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**POU SHENG INTERNATIONAL (HOLDINGS) LIMITED**

**寶勝國際（控股）有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 3813)**

**RENEWAL OF CONTINUING CONNECTED  
TRANSACTIONS IN RELATION TO  
THE FRAMEWORK AGREEMENT WITH VIPSHOP**

With a view to continuing business, on 19 December 2019, the Company entered into the Framework Agreement with Vipshop, pursuant to which, the Company may, through members of the Group, continue to supply the Products to members of the VIP Group from time to time for sale on the online platform of the VIP Group.

As at the date of this announcement, Vipshop holds 45% of the equity interests in Baowei and therefore is a substantial shareholder of Baowei, which is a non wholly-owned subsidiary of the Company. Therefore, Vipshop is a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules. The entering into of the Framework Agreement and the transactions contemplated thereunder therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.101 of the Listing Rules, the Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements.

Reference is made to the announcement of the Company dated 27 June 2019 in relation to, inter alia, the continuing transactions becoming continuing connected transactions between the Company and Vipshop under the Existing Framework Agreement, pursuant to which, members of the Group may supply the Products to members of the VIP Group for sale on the online platform of the VIP Group for a one-year term ending on 31 December 2019.

As the Existing Framework Agreement is due to expire on 31 December 2019, on 19 December 2019, the Company entered into the Framework Agreement with Vipshop, pursuant to which, the Company may, through members of the Group, continue to supply the Products to members of the VIP Group from time to time for sale on the online platform of the VIP Group for a further term of one year commencing from 1 January 2020 and ending on 31 December 2020.

A summary of some of the principal terms of the Framework Agreement is set out below.

**FRAMEWORK AGREEMENT**

Date: 19 December 2019

Parties: (1) the Company  
(2) Vipshop

Term: From 1 January 2020 to 31 December 2020

Subject matter: The Company may, through Baowei and other members of the Group, supply the Products to members of the VIP Group from time to time during the term of the Framework Agreement for sale on the online platform of the VIP Group, subject to the terms of the Individual Contracts.

All Products shall be supplied by Baowei and other members of the Group to members of the VIP Group (i) at the final selling price of the Products being sold through its online platform to the end customers; and (ii) in any event, on normal commercial terms or on terms no less favourable to the Group than those offered by the Group to other online sales companies which are independent third parties. Specific terms of sale will be set out in the Individual Contracts.

**Annual Cap**

The table below sets out the maximum aggregate value of the contract sum in respect of the Products to be sold by members of the Group to members of the VIP Group for the year ending 31 December 2020, as set out in the Framework Agreement.

<b>Year</b>	<b>Annual Cap</b>
1 January 2020 to 31 December 2020	RMB2,000,000,000 (equivalent to approximately HK\$2,276,000,000)

The annual cap for the aforesaid year is determined after taking into account (a) the final selling price of the Products; (b) the historical sale amounts of the Products through the online platform of the VIP Group; and (c) the expected increase (taking into account significant growth between full year ended 31 December 2017 and eleven months ended 30 November 2019) of the sale amounts of the Products to the end customers through the online platform of the VIP Group.

Based on the record of the Group, the amounts of orders placed by the VIP Group for the years ended 31 December 2017 and 31 December 2018 and for the eleven months ended 30 November 2019 were approximately RMB56.44 million, RMB506.86 million and RMB1,007.41 million respectively.

### **INTERNAL CONTROL PROCEDURES**

The Company will check the final selling price of the Products being sold by the VIP Group through its online platform to the end customers in order to ensure that the sale is on normal commercial terms or on terms no less favourable to the Group than those offered by the Group to other online sales companies which are independent third parties.

### **INFORMATION ON THE PARTIES**

The Company is a company incorporated in Bermuda with limited liability and is an investment holding company.

The Group is principally engaged in the retailing of sportswear and footwear products, distribution of licensed products and sports services.

Baowei is a joint venture company established in the PRC with 55% and 45% of its equity interests being held by an indirect wholly-owned subsidiary of the Company and Vipshop respectively as of the date of this announcement. The principal activities of Baowei are, among other things, the wholesaling of sportswear to online platform operators and/or online retailers/distributors, the retailing of sportswear on third party online platforms and related consulting services.

Vipshop is a company established under the laws of the PRC with limited liability. Based on public available information, the principal activities of the VIP Group are online sales of domestic and overseas brand products.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT**

The VIP Group is one of the largest online retail sales platforms in the PRC. Through (i) establishing the joint venture company, namely Baowei, and (ii) entering into the Framework Agreement with Vipshop, synergistic effect can be created for both the Group and the VIP Group by utilising their comparative advantages in both offline and online retailing. The Directors expect that the Group will benefit from a further boost in its sales to the end customers in the PRC market through this cooperation.

The Directors (including the independent non-executive Directors) are of the view that the Framework Agreement and the transactions contemplated thereunder are conducted on arm’s length basis and on normal commercial terms or better and in the ordinary and usual course of business of the Group, and that the terms of the Framework Agreement including the annual cap are fair and reasonable and the entering into of the Framework Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Vipshop holds 45% of the equity interests in Baowei and therefore is a substantial shareholder of Baowei, which is a non wholly-owned subsidiary of the Company. Therefore, Vipshop is a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules. The entering into of the Framework Agreement and the transactions contemplated thereunder therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.101 of the Listing Rules, the Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders’ approval requirements.

None of the Directors has a material interest in the Framework Agreement and the transactions contemplated thereunder and hence no Director has abstained from voting on the relevant resolution approving the Framework Agreement at the Board meeting.

**DEFINITIONS**

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

- “associate(s)” has the meaning ascribed to it under the Listing Rules
- “Baowei” Kunshan Baowei Information Technology Co., Ltd. (昆山寶唯信息科技有限公司), a joint venture company established in the PRC with 55% and 45% of its equity interests being held by a subsidiary of the Company and Vipshop respectively as of the date of this announcement
- “Board” the board of Directors
- “Company” Pou Sheng International (Holdings) Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange with stock code 3813

“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Existing Framework Agreement”	the framework agreement dated 22 March 2019 entered into between the Company and Vipshop in respect of the sale and purchase of the Products between members of the Group and members of the VIP Group
“Framework Agreement”	the framework agreement dated 19 December 2019 entered into between the Company and Vipshop in respect of the sale and purchase of the Products between members of the Group and members of the VIP Group
“Group”	the Company and its subsidiaries, jointly controlled entities and associates
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong Special Administrative Region of the PRC
“Individual Contract(s)”	the individual contract(s), purchase order(s) or invoice(s), commodity agreements or any other documents entered into or to be entered into between the members of the Group and the members of the VIP Group, which set(s) out the detailed terms and arrangement of the sale and purchase of the Products
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Products”	the sportswear, apparel, footwear and accessories products of brands which the Group is authorised to distribute, which for the present purpose, including but not limited to <i>Nike, Adidas, PUMA, Converse, Onitsuka Tiger, Rockport, Geox, Levi’s FW, Keds, Hush Puppies, Sperry, PONY, Skechers, Superdry, Jack Wolfskin, The North Face, etc.</i> brand products
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VIP Group”	Vipshop and its subsidiaries, jointly controlled entities and associates; but for the avoidance of doubt, excludes Baowei
“Vipshop”	Vipshop (China) Co., Ltd. (唯品會(中國)有限公司), a company established in the PRC with limited liability
“%”	per cent.

*For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB1: HK\$1.138. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rate or at any other rates at all.*

By Order of the Board  
**Wu, Pan-Tsu**  
*Chairman*

Hong Kong, 19 December 2019

*As at the date of this announcement, the Board comprises:*

*Executive Directors*

*Mr. Wu, Pan-Tsu (Chairman) and Mr. Lee, Shao-Wu (Chief Executive Officer)*

*Non-executive Directors*

*Ms. Tsai Patty, Pei Chun and Mr. Li I-nan*

*Independent Non-executive Directors*

*Mr. Chen, Huan-Chung, Mr. Hsieh, Wuei-Jung and Mr. Feng Lei Ming*

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