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B & S INTERNATIONAL HOLDINGS LTD.

賓仕國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(the “**Company**”)

(Stock code: 1705)

UPDATE ON LITIGATION

This announcement is made by B & S International Holdings Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcement (the “**Litigation Announcement**”) of the Company dated 2 February 2021 in relation to the proceedings under action number HCA 166 of 2021 (“**HCA 166/2021**”) and HCA 191 of 2021 (“**HCA 191/2021**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Litigation Announcement.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to update the shareholders and potential investors of the Company on the latest development of the abovementioned proceedings. On 18 March 2021, Wise Fine (an indirect wholly-owned subsidiary of the Company) and LHM filed a consent summons to the Court of First Instance of the High Court of Hong Kong (the “**Court**”) for an order that, among others, the proceedings in HCA 166/2021 and HCA 191/2021 be consolidated and thereafter be carried on as one action with HCA 166/2021 as the lead action. On 19 March 2021, an order for, among others, the consolidation of claims with HCA 166/2021 as the lead action was granted by the Court. On 23 March 2021, the consolidated statement of claim (the “**Consolidated Statement of Claim**”) was issued in the Court by Wise Fine.

In the Consolidated Statement of Claim, Wise Fine claims against LHM, among other things:

- (a) a declaration that the Agreement was lawfully terminated upon LHM's repudiatory breach having been accepted by Wise Fine on 22 January 2021 or on the date of service of the HCA 166 Writ;
- (b) a declaration that the Agreement was lawfully rescinded on 22 January 2021 or on the date of service of the HCA 166 Writ on the ground of misrepresentation; or alternatively, an order that the Agreement be set aside or rescinded;
- (c) damages for breach of contract or misrepresentation;
- (d) an order that LHM indemnify Wise Fine from any and all loss and damage sustained by Wise Fine as a result of the defects in the goods supplied by LHM under the Agreement; and
- (e) further interest, costs and other reliefs.

On 11 May 2021, Wise Fine received a consolidated defence and counterclaim (the "**Consolidated Defence and Counterclaim**") from LHM in response to the Consolidated Statement of Claim.

According to the Consolidated Defence and Counterclaim, LHM counterclaims against Wise Fine for, *inter alia*:

- (a) the sum of HK\$9,750,000 as goods sold and delivered or alternatively, the sum of HK\$2,250,000 being the outstanding sum under written production orders no. 3 and 4 issued by Wise Fine to LHM;
- (b) the sum of HK\$5,160,000 or such other sum as the Court deems fit for goods manufactured and produced by LHM in anticipation of further written production orders to be placed by Wise Fine with LHM and in accordance with the Agreement;
- (c) the sum of HK\$12,275,519.34 or such other sum as the Court deems fit for the loss of profit suffered by LHM as a result of the alleged breaches of Wise Fine; and
- (d) further damages, interest, costs and other reliefs.

In light of the Consolidated Defence and Counterclaim, the Board is considering its potential impact on the Company at the moment. The Company is seeking legal advice in respect of the Consolidated Defence and Counterclaim and will defend its position. The Company will keep the shareholders and potential investors of the Company informed of any further significant development as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
B & S International Holdings Ltd.
Chan Kam Chuen Andrew
Chairman and Chief Executive Officer

Hong Kong, 12 May 2021

As at the date of this announcement, the Board comprises Mr. Chan Kam Chuen Andrew, Mr. Chan Siu Cheung Stephen, Mr. Chau Wing Kong William and Ms. Tin Hau Ling Janny as executive Directors; and Mr. Pang Koon Kwai, Mr. See Hung Yan Peter and Mr. Chung Kwok Mo John as independent non-executive Directors.