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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 AND MAJOR TRANSACTIONS

SUBSCRIPTIONS OF FINANCIAL PRODUCT

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On 15 June 2016, the Company entered into the First Subscription, pursuant to which the Company subscribed for the Financial Product offered by Credit Suisse AG, Hong Kong Branch with a principal amount of HK\$77.9 million. On 17 June 2016, the Company entered into the Second Subscription, pursuant to which the Company further subscribed for the Financial Product offered by Credit Suisse AG, Hong Kong Branch with a principal amount of HK\$155.1 million.

The aggregate principal amount of Financial Product subscribed by the Company pursuant to the Subscriptions amounted to HK\$233.0 million.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of each of the First Subscription and the Second Subscription exceeds 5% but are less than 25%, each of the First Subscription and the Second Subscription constitutes a discloseable transaction of the Company and subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Further, as one of the applicable percentage ratios in respect of the Subscriptions (on an aggregated basis pursuant to Rule 14.22 of the Listing Rules) exceeds 25% but are less than 100%, the Subscriptions (on an aggregated basis) constitute major transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

* *For identification purpose only*

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Subscriptions and would be required to abstain from voting for the resolution to approve the Subscriptions, should the Subscriptions be put forward to the shareholders to approve at a general meeting of the Company. Mr. Law, the controlling shareholder of the Company, who is interested in 1,093,091,098 Shares, representing approximately 66.79% of the issued share capital of the Company as at the date of this announcement, has approved the Subscriptions by a written shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the approval of the Subscriptions and no extraordinary general meeting will be convened for the purpose of considering, ratifying and approving the Subscriptions pursuant to Rule 14.44 of the Listing Rules.

Further, in light of the fact that the Subscriptions have been made already and all material information relating to the Subscriptions has been set forth in this announcement, no circular will be dispatched to the Shareholders.

The Company acknowledges that the notification and announcement and/or Shareholder's approval in respect of the Subscriptions as required under Chapter 14 of the Listing Rules had been delayed due to its inadvertent oversight. The failure to make timely disclosure was due to a misunderstanding by the management of the Company of the application of the relevant Listing Rules for the reason that it had regarded the Financial Product as part of the Company's treasury activities given that the Financial Product had substantially the same characteristics as other fixed deposits with banks. Accordingly, the Company did not previously consider that the Subscriptions would constitute notifiable transactions under the Listing Rules and hence had omitted to timely comply with the Listing Rules in respect of the Subscriptions as disclosed above.

INTRODUCTION

On 15 June 2016, the Company entered into the First Subscription, pursuant to which the Company subscribed for the Financial Product offered by Credit Suisse AG, Hong Kong Branch with a principal amount of HK\$77.9 million. On 17 June 2016, the Company entered into the Second Subscription, pursuant to which the Company further subscribed for the Financial Product offered by Credit Suisse AG, Hong Kong Branch with a principal amount of HK\$155.1 million.

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The Financial Product is a bond fund offered by Credit Suisse AG, Hong Kong Branch and was launched on 25 April 2016 with a main objective to offer an attractive yield pickup by investing in US\$-denominated corporate and quasi-sovereign bonds.

The investment strategy adopted by the professional manager of the Financial Product is a global and broad diversification of portfolio, is predominantly in the bonds which are broadly diversified in terms of business sectors, issuers and countries. The underlying investments of the Financial Product invested and/or to be invested primarily consists of corporate and quasi-sovereign bonds with low duration profile and long term average credit rating of BBB- using linear calculation.

Further details regarding the terms of the Financial Product are as follows:

Name of the Financial Product	:	Credit Suisse Nova (Lux) Fixed Maturity Bond Fund 2019
Date of maturity	:	20 December 2019
Expected rate of return	:	3% per annum, payable on a quarterly basis.
Mechanism and formula for determination of the yield	:	<ul style="list-style-type: none">(i) The yield of the bond fund will be determined with reference to the total return of each individual bond if all individual bonds are held until maturity.(ii) All bonds in the fund will mature on or before 20 December 2019. There are no perpetual or other types of long-term bonds in the fund.
Repayment arrangement of the principal and interests	:	<ul style="list-style-type: none">(i) Proceeds derived from bonds which matured prior to 20 December 2019 (in any event no later than 20 December 2019) will either be used for re-investment or used towards distribution.(ii) At the maturity of the fund (i.e. 20 December 2019), the fund will be wound down to repay the principal, any unpaid interests and capital gains.
Early termination	:	Holders of the Financial Product have right of early redemption or termination at any time prior to maturity without any penalty charges. There is no lock-up provision applicable for the Financial Product.

FURTHER INFORMATION AND FUTURE PROSPECTS OF THE SUBSCRIPTIONS

As at the date of this announcement, the Company held the Financial Product in an aggregate principal amount of HK\$233.0 million and interest income of HK\$3.4 million has been received by the Company pursuant to the Subscriptions.

The Board acknowledges that the performance of the Financial Product before maturity may be affected by the degree of volatility in the global economy and the return of the underlying bonds depending on the performance of the business sectors, issuers and countries to which the underlying bonds belong to, and it will also be susceptible to other external factors that may affect their values before maturity, while the management intends to hold the Financial Product till the date of maturity.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

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

Credit Suisse AG, Hong Kong Branch is a licensed bank under the Banking Ordinance (Chapter 155, the Laws of Hong Kong) for the conduct of dealing in securities, advising on securities, advising on corporate finance and asset management regulated activities. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, Credit Suisse AG, Hong Kong Branch and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

The Subscriptions were carried out by the Company for treasury management purpose in order to maximise the utilisation of its surplus cash with an aim to obtain a better return, provided that the liquidity of the investment corresponds to the funding need of the Group. Taking into account of, among others, (i) the level of risks; (ii) the expected rate of return; and (iii) the terms to maturity, the Company considers that the Subscriptions will provide the Group with better return than deposits generally offered by commercial banks and increase the Group's overall earnings in the long run. Further, the Subscriptions were funded by the Company's surplus cash and would not affect the working capital or the operation of the Group. As such, the Directors are of the view that the Subscriptions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of each of the First Subscription and the Second Subscription exceeds 5% but are less than 25%, each of the First Subscription and the Second Subscription constitutes a discloseable transaction of the Company and subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Subscriptions and would be required to abstain from voting for the resolution to approve the Subscriptions, should the Subscriptions be put forward to the shareholders to approve at a general meeting of the Company. Mr. Law, the controlling shareholder of the Company, who is interested in 1,093,091,098 Shares, representing approximately 66.79% of the issued share capital of the Company as at the date of this announcement, has approved the Subscriptions by a written shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the approval of the Subscriptions and no extraordinary general meeting will be convened for the purpose of considering, ratifying and approving the Subscriptions pursuant to Rule 14.44 of the Listing Rules.

Further, in light of the fact that the Subscriptions have been made already and all material information relating to the Subscriptions has been set forth in this announcement, no circular will be dispatched to the Shareholders.

The Company acknowledges that the notification and announcement and/or Shareholder's approval in respect of the Subscriptions as required under Chapter 14 of the Listing Rules had been delayed due to its inadvertent oversight. The failure to make timely disclosure was due to a misunderstanding by the management of the Company of the application of the relevant Listing Rules for the reason that it had regarded the Financial Product as part of the Company's treasury activities given that the Financial Product had substantially the same characteristics as other fixed deposits with banks. Accordingly, the Company did not previously consider that the Subscriptions would constitute notifiable transactions under the Listing Rules and hence had omitted to timely comply with the Listing Rules in respect of the Subscriptions as disclosed above.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the Listing Rules but the Company would like to stress that the non-compliance was inadvertent. To prevent similar non-compliance from occurring in the future, the Company has taken the following measures and actions:

- (i) the company secretarial and legal department of the Company shall continue to oversee and monitor the Company's on-going compliance with the Listing Rules;
- (ii) the Company should conduct an internal training session to explain the relevant Listing Rules' requirements and the reporting procedures for notifiable transactions under the Listing Rules, and to emphasise the importance of identifying such transactions prior to execution; and
- (iii) the Company should, as and when appropriate and necessary, seek its external legal or other professional advice as to any action required to be taken in relation to any proposed transactions or events in the future.

Going forward, the Company will make such disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors;
“Company”	Bossini International Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0592);
“Director(s)”	the director(s) of the Company;
“Financial Product”	Credit Suisse Nova (Lux) Fixed Maturity Bond Fund 2019;
“First Subscription”	the subscription of the Financial Product with a principal amount of HK\$77.9 million by the Company on 15 June 2016;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Law”	Mr. Law Ka Sing, the controlling Shareholder;
“Second Subscription”	the subscription of the Financial Product with a principal amount of HK\$155.1 million by the Company on 17 June 2016;
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company;
“Shares”	shares of HK\$0.10 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriptions”	the First Subscription and the Second Subscription;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

By Order of the Board
Bossini International Holdings Limited
TSIN Man Kuen Bess
Chairman

Hong Kong, 7 February 2017

As at the date of this announcement, the Board comprises three Executive Directors, namely Ms. TSIN Man Kuen Bess (Chairman), Mr. MAK Tak Cheong Edmund and Mr. CHAN Cheuk Him Paul and three Independent Non-executive Directors, namely Dr. LEE Man Chun Raymond, Ms. LEUNG Mei Han and Prof. SIN Yat Ming.