has been paid/shall be payable by the Purchaser in the following manner:

- a) a sum of HK\$4,648,500 as an initial deposit has been paid by the Purchaser to the Vendor upon the signing of Provisional Agreement 2;
- b) a sum of HK\$4,648,500 as a further deposit will be paid by the Purchaser to the Vendor upon the signing of the Formal Agreement which is expected to be on or before 13 January 2022; and

- c) the remaining balance of the consideration of HK\$83,673,000 shall be paid on completion which is expected to be on or before 15 March 2022.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, the prevailing market price of comparable properties in Hong Kong.

INFORMATION OF THE GROUP, THE VENDOR AND THE PROPERTIES

The Group is principally engaged in the retailing and distribution of garments bearing the Group's designated brand names including "bossini".

The Vendor is a wholly-owned subsidiary of the Company which is principally engaged in property holding and letting.

Property 1 is a unit in an industrial building with an estimated total gross floor area of approximately 20,391 square feet.

Property 2 is a unit in an industrial building adjacent to Property 1 with an estimated total gross floor area of approximately 20,660 square feet.

The Properties were rented out and the relevant rental agreement ended on 29 September 2021. The Properties are currently vacant. During the period from 1 January 2020 to 31 December 2020 and 1 January 2021 to 29 September 2021, the Group received rental income from the Properties of approximately HK\$6 million and HK\$4 million, respectively.

INFORMATION OF THE PURCHASER AND THE AGENT

The Purchaser is an indirect wholly-owned subsidiary of Chevalier International and is principally engaged in investment holding. Chevalier International, is a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 25), and its principal activities are construction and engineering, property investment, property development and operations, healthcare investment and car dealership.

The Agent is a company incorporated in Hong Kong with limited liability and engages in the provision of property agency services in Hong Kong.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, the Agent and their respective ultimate beneficial owner(s) are Independent Third Parties.

REASON FOR AND BENEFITS OF THE DISPOSAL

The Directors considered that the Disposal represents a good opportunity for the Group to realise the value of the Properties at a reasonable price and the Disposal will improve the liquidity and financial position of the Group.

The terms of the Provisional Agreements were arrived by the Vendor and the Purchaser after arm's length negotiations and were on normal commercial terms between the parties. The Directors, including the independent non-executive Directors, consider the terms of the Provisional Agreements are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The net proceeds arising from the Disposal of approximately HK\$183 million (after deducting the expected expenses in relation to the Disposal) will be used for general working capital of the Group.

Based on, inter alia, the consideration, the unaudited carrying value of the Properties as at 30 June 2021 of HK\$10 million and the related expenses for the Disposal, the Group currently expects to record a gain on disposal of approximately HK\$173 million upon completion of the Disposal.

GENERAL

As the Provisional Agreements were entered into between the Vendor and the Purchaser and completion of the Provisional Agreements is inter-conditional, the transactions contemplated under the Provisional Agreements shall be aggregated and treated as if they were one transaction under the Listing Rules. As one or more applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agent”	Knight Frank Hong Kong Limited, a company incorporated in Hong Kong with limited liability;
“Board”	the board of Directors;
“Chevalier International”	Chevalier International Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 25);

“Company”	Bossini International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 592);
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Properties by the Group contemplated under the Provisional Agreements;
“Formal Agreement(s)”	the formal agreement(s) to be entered into between the Vendor and the Purchaser in relation to the Disposal;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	a party who is independent of each of the Company and their respective connected person(s);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratio(s)”	has the meaning as given in the Listing Rules;
“Properties”	Property 1 and Property 2;
“Property 1”	Unit 1 with air handling plant room (formerly known as Units 1, 2, 3 together with the air handling plant room) on 8th Floor of High Block of Cheung Fung Industrial Building, No. 23-39 Pak Tin Par Street, Tsuen Wan, New Territories;

“Property 2”	Unit 2 (formerly known as Units 4 & 5 and the corridor area adjoining thereto) on 8th Floor of High Block of Cheung Fung Industrial Building, No. 23-39 Pak Tin Par Street, Tsuen Wan, New Territories;
“Provisional Agreement 1”	the provisional sale and purchase agreement entered into between the Purchaser and the Vendor on 30 December 2021 in relation to the disposal of Property 1;
“Provisional Agreement 2”	the provisional sale and purchase agreement entered into between the Purchaser and the Vendor on 30 December 2021 in relation to the disposal of Property 2;
“Provisional Agreements”	Provisional Agreement 1 and Provisional Agreement 2;
“Purchaser”	Shine Wealthy Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Chevalier International;
“Shareholders”	holders of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Rapid City Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;
“%”	per cent.

By Order of the Board
Bossini International Holdings Limited
Mr. Victor HERRERO
Chairman and Non-executive Director

Hong Kong, 30 December 2021

As at the date of this announcement, the Board comprises three executive directors, namely Mr. CHEUNG Chi (Co-Chief Executive Officer), Mr. ZHAO Jianguo and Mr. CHAN Cheuk Him Paul, two non-executive directors, namely Mr. Victor HERRERO (Chairman) and Mr. LAW Ching Kit Bosco, and three independent non-executive directors, namely Mr. LEE Kwok Ming, Prof. SIN Yat Ming and Mr. CHEONG Shin Keong.