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bossini

BOSSINI INTERNATIONAL HOLDINGS LIMITED

堡獅龍國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 592)

**CONTINUING CONNECTED TRANSACTIONS
SPORTSWEAR SPONSORSHIP COOPERATION AGREEMENT**

On 7 September 2021 (after trading hours), Shenzhen Bossini and Viva Sports entered into the Sportswear Sponsorship Cooperation Agreement for a term commencing from 7 September 2021 and ending on 31 December 2023, pursuant to which Shenzhen Bossini has agreed to cooperate with Viva Sports to sponsor the Sports Team. For further details, please refer to the section headed “Sportswear Sponsorship Cooperation Agreement” below.

Viva Sports is a wholly-owned subsidiary of Viva China Holdings, the indirect controlling shareholder of the Company. Accordingly, Viva Sports is a connected person of the Company and the transactions contemplated under the Sportswear Sponsorship Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the one or more of the applicable percentage ratios in respect of the proposed annual caps exceed 0.1% but do not exceed 5%, the continuing connected transactions under the Sportswear Sponsorship Cooperation Agreement are subject to reporting and announcement requirements but exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

On 7 September 2021 (after trading hours), Shenzhen Bossini and Viva Sports entered into the Sportswear Sponsorship Cooperation Agreement for a term commencing from 7 September 2021 and ending on 31 December 2023, pursuant to which Shenzhen Bossini has agreed to cooperate with Viva Sports to sponsor the Sports Team.

* For identification purposes only

SPORTSWEAR SPONSORSHIP COOPERATION AGREEMENT

Date: 7 September 2021

Parties: Shenzhen Bossini, a wholly-owned subsidiary of the Company
Viva Sports, a wholly-owned subsidiary of Viva China Holdings

Effective Period

For a term commencing from 7 September 2021 and ending on 31 December 2023.

Principal Terms

Viva Sports has entered into a master agreement with the Association pursuant to which Viva Sports shall sponsor or arrange a designated sponsor for the Sports Team.

Pursuant to the Sportswear Sponsorship Cooperation Agreement, Shenzhen Bossini has agreed to cooperate with Viva Sports to sponsor the Sports Team.

During the effective period of the Sportswear Sponsorship Cooperation Agreement, Shenzhen Bossini shall be the sponsor of the Sports Team. Pursuant to the Sportswear Sponsorship Cooperation Agreement, among other things, Shenzhen Bossini shall have the exclusive rights to use the photos, videos and images of the sportsmen of the Sports Team which the sportsmen have worn the clothes of “bossini” or “bossini.X” in trainings, competitions and other public events. “bossini” or “bossini.X” will be presented as the sponsor of the Sports Team at the relevant sports competitions. Bossini Shenzhen shall also have the rights to request the sportsmen of the Sports Team to attend advertising shooting and products promotion activities. If permitted, Bossini Shenzhen can also display its designated logo on the sports gears of the Sports Team. Bossini Shenzhen shall have the franchise rights to design, manufacture and sell training and competition clothing of the Sports Team.

Pursuant to the Sportswear Sponsorship Cooperation Agreement, Shenzhen Bossini shall (i) pay an annual cooperation fee of RMB4 million; (ii) supply sportswear to the Sports Team with an aggregate amount of RMB3.2 million per year; (iii) supply sports gear to the Sports Team; (iv) share 5% of the revenue for sale of franchised products of the Sports Team with the Association; and (v) provide rewards of not more than RMB1 million if the Sports Team is awarded medals in an international sporting event. The relevant payments and supplies will be paid and/or provided to Viva Sports for onward payment and/or supply to the Sports Team. The fees payable will be satisfied by the internal resources of the Group.

The terms of the Sportswear Sponsorship Cooperation Agreement (including the fees payable) were based on the master agreement entered into between Viva Sports and the Association, which is an independent third party to Viva China Holdings and the Company. The Board considers the terms of the Sportswear Sponsorship Cooperation Agreement (including the fees payable) were fair and reasonable for the reasons set out in the paragraphs headed “Reasons and Benefits of the Transactions” below.

ANNUAL CAPS AND BASIS OF DETERMINATION

The table below sets out the annual cap for the fees and value of the sportswear and gears provided by Shenzhen Bossini to Viva Sports contemplated under the Sportswear Sponsorship Cooperation Agreement:

<i>In RMB</i>	For the year ending 31 December		
	2021	2022	2023
Annual Caps	<u>20 million</u>	<u>20 million</u>	<u>20 million</u>

The annual cap is determined with reference to (i) the amounts payable and value of products to be supplied by Viva Sports to the Association; and (ii) the expected sales of the franchised products.

REASONS AND BENEFITS OF THE TRANSACTIONS

In the first half of 2021, the Company had established strategies on the new brand position and product direction. The “bossini” brand has been repositioned from a lower end fast fashion brand to a street fashion and leisure brand bearing sports vitality. The Company considered that the sponsorship of the Sports Team can help raising the customers’ awareness on the repositioning of the “bossini” brand as a brand bearing sports vitality and reinforcing such brand image.

Viva Sports is a wholly-owned subsidiary of Viva China Holdings, which is principally engaged in sports talent management, competition and event production and management, and sports-related marketing and consultancy service. Viva Sports has an established relationship with different sports associations and teams in the PRC. The execution of the Sportswear Sponsorship Cooperation Agreement offers the Group with an opportunity to provide sponsorship to the Sports Team which is beneficial to the Group in promoting its new brand image.

In view of the reasons and benefits set out above, the Directors (including the independent non-executive Directors) are of the view that as far as the independent Shareholders are concerned, the Sportswear Sponsorship Cooperation Agreement and the transactions contemplated thereunder (together with the annual caps) have been entered into in the ordinary course of business of the Company, and on normal commercial terms after arm's length negotiations between the parties, and the terms of the Sportswear Sponsorship Cooperation Agreement and the transactions contemplated thereunder (together with the annual caps) are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. None of the Directors has a material interest in the aforesaid transactions and therefore no Director has abstained from voting on the Board resolution approving the same.

IMPLICATIONS OF THE LISTING RULES

Viva Sports is a wholly-owned subsidiary of Viva China Holdings, the indirect controlling shareholder of the Company. Accordingly, Viva Sports is a connected person of the Company and the transactions contemplated under the Sportswear Sponsorship Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the one or more of the applicable percentage ratios in respect of the proposed annual caps exceed 0.1% but do not exceed 5%, the continuing connected transactions under the Sportswear Sponsorship Cooperation Agreement are subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

Viva Sports is principally engaged in sports talent management, competition and event production and management, and sports-related marketing and consultancy service. Viva China Holdings is a limited liability company incorporated in the Cayman Islands, the shares of which are listed on GEM of the Stock Exchange. The core business of Viva China Holdings and its subsidiaries is the operation of "Multi-brands Apparels and Footwears". It also engages in the "Sports Experience", including the operation, service provision and investment of sports destinations, sports competitions and events as well as an e-sports club.

Shenzhen Bossini is a wholly-owned subsidiary of the Company, which principally engaged in retailing and distribution of garments. The Company is owned as to approximately 70.65% by Dragon Leap Developments Limited (a company indirectly owned as to 80% by Viva China Holdings) and is an indirect non-wholly owned subsidiary of Viva China Holdings.

DEFINITIONS

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

“Association”	a sport association in the PRC;
“Board”	the board of Directors;
“Company”	Bossini International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 592);
“connected person(s)”	has the meaning as given in the Listing Rules;
“controlling shareholder”	has the meaning as given in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“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;
“percentage ratio(s)”	has the meaning as given in the Listing Rules;
“PRC”	The People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of the shares of the Company;
“Shenzhen Bossini”	深茂景貿易(深圳)有限公司, a company established in the PRC, a wholly-owned subsidiary of the Company;
“Sports Team”	a sports team in PRC;
“Sportswear Sponsorship Cooperation Agreement”	the sportswear sponsorship cooperation agreement dated 7 September 2021 entered into between Shenzhen Bossini and Viva Sports;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Viva China Holdings”	Viva China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange (Stock Code: 8032) and the indirect controlling shareholder of the Company;
“Viva Sports”	非凡領越體育發展(北京)有限公司, a company established in the PRC, a wholly-owned subsidiary of Viva China Holdings; and
“%”	per cent.

By Order of the Board
Bossini International Holdings Limited
Mr. Victor HERRERO
Chairman and Non-executive Director

Hong Kong, 7 September 2021

As at the date of this announcement, the board of Directors comprises three executive Directors, namely Mr. CHEUNG Chi (Co-Chief Executive Officer), Mr. ZHAO Jianguo, and Mr. CHAN Cheuk Him Paul, two non-executive Directors, namely Mr. Victor HERRERO (Chairman) and Mr. LAW Ching Kit Bosco, and three independent non-executive Directors, namely Mr. LEE Kwok Ming, Prof. SIN Yat Ming and Mr. CHEONG Shin Keong.