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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 TRANSACTION**

### **(1) SUPPLEMENTAL AGREEMENT TO SUB-TENANCY AGREEMENT**

### **AND (2) REVISION OF ANNUAL CAPS**

Reference is made to the Previous Announcement published by the Company on 30 March 2021 in respect of the continuing connected transaction under the Sub-Tenancy Agreement made between Bossini Enterprises (as landlord) and Viva China Sports (as tenant).

On 18 March 2022 (after trading hours), Bossini Enterprises entered into the Supplemental Agreement with Viva China Sports to amend certain provisions of the Sub-Tenancy Agreement.

Pursuant to the terms of the Supplemental Agreement, (i) the expiry date of the Sub-Tenancy Agreement was extended from 31 December 2022 to 31 December 2023, (ii) the rent and other charges payable by Viva China Sports to Bossini Enterprises were reduced, and (iii) Viva China Sports was granted the right to request the use of certain car parking spaces.

## **BACKGROUND**

As disclosed in the Previous Announcement, on 30 March 2021, Bossini Enterprises (as landlord) entered into the Sub-Tenancy Agreement with Viva China Sports (as tenant) in respect of a sub-tenancy of the Premises for a term commencing from 1 April 2021 and expiring on the 31 December 2022 (both days inclusive).

\* For identification purposes only

On 2 December 2021, the Head Landlord (as landlord) and Bossini Enterprises (as tenant) entered into two supplemental agreements in respect of the Head Tenancy Agreements, pursuant to which (i) the expiry dates of the tenancies under the Head Tenancy Agreements were extended from 31 December 2022 to 31 December 2023, and (ii) the rent and the service and management charges payable by Bossini Enterprises to the Head Landlord were reduced.

On 18 March 2022 (after trading hours), Bossini Enterprises entered into the Supplemental Agreement with Viva China Sports to amend certain provisions of the Sub-Tenancy Agreement.

Pursuant to the terms of the Supplemental Agreement, (i) the expiry date of the Sub-Tenancy Agreement was extended from 31 December 2022 to 31 December 2023, (ii) the rent and other charges payable by Viva China Sports to Bossini Enterprises were reduced, and (iii) Viva China Sports was granted the right to request the use of certain car parking spaces.

**SUPPLEMENTAL AGREEMENT TO SUB-TENANCY AGREEMENT**

Set out below is a summary of the key terms of the Sub-Tenancy Agreement which were amended or added pursuant to the Supplemental Agreement:

**Term:** **Original**  
21 months commencing on the 1st day of April 2021 and expiring on the 31st day of December 2022 (both days inclusive)

**Amended**  
33 months commencing from 1 April 2021 and expiring on 31 December 2023 (both days inclusive)

**Rent:** **Original**  
HK\$337,412 per calendar month (exclusive of service and management charges, rates and other outgoings payable in respect of the Premises)

**Amended**  
HK\$269,930 per calendar month (exclusive of service and management charges, rates and other outgoings payable in respect of the Premises)

**Other Charges:** **Original**  
Service and management charges, rates, electricity charges, water charges, general cleaning charges, air-conditioning maintenance charges, water dispenser, fire equipment service and door access control maintenance charges in the aggregate sum of HK\$141,012 per calendar month

**Amended**

Service and management charges, rates, electricity charges, general cleaning charges, air-conditioning maintenance charges, water dispenser, fire equipment service and door access control maintenance charges in the aggregate sum of:

- HK\$86,960 per calendar month for the period from 1 April 2021 to 31 December 2021; and
- HK\$140,956 per calendar month for the period from 1 January 2022 to 31 December 2023

**Car Parking Spaces:**

**New term**

Subject to the consent of the Head Landlord and the grant and/or subsistence of the relevant car park licence(s) made between the Head Landlord (as licensor) and Bossini Enterprises (as licensee), Viva China Sports shall have the right to request the use of up to ten private car parking spaces in the PopOffice building to be designated by the Head Landlord from time to time. Viva China Sports shall pay to Bossini Enterprises (in advance without any deduction on the first day of each calendar month) a sum equivalent to the aggregate amount of monthly licence fees payable by Bossini Enterprises to the Head Landlord under the relevant car park licence(s) for each of the car parking space(s) used by Viva China Sports in the relevant calendar month. The licence fee is currently at the rate of HK\$2,900 per car parking space per calendar month (inclusive of rates and management fees) and shall be subject to review by the Head Landlord from time to time. Viva China Sports shall further deposit with Bossini Enterprises such amount as is equivalent to the licence fee deposit(s) required by the Head Landlord (as licensor) under the relevant car park licence(s) from time to time upon demand by Bossini Enterprises as additional deposit.

Save as set out above, other key terms of the Sub-Tenancy Agreement remain unchanged. Pursuant to the Supplemental Agreement, the excess amount of rent and other charges paid by Viva China Sports to Bossini Enterprises pursuant to the original terms of the Sub-Tenancy Agreement shall be refunded to Viva China Sports upon signing of the Supplemental Agreement.

## REVISION OF ANNUAL CAPS

As disclosed in the Previous Announcement, the original annual caps in respect of the Sub-Tenancy Agreement were HK\$4,200,000 and HK\$6,000,000 for each of the financial years ending 31 December 2021 and 2022, respectively.

The total amount paid by Viva China Sports to Bossini Enterprises under the Sub-Tenancy Agreement in the financial year ended 31 December 2021 (without taking into account the refund made pursuant to the Supplemental Agreement) was approximately HK\$4 million.

In view of the amendments made pursuant to the Supplemental Agreement, the table below sets out the revised annual cap for the amounts payable by Viva China Sports to Bossini Enterprises under the Sub-Tenancy Agreement (as supplemented by the Supplemental Agreement) for the financial year ending 31 December 2022 and the new annual cap for the financial year ending 31 December 2023:-

<i>HK\$</i>	<b>For the year ending</b>	
	<b>31 December</b>	
	<b>2022</b>	<b>2023</b>
	<i>(Revised)</i>	<i>(New)</i>
Annual Caps	5,500,000	5,500,000

The above annual caps were determined with reference to (i) the reduced monthly rental payable under the Sub-Tenancy Agreement (as supplemented by the Supplemental Agreement); (ii) the reduced amount of service and management charges, rates and other charges payable under Sub-Tenancy Agreement (as supplemented by the Supplemental Agreement); (iii) the amount of licence fees payable by Viva China Sports to Bossini Enterprises (assuming that a maximum of 10 car parking spaces will be used by Viva China Sports); and (iv) reasonable allowance for the potential increase in car park licence fees, service and management charges, rates and other charges.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

In light of the economic downturn brought about by the COVID-19 outbreak, the Head Landlord agreed to reduce the monthly rent and the service and management charges payable by Bossini Enterprises under the Head Tenancy Agreements, and to extend the tenancy of the Office Premises for an additional year at the reduced rent.

In view of the aforesaid, Bossini Enterprises agreed with Viva China Sports to reduce the monthly rent and the service and management charges payable under the Sub-Tenancy Agreement in proportion to the concession granted by the Head Landlord, as well as to extend the sub-tenancy of the Premises for an additional year at the reduced rent.

Further, Bossini Enterprises was granted the right to licence up to 17 car parking spaces in the PopOffice building under the Head Tenancy Agreement, but more than 10 of such car parking spaces have not been utilized. As such, Bossini Enterprises has agreed that Viva China Sports can request the right to use up to 10 of such car parking spaces, subject to the consent of the Head Landlord.

The Directors are of the view that the reduction of rent and other charges under the Sub-Tenancy Agreement is fair and reasonable in light of the concession granted by the Head Landlord, and the extension of the term of the sub-tenancy and allowing Viva China Sports to use car parking spaces in the building will continue to facilitate the smooth operation of the business of the Group.

The terms of the Supplemental Agreement were reached on an arm's length basis between the parties, taking into account the reduced amount of rent and other charges payable by Bossini Enterprises under the revised Head Tenancy Agreements in respect of the Office Premises. The Directors (including the independent non-executive Directors) consider that the Supplemental Agreement has been entered into on normal commercial terms and the Sub-Tenancy Agreement (as supplemented by the Supplemental Agreement) and its revised annual caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INFORMATION OF BOSSINI ENTERPRISES, VIVA CHINA SPORTS, THE GROUP AND THE VIVA CHINA GROUP**

Bossini Enterprises is an indirect wholly-owned subsidiary of the Company. The Company is owned as to approximately 70.59% by Dragon Leap (a company indirectly owned as to 80% by Viva China Holdings) and is an indirect non-wholly owned subsidiary of Viva China Holdings. Viva China Sports is a direct wholly-owned subsidiary of Viva China Holdings.

The Group is principally engaged in the retailing and distribution of garments bearing the Group's designated brand names including "bossini". The principal business of Viva China Sports is investment holding. The Viva China Group is principally engaged in 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.

## **LISTING RULES IMPLICATIONS**

As mentioned above, Bossini Enterprises is an indirect wholly-owned subsidiary of the Company and Viva China Sports is a direct wholly-owned subsidiary of Viva China Holdings. As Viva China Holdings is the indirect controlling shareholder of the Company, Viva China Sports is a connected person of the Company and the transaction contemplated under the Sub-Tenancy Agreement (as supplemented by the Supplemental Agreement) constitutes a continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As certain applicable percentage ratios in respect of the Sub-Tenancy Agreement (as supplemented by the Supplemental Agreement) are more than 0.1% but less than 5%, the continuing connected transaction contemplated thereunder will be subject to the reporting and announcement requirements only but exempt from the circular and shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Victor Herrero is a non-executive director of Viva China Holdings, he has abstained from voting on the Board resolution to approve the Supplemental Agreement. As no other Director has material interest in the Sub-Tenancy Agreement (as supplemented by the Supplemental Agreement), no other Director has abstained from voting on the relevant Board resolution.

## **DEFINITIONS**

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

“associate(s)”	has the meaning as given in the Listing Rules;
“Board”	the board of Directors;
“Bossini Enterprises”	Bossini Enterprises Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company;
“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;
“Directors”	the directors of the Company;
“Dragon Leap”	Dragon Leap Developments Limited, a company incorporated in the BVI with limited liability, the direct controlling shareholder of the Company
“Group”	the Company and its subsidiaries;
“Head Landlord”	MTR Corporation Limited, an independent third party;

“Head Tenancy Agreements”	a tenancy agreement in respect of Units 1 and 3-8 of the Office Premises and a tenancy agreement in respect of Unit 2 of the Office Premises both dated 8 December 2020 and entered into between the Head Landlord (as landlord) and Bossini Enterprises (as tenant), collectively;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Office Premises”	the Second Floor of PopOffice;
“PopOffice”	the Commercial Development of No. 9 Tong Yin Street, Tseung Kwan O, New Territories erected on part of the land registered in the Land Registry as Tseung Kwan O Town Lot No. 72;
“Premises”	a portion of the Second Floor of PopOffice (comprising an area of approximately 13,499 sq. ft.) as shown for the identification purpose only on the floor plan annexed to the Sub-Tenancy Agreement;
“Previous Announcement”	the announcement published by the Company on 30 March 2021 in respect of the continuing connected transaction under the Sub-Tenancy Agreement;
“Shareholders”	holders of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sub-Tenancy Agreement”	the Sub-Tenancy Agreement dated 30 March 2021 and entered into between Bossini Enterprises (as landlord) and Viva China Sports (as tenant) in respect of the Premises;
“Supplemental Agreement”	the Supplemental Agreement dated 18 March 2022 and entered into between Bossini Enterprises (as landlord) and Viva China Sports (as tenant) in respect of the Sub-Tenancy Agreement;

“Viva China Group”	Viva China Holdings and its subsidiaries;
“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 China Sports”	Viva China Sports Holding Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Viva China Holdings; and
“%”	percent.

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

Hong Kong, 18 March 2022

*As at the date of this announcement, the Board 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.*