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Bauhaus International (Holdings) Limited

包浩斯國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 483)

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF PROPERTIES
AND
NOTICE OF BOARD MEETING**

THE DISPOSAL

The Board announces that on 18 September 2020 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreements with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Properties for an aggregate consideration of HK\$68,480,000.

GENERAL

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and is required to abstain from voting for the resolution to approve the Disposal, should the Disposal be put forward to the shareholders to approve at a general meeting of the Company. The controlling shareholders of the Company have approved the Disposal 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.

A circular containing, amongst others, details of the Disposal and the valuation report of the Properties are expected to be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 13 October 2020, being 15 business days after the publication of this announcement.

INTRODUCTION

The Board announces that on 18 September 2020 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreements with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Properties for an aggregate consideration of HK\$68,480,000.

THE PROVISIONAL SALE AND PURCHASE AGREEMENTS

The principal terms of the Provisional Sale and Purchase Agreements are summarized as follows:

Date

18 September 2020 (after trading hours)

Parties

Vendor: Bauhaus Property Limited, a wholly-owned subsidiary of the Company

Purchaser: Bright Excellent Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Properties to be disposed of

Property 1: Workshop nos. 47, 48, 49, 50, 51 on 1/F and flat roof of workshop nos. 27, 28, 47, 48 on 1/F Sino Industrial Plaza, No. 9 Kai Cheung Road, Kowloon, Hong Kong.

Property 2: Workshop nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 32A, 33A, 34, 35, 36, 37, 38, 39, 40 on 6/F and lorry car parking space no. L11 on basement of Sino Industrial Plaza, No. 9 Kai Cheung Road, Kowloon, Hong Kong.

Consideration and basis of determining the Consideration

The consideration of Property 1 is HK\$13,800,000, which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) HK\$690,000 shall be paid upon signing of the Provisional Sale and Purchase Agreement as initial deposit;
- (b) HK\$690,000 shall be paid on or before 5 October 2020 as further deposit; and
- (c) the balance in the sum of HK\$12,420,000 shall be paid in full upon Completion.

The consideration of Property 2 is HK\$54,680,000, which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) HK\$2,700,000 shall be paid upon signing of the Provisional Sale and Purchase Agreement as initial deposit;
- (b) HK\$2,768,000 shall be paid on or before 5 October 2020 as further deposit; and
- (c) the balance in the sum of HK\$49,212,000 shall be paid in full upon Completion.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the preliminary valuation of the Properties made by an independent qualified valuer as at 17 September 2020 of approximately HK\$15,700,000 and HK\$61,300,000 in respect of Property 1 and Property 2 respectively and the market value of comparable properties in Hong Kong.

Formal agreement

A formal agreement for sale and purchase of each of the Properties will be signed by the Vendor and the Purchaser on or before 5 October 2020.

Completion

Completion shall take place on or before 20 November 2020. Upon Completion, the Vendor shall deliver vacant possession of the Properties to the Purchaser.

Timing of certain key dates

Where either the Vendor or the Purchaser or their respective solicitors or the business of either of their solicitors is suspended due to government actions against the Novel Infectious Disease, upon production of the relevant certificates in writing as issued by the government of Hong Kong, the date of payment of further deposit, formal agreement for sale and purchase and/or Completion shall be deferred to the 7th working day after the mandatory quarantine is ended or business of the solicitors is resumed (whichever is later).

INFORMATION OF THE PARTIES

The Group is principally engaged in design and retail of trendy apparel, bags and fashion accessories.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal business of the Purchaser is investment holding. The ultimate beneficial owner of the Purchaser is Mr. Hu Caibo.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors have been assessing the property market in Hong Kong and reviewing the Group's options over the Properties as held by the Group. Having considered that the Properties are not essential for the Group's future operations, the Disposal will not have a material adverse effect on the Group's operations. The Directors therefore believe that the Disposal represents a good opportunity for the Company to realize the value of the Properties at a reasonable price and the proceeds from the Disposal will bring forth value to its Shareholders, and increase the general working capital of the Group.

The Directors consider the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS ON THE GROUP

The proceeds arising from the Disposal is HK\$68,480,000 and is expected to be used in the following manner: (i) about HK\$44,000,000 for the payment of a special dividend to the Shareholders as of the relevant record date (the "**Special Dividend**"); and (ii) the remaining balance of the proceeds (after deducting expenses in relation to the Disposal) be used as the Group's general working capital. Further announcement will be made by the Company in respect of the Special Dividend.

Based on, inter alia, the Consideration and the unaudited carrying value of the Properties as at 31 August 2020, the Group currently expects to record a gain on disposal of approximately HK\$47,400,000 upon Completion.

GENERAL

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and is required to abstain from voting for the resolution to approve the Disposal, should the Disposal be put forward to the shareholders to approve at a general meeting of the Company. (i) Mr. Wong Yui Lam and his controlled corporation Wonder View Limited, (ii) Madam Tong She Man, Winnie through her controlled corporation Great Elite Corporation, and (iii) New Huge Treasure Investments Limited, being the controlling shareholders of the Company, are collectively interested in 246,168,000 Shares, representing approximately 67.01% of the issued share capital of the Company as at the date of this announcement. The said controlling shareholders have approved the Disposal 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. A circular containing, amongst others, details of the Disposal are expected to be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 13 October 2020, being 15 business days after the publication of this announcement.

NOTICE OF BOARD MEETING

As disclosed above, subject to Completion, it is intended that a Special Dividend will be made. Notice is hereby given that a meeting of the Board will be held on Monday, 19 October 2020 for the purpose of, among other things, considering and approving the recommendation on the payment of the Special Dividend.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Bauhaus International (Holdings) Limited, a company incorporated in the Cayman Islands
“Completion”	the completion of the Disposal
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of HK\$68,480,000 payable by the Purchaser for the Disposal
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Properties by the Vendor to the Purchaser pursuant to the terms of the Provisional Sale and Purchase Agreements
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Special Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Properties”	Property 1 and Property 2
“Property 1”	workshop nos. 47, 48, 49, 50, 51 on 1/F and flat roof of workshop nos. 27, 28, 47, 48 on 1/F Sino Industrial Plaza, No. 9 Kai Cheung Road, Kowloon, Hong Kong

“Property 2”	workshop nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 32A, 33A, 34, 35, 36, 37, 38, 39, 40 on 6/F and lorry car parking space no. L11 on basement of Sino Industrial Plaza, No. 9 Kai Cheung Road, Kowloon, Hong Kong
“Provisional Sale and Purchase Agreements”	the provisional sale and purchase agreements dated 18 September 2020 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Properties and each a Provisional Sale and Purchase Agreement
“Purchaser”	Bright Excellent Limited (明亮光有限公司), a company incorporated in Hong Kong with limited liability
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of share(s)
“Special Dividend”	has the meaning ascribed to it in the section headed “Financial Effects on the Group” of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Bauhaus Property Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

By Order of the Board
Bauhaus International (Holdings) Limited
Wong Yui Lam
Chairman

Hong Kong, 18 September 2020

As at the date of this announcement, the executive Directors are Mr. Wong Yui Lam, Madam Tong She Man, Winnie and Mr. Yeung Yat Hang; and the independent non-executive Directors are Mr. Chu To Ki, Mr. Mak Wing Kit and Mr. Mak Siu Yan.