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Boshiwa

BOSHIWA INTERNATIONAL HOLDING LIMITED

博士蛙國際控股有限公司

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1698)

UPDATE ON SUSPENSION OF TRADING

This announcement is made by Boshiwa International Holding Limited (Provisional Liquidators Appointed) (the “**Company**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is also made to the announcements of the Company dated 7 March 2016, 8 April 2016, 9 May 2016, 24 June 2016, 2 August 2016, 26 August 2016, 31 October 2016 and 30 November 2016 in relation to, among others, the update on suspension of trading.

As mentioned in the announcements of the Company dated 26 August 2016, 31 October 2016 and 30 November 2016, the Company, the joint provisional liquidators of the Company (the “**Provisional Liquidators**”) and a potential investor (the “**Potential Investor**”) entered into the exclusivity agreement (the “**Exclusivity Agreement**”) on 26 August 2016, pursuant to which the Potential Investor has agreed to advance a secured interest-carrying interim working capital facility of up to HK\$10 million (the “**Facility**”) to a subsidiary of the Company on terms and conditions to be agreed and documented under separate facility agreements. In the event that the Potential Investor is unable to deliver the Facility contemplated under the separate facility agreements, the Exclusivity Agreement will terminate immediately without prejudice to any of the rights or remedy available to the Company and the Provisional Liquidators.

FACILITY AGREEMENT

The Company wishes to announce that on 5 December 2016, Gold Topper Development Limited, an indirect wholly-owned subsidiary of the Company (the “**Borrower**”) and the Potential Investor entered in to the facility agreement (the “**Facility Agreement**”), pursuant to which the Potential Investor agreed to advance the Facility to the Borrower for the purpose of providing short term financing to the Borrower as general working capital. Principal terms of the Facility Agreement are as follows:

Date : 5 December 2016

Parties : The Borrower; and

		The Potential Investor as lender
Facility amount	:	Up to HK\$10 million
Term	:	18 months after the date of the Facility Agreement or such other period as the parties may agree in writing (“ Repayment Date ”)
Interest rate	:	2% per annum above the prime rate for Hong Kong dollars from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited (the “ Interest Rate ”)
Default interest	:	If the Borrower fails to pay all outstanding principal of the amount advanced and interest thereon and other sums in respect of the Facility or amount advanced (“ Secured Indebtedness ”) on the due date for payment, interest shall be payable on demand from the due date or dates for payment thereof until payment of such principal or interest or other sums (as the case may be) at the rate of 2% per annum above the Interest Rate or at such other rate as the Potential Investor may from time to time determine and so long as the failure continues the relevant rate of interest shall be re-calculated on the same basis thereafter and shall be compounded at monthly intervals.
Drawdown	:	To be drawn down on any business day (a day (other than Saturday) on which banks in Hong Kong are open for business) during the drawdown period (period of 9 months commencing from the date of the Facility Agreement or such other period as the parties may agree in writing during which the Borrower may make drawing(s) under the Facility Agreement)
Security	:	In consideration of the Potential Investor agreeing to continue to make the Facility available to the Borrower upon the terms and conditions of the Facility Agreement, it was a condition precedent under the Facility Agreement that Golden Stream Enterprises Limited, being the sole shareholder of the Borrower and a wholly-owned subsidiary of the Company, as beneficial owner mortgages, charges and assigns by way of a first legal mortgage over the shares of the Borrower (representing the entire issued share capital of the Borrower) to the Potential Investor as a continuing security.
Repayment	:	The Potential Investor may in its sole and absolute discretion, at any time (i) after the date of the Facility Agreement; or (ii) within three (3) months from the date of termination of the Exclusivity Agreement or completion of the formal restructuring agreements and documents (whichever is earlier); or (iii) within nine (9) months from the date of termination of the Exclusivity Agreement or completion of the formal restructuring agreements or documents (whichever is earlier) due to the default and/or omission of the Potential Investor, require the Borrower to repay the amount advanced pursuant to the Facility together with

interest accrued thereon and all outstanding amount in respect of the Secured Indebtedness on demand.

Subject to the above, the Borrower shall repay the amount advanced by the Potential Investor pursuant to the Facility Agreement in full together with all interest accrued thereon and all outstanding amount in respect of the Secured Indebtedness on the Repayment Date.

Voluntary prepayment : The Borrower may on any business day prepay the whole or any part of the amount advanced by the Potential Investor pursuant to the Facility Agreement in a minimum amount of HK\$500,000 or in integral multiples thereof, each together with interest accrued to the date of prepayment on the amount to be prepaid provided that the Borrower shall have given to the Potential Investor prior written notice of its intention to make such prepayment and specifying the amount to be prepaid and the proposed date of such prepayment.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange will remain suspended until further notice.

Further announcement(s) will be made by the Company to update the shareholders of the Company on the development of the Company as and when appropriate pursuant to the requirements of the Listing Rules.

There is no assurance that the restructuring will materialise or eventually be consummated. Shareholders and all potential investors of the Company should be aware that the arrangement of the restructuring is subject to further negotiations between the Potential Investor, the Provisional Liquidators and the Company.

For and on behalf of
Boshiwa International Holding Limited
(Provisional Liquidators Appointed)
Stephen Liu Yiu Keung
David Yen Ching Wai
Keiran Hutchison
Joint Provisional Liquidators
who act without personal liabilities

Hong Kong, 9 December 2016

As at the date of this announcement, the executive directors of the Company are Mr. Zhong Zheng Yong, Ms. Chen Li Ping and Mr. Chen Pei Qi.