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## MIKO INTERNATIONAL HOLDINGS LIMITED

### 米格國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1247)

### DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

Reference is made to the Prospectus.

The Board is pleased to announce that, in pursuance of the Pre-purchase Agreement, on March 18, 2015, Red Kids China entered into the Property Transfer Agreement with Shanghai Fashitu in respect of the acquisition of a building which had completed construction in the Shangzhifang Fashion Culture Creative Park.

As certain of the applicable percentage ratios stipulated under Chapter 14 of the Listing Rules in respect of the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### BACKGROUND

Reference is made to the Prospectus.

As disclosed in the paragraph headed “Property to be acquired by our Group” under the section headed “Business” of the Prospectus, on June 13, 2013, Red Kids China entered into the Pre-purchase Agreement with Shanghai Fashitu Investment Group Limited (上海法詩圖投資集團有限公司) (“**Shanghai Fashitu**”), an independent third party, pursuant to which Red Kids China agreed to acquire from Shanghai Fashitu a building under construction situated at Shangzhifang Fashion Culture Creative Park, No. 6066, Songze Avenue, Qingpu District, Shanghai (the “**Shangzhifang Fashion Culture Creative Park**”) with a gross floor area of 10,709.6 sq.m.. Red Kids China had paid a total of RMB92,000,000 (the “**Advance Payments**”) towards the total consideration payable under the Pre-purchase Agreement as at the date of this announcement.

## ACQUISITION OF PROPERTY

The Board is pleased to announce that, in pursuance of the Pre-purchase Agreement, on March 18, 2015, Red Kids China entered into the Property Transfer Agreement with Shanghai Fashitu in respect of the acquisition of a building which had completed construction in the Shangzhifang Fashion Culture Creative Park. The major terms of the Property Transfer Agreement are set out below:

**Date** : March 18, 2015 (after trading hours)

**Parties** : Vendor: Shanghai Fashitu

Purchaser: Red Kids China

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

**Subject Property** : Building No. 7, Shangzhifang Fashion Culture Creative Park, No. 6066, Songze Avenue, Qingpu District, Shanghai, with a gross floor area of 2,069.13 sq.m. ("**Building No. 7**")

**Consideration** : RMB59,177,118

The consideration for acquiring Building No. 7 was determined on an arm's length basis and normal commercial terms. The balance of the consideration after the deduction of any down payment (as set out below) made pursuant to the Property Transfer Agreement shall be satisfied by setting off against the Advance Payments, and the balance of the Advance Payments in the amount of RMB33,822,882 shall be refunded to Red Kids China in two tranches as set out below.

**Terms of Payment** : RMB1,000,000 as down payment for Building No. 7 paid by Red Kids China to Shanghai Fashitu on the same date as the signing of the Property Transfer Agreement

RMB20,000,000 to be refunded by Shanghai Fashitu to Red Kids China by April 30, 2015

Remaining balance of the Advance Payments of RMB13,822,882 to be refunded by Shanghai Fashitu to Red Kids China when the formal agreement for the registration of transfer of property title of Building No. 7 is signed

## REASONS FOR AND BENEFITS OF THE TRANSACTION

As disclosed in the Prospectus, the Group intends to utilize the acquired building in the Shangzhifang Fashion Culture Creative Park to set up the Group's research and development center in Shanghai. The Group decided to enter into the Pre-purchase Agreement and the Property Transfer Agreement with Shanghai Fashitu primarily because of the location of the Shangzhifang Fashion Culture Creative Park and their commercial terms, including the price, which the Board considered reasonable.

The Group was informed by Shanghai Fashitu that as the construction of Building No.18 in the Shanghai Fashion Culture Creative Park (“**Building No.18**”), the subject property of the Pre-purchase Agreement, had fallen behind the original schedule, delivery of Building No.18 was expected to be postponed significantly. In order not to cause any further delay of the Group’s plan to set up its research and development centre in Shanghai, and given that Building No.7 was readily available, after arm’s length negotiation between the parties, the Group agreed to take delivery of Building No.7 instead of waiting for the construction of Building No.18 to complete. In addition, after deducting the consideration for Building No. 7, the balance of RMB33,822,882 of the Advance Payments shall be refunded to the Group.

Taking into account the above factors, the Board considers that the terms of the Acquisition are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Property Transfer Agreement was signed by the Group with an Independent Third Party. As certain of the applicable percentage ratios stipulated under Chapter 14 of the Listing Rules in respect of the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **INFORMATION ABOUT THE GROUP**

The Group is one of the leading mid-to-high end children’s apparel brands in the PRC. It designs, develops, produces, markets and distributes children’s apparel. In 2013, the Group was awarded the “Top Ten Brands for Children’s Apparel in China” (中國十大童裝品牌) issued by the China National Garment Association (中國 裝協 ). As at 31 December 2014, the Group, its distributors and sub-distributors owned and operated more than 620 retail stores in the PRC.

## **INFORMATION ABOUT SHANGHAI FASHITU**

Shanghai Fashitu was founded in 2004 and is involved in the real estate business, including the selling and leasing of real estate properties in the PRC.

## **DEFINITIONS**

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

“Acquisition”	the transaction contemplated under the Property Transfer Agreement
“Board”	the board of directors of the Company
“Company”	Miko International Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Independent Third Party”	a third party not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Pre-purchase Agreement”	the property pre-purchase agreement dated June 13, 2013 entered into by Red Kids China and Shanghai Fashitu in respect of the acquisition of a building under construction situated at the Shangzhifang Fashion Culture Creative Park
“PRC”	the People’s Republic of China
“Red Kids China”	Red Kids (China) Co., Ltd. (紅孩兒(中國) 有限公司), a wholly foreign-owned enterprise established under the laws of the PRC on January 20, 2000 and an indirect wholly-owned subsidiary of the Company
“Prospectus”	the prospectus of the Company dated December 31, 2013
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By Order of the Board  
**Miko International Holdings Limited**  
**Ding Peiji**  
Chairman

Hong Kong, March 18, 2015

As at the date of this announcement, our executive Directors are Mr. Ding Peiji, Mr. Ding Peiyuan, Ms. Ding Lizhen and Mr. Gu Jishi; and our independent non-executive Directors are Mr. Leung Wai Yip, Mr. Mei Wenjue and Mr. Zhu Wenxin.