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CHRISTINE INTERNATIONAL HOLDINGS LIMITED

克莉絲汀國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1210)

DISCLOSEABLE TRANSACTION: DISPOSAL OF PROPERTIES

The Board announces that on 9 June 2022 and on 12 June 2022 respectively, the Vendor, a wholly-owned subsidiary of the Company, entered into the First SPA and the Second SPA with the Purchaser in respect of the sale and purchase of Property A and Property B respectively.

Since one or more of the applicable percentage ratios are more than 5% but less than 25%, the Disposals of the Properties, on aggregate basis, constitutes a discloseable transaction of the Company under Chapter 14 of Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

INTRODUCTION

The Board announces that on 9 June 2022 and 12 June 2022 respectively, the Vendor, a wholly-owned subsidiary of the Company, entered into the First SPA and the Second SPA with the Purchaser in respect of sale and purchase of Property A and Property B respectively.

THE FIRST SPA

The summary of principal terms of the First SPA is as follows:

Date : 9 June 2022

Parties : the Vendor, as vendor
the Purchaser, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

Subject property : Property A located at 中國上海西藏南路1431號1, 2層整層 (unofficial English translation being the whole floor of 1/F and 2/F., No. 1431, Xizang Nan Lu, Shanghai, the PRC with a gross floor area of 257.96 square metre and for office use.

Consideration : RMB13,500,000

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms and with reference to the prevailing property market price in Shanghai and the pricing of the similar properties located in the nearby areas.

Completion : The Group handed over the property to the Purchaser on around 8 March 2023. Please refer to "Delay in Payment and Completion" below.

THE SECOND SPA

The summary of principal terms of the Second SPA is as follows:

Date : 12 June 2022

Parties : the Vendor, as vendor
the Purchaser, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

Subject property : Property B located at 中國上海惠南鎮人民東路2693, 2695, 2729 弄4號202室 (unofficial English translation being Room 202, No. 4 of 2693, 2695, 2729 Renmindong Lu, Huinan Zhen, Shanghai, the PRC with a gross floor area of 214.32 square metre and for residential use.

Consideration : RMB3,389,000

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms and with reference to the prevailing property market price in Shanghai and the pricing of the similar properties located in the nearby areas.

Completion Date : The Group handed over the property to Purchaser on around 8 March 2023. Please refer to "Delay in Payment and Completion" below.

DELAY IN PAYMENT AND COMPLETION

Time	Payment
4 March 2022	RMB8.27 million
23 February 2023 – 8 March 2023	<u>RMB8.62 million</u>
	<u><u>RMB16.89 million</u></u>

The Purchaser experienced financial difficulties in settlement of full purchase amount and proposed deferring payment. As such, the Company did not deliver vacant possession of the premise before full payment was settled. The Purchaser paid the full purchase amount on 8 March 2023. The Company handed over property to the Purchaser upon receipt of full payment on 8 March 2023.

USE OF PROCEEDS

	Amount <i>(RMB million)</i>
Staff costs	9.72
Raw materials and ingredients	5.46
Rent, utilities and miscellaneous expenses	<u>1.71</u>
Total:	<u><u>16.89</u></u>

REASONS FOR AND BENEFITS OF THE DISPOSALS

As disclosed in the 2021 annual report, the Group incurred a loss of approximately RMB172.4 million for the year ended 31 December 2021, and as of 31 December 2021, the Group had net current liabilities of approximately RMB542.6 million.

The Directors believe that the Disposals represented good opportunities for the Company to obtain funding to relieve short-term financial pressure. The Directors consider the terms of the SPAs and transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS ON THE GROUP

Based on, among others, the aggregate consideration of the Disposals in the sum of approximately RMB16.89 million and the carrying value of the Properties as at 31 December 2021 of RMB768,421 (in which Property A and Property B's carrying value are RMB288,171 and RMB480,250 respectively), the Group currently expects to record a gain on disposal of approximately RMB16,120,579 upon Completion (and for information purpose only, each of the First Disposal and the Second Disposal would record a gain of RMB13.2 million and RMB2.9 million respectively).

The proceeds arising from the Disposals have been utilized in the manner as described in the section headed "Use of Proceeds" above.

INFORMATION OF THE PARTIES

The Company is an investment holding company, and the Group is a leading bakery chain operator in the PRC, principally engaged in the operation of retail chain selling bakery products. The Vendor, the registered owner of the Property, is principally engaged in bakery business in PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a merchant in the PRC.

IMPLICATIONS UNDER THE LISTING RULES

Since one or more of the applicable percentage ratios are more than 5% but less than 25%, the Disposals of the Properties, on aggregate basis, constitutes a discloseable transaction of the Company under Chapter 14 of Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

NON-COMPLIANCE WITH THE LISTING RULES AND REMEDIAL ACTIONS TAKEN BY THE COMPANY

At the time of entering into the SPAs, the handling staff considered that the Disposals were part of the Group's ordinary and usual course of business and was therefore exempt from compliance with the requirements under Chapter 14 of the Listing Rules. Subsequently, it has come to the attention of the Board that the Disposals constituted notifiable transactions under Chapter 14 of the Listing Rules.

The Company admits its delay in compliance with the said requirements under the Listing Rules due to the above reasons. The Company understands that it should have published an announcement as soon as possible.

The Company regrets its non-compliance with the Listing Rules but the Company would like to stress that the non-compliance of the Listing Rules was inadvertent and unintentional. To prevent the re-occurrence of similar incidents in the future, the Company has implemented the following remedial actions:

1. the Company shall also remind its management and the respective person-in-charge of the Group's business units to report those transactions which may constitute potential notifiable transactions to the office of the Board for approval and assessment of the disclosure obligations prior to the entering into of those transactions; and
2. the Company shall maintain closer cooperation with the professional advisers of the Company in relation to regulatory compliance.

The Group shall continue to enhance its internal control management regarding compliance and risk control matters of its businesses, thereby avoiding the re-occurrence of similar incidents.

DEFINITIONS

“Board”	the board of Directors
“Company”	Christine International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange with stock code 1210
“Completion”	the completion of the Disposal
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposals”	the First Disposal and the Second Disposal collectively
“First Disposal”	the disposal of Property A pursuant to the terms of the First SPA
“First SPA”	the sale and purchase agreement entered into between the Vendor and the Purchaser dated 9 June 2022 in relation to the sale and purchase of Property A
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Property A”	the property located at 中國上海西藏南路1431號1，2層整層 (unofficial English translation being the whole floor of 1/F and 2/F., No. 1431, Xizang Nan Lu, Shanghai, the PRC with a gross floor area of 257.96 square metre and for office use
“Property B”	the property located at 中國上海惠南鎮人民東路2693, 2695, 2729弄4號202室 (unofficial English translation being Room 202, No. 4 of 2693, 2695, 2729 Renmindong Lu, Huinan Zhen, Shanghai, the PRC with a gross floor area of 214.32 square metre and for residential use
“Properties”	Property A and Property B collectively
“Purchaser”	周强玲 (unofficial English translation being Zhou Qiangling)
“RMB”	Renminbi, the lawful currency of the PRC
“Second Disposal”	the disposal of Property B pursuant to the terms of the Second SPA
“Second SPA”	the sale and purchase agreement entered into between the Vendor and the Purchaser dated 12 June 2022 in relation to the sale and purchase of Property B
“Shareholders”	the holders of the shares of the Company
“SPAs”	the First SPA and the Second SPA collectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shanghai Christine Foodstuff Co., Ltd., an indirectly wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board
Christine International Holdings Limited
Chun Bin Xu
Chairman

Shanghai, the PRC, 23 June 2023

As at the date of this announcement, the executive Directors are Mr. Chun Bin Xu (Chairman), Mr. Yong Ning Zhu; the non-executive Director is Mr. Dun-Ching Hung; and the independent non-executive Directors are Dr. Yong Jun Tang, Mr. Hang Sheng Ye and Ms. Hong Xue.