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**VIVA CHINA
HOLDINGS LIMITED**
非凡中國控股有限公司
(Incorporated in the Cayman
Islands with limited liability)
(Stock Code: 8032)

**DRAGON LEAP
DEVELOPMENTS
LIMITED**
龍躍發展有限公司

(Incorporated in the British Virgin
Islands with limited liability)



**BOSSINI
INTERNATIONAL
HOLDINGS LIMITED**
堡獅龍國際集團有限公司*
(Incorporated in Bermuda with
limited liability)
(Stock Code: 592)

JOINT ANNOUNCEMENT

**(1) VERY SUBSTANTIAL ACQUISITION FOR VIVA CHINA HOLDINGS
LIMITED IN RELATION TO THE PROPOSED ACQUISITION OF
CONTROLLING STAKE IN
BOSSINI INTERNATIONAL HOLDINGS LIMITED;**

AND

**(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS BY
OPTIMA CAPITAL LIMITED**

**ON BEHALF OF DRAGON LEAP DEVELOPMENTS LIMITED
(AN 80%-OWNED SUBSIDIARY OF VIVA CHINA HOLDINGS LIMITED)
FOR ALL THE ISSUED SHARES IN
BOSSINI INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY DRAGON LEAP DEVELOPMENTS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)
AND FOR THE CANCELLATION OF ALL THE OUTSTANDING
SHARE OPTIONS OF BOSSINI INTERNATIONAL HOLDINGS LIMITED**

Financial adviser to
Viva China Holdings Limited and
Dragon Leap Developments Limited

The logo for Optima Capital, featuring a stylized blue and yellow mountain-like shape above the text "OPTIMA CAPITAL".
Optima Capital Limited

Independent financial adviser to
the Bossini Independent Board Committee

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
流博資本有限公司

* For identification purpose only

THE SHARE PURCHASE AGREEMENT

On 14 May 2020 (after trading hours of the Stock Exchange), the Offeror, the Vendor and Viva China entered into the Share Purchase Agreement, pursuant to which the Offeror (a company owned as to 80% by VC Consumables and 20% by Keystar) has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, being 1,093,091,098 Bossini Shares, representing approximately 66.60% of the entire issued share capital of Bossini as at the date of this joint announcement. The Consideration for the Sale Shares is HK\$46,620,000, equivalent to approximately HK\$0.043 per Sale Share.

Viva China has guaranteed to the Vendor for the due observance and performance by the Offeror of all its agreements, obligations, commitments, warranties and undertakings contained in the Share Purchase Agreement and in all the other documents entered into in relation to or in connection with the Share Purchase Agreement.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

The Offeror and parties acting in concert with it did not own, control or have direction over any Bossini Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Bossini as at the date of this joint announcement, and had not dealt for value in Bossini Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Bossini during the 6-month period preceding the date of this joint announcement.

Immediately following Completion, the Offeror and parties acting in concert with it will own an aggregate of 1,093,091,098 Bossini Shares (representing approximately 66.60% of the Bossini Shares in issue as at the date of this joint announcement).

Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Bossini Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). The Offeror is also required to make a comparable offer to the Bossini Optionholders pursuant to Rule 13.5 of the Takeovers Code to cancel all the outstanding Bossini Share Options.

The Share Offer

For each Offer Share HK\$0.043 in cash

The Share Offer Price of HK\$0.043 per Offer Share is the same as the price per Sale Share payable by the Offeror under the Share Purchase Agreement.

The Option Offer

For cancellation of each Bossini Share Option HK\$0.0001 in cash

The exercise prices of the Bossini Share Options are all above the Share Offer Price of HK\$0.043 per Offer Share under the Share Offer. Arrangements will be made under the Option Offer to cancel the Bossini Share Options for a nominal payment of HK\$0.0001 for each Bossini Share Option.

As at the date of this joint announcement, Bossini has 1,641,333,394 Bossini Shares in issue and 88,708,000 Bossini Share Options entitling the Bossini Optionholders to subscribe for the Bossini Shares at different exercise prices.

Save as disclosed above, Bossini does not have any other outstanding options, warrants, relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into the Bossini Shares.

Optima Capital, the financial adviser to Viva China and the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the Consideration and full acceptance of the Offers.

The Offeror intends to maintain the listing status of Bossini on the Stock Exchange following the close of the Offers.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for Viva China and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

BOSSINI INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Bossini Independent Board Committee has been established by Bossini to make a recommendation to the Bossini Independent Shareholders and the Bossini Optionholders in respect of the Offers.

Rainbow Capital has been appointed as the independent financial adviser to advise the Bossini Independent Board Committee in connection with the Offers and as to their acceptance. The appointment of Rainbow Capital has been approved by the Bossini Independent Board Committee.

GENERAL

The Viva China EGM will be convened and held for the Viva China Shareholders to consider and, if thought fit, to approve, among other matters, the Share Purchase Agreement and the transactions contemplated thereunder.

Mr. Li Ning has irrevocably undertaken to the Vendor to procure Lead Ahead Limited (a company owned as to 60% by Mr. Li Ning), Victory Mind Assets Limited (a company indirectly held by a corporate trustee of two discretionary trusts and Mr. Li Ning is the settlor of one of the discretionary trusts) and Dragon City Management (PTC) Limited (the trustee of a unit trust, the units of which are owned by two family trusts and the beneficiaries of one of the family trusts include Mr. Li Ning), being the shareholders of Viva China holding in aggregate 5,812,443,151 Viva China Shares representing approximately 65.57% of the issued share capital of Viva China as at the date of this joint announcement, and each of Lead Ahead Limited, Victory Mind Assets Limited and Dragon City Management (PTC) Limited has irrevocably undertaken to the Vendor to vote in favour of the resolutions approving the Share Purchase Agreement and the transactions contemplated thereunder at the Viva China EGM.

A circular containing, among other things, details of the Share Purchase Agreement, the financial information and other information of Viva China, the financial information and other information of Bossini, the unaudited pro forma financial information of the Enlarged Group, other information required under the GEM Listing Rules and the notice of the Viva China EGM is expected to be despatched to the Viva China Shareholders on or before 22 June 2020 as additional time is required for preparing the information to be included in the circular.

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror shall despatch an offer document together with the relevant forms of acceptance and transfer in relation to the Offers to the Bossini Shareholders and Bossini Optionholders. Bossini shall within 14 days of the posting of the offer document send to the Bossini Shareholders and Bossini Optionholders an offeree circular. The Offeror and Bossini intend to combine the offer document and the offeree circular in the Composite Document. As the making of the Offers is conditional upon Completion, an application will be made by the Offeror to seek the Executive's consent under Rule 8.2 of the Takeovers Code to extend the latest time for the despatch of the Composite Document to a date falling within seven days of Completion or 10 September 2020 (whichever is earlier) or such other date as the Executive may approve.

WARNING

Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Share Purchase Agreement, and the Acquisition may or may not proceed to Completion. Viva China Shareholders and potential investors of Viva China are reminded to exercise caution when dealing in the securities of Viva China.

The Bossini Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the Bossini Independent Shareholders and the Bossini Optionholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendations of the Bossini Independent Board Committee and the letter of advice from the independent financial adviser in respect of the Offers.

The Offers are subject to Completion which may or may not take place. Accordingly, the Offers may or may not be made. Bossini Shareholders, Bossini Optionholders and potential investors of Bossini are advised to exercise caution when dealing in the securities of Bossini (including the Bossini Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

INTRODUCTION

On 14 May 2020 (after trading hours of the Stock Exchange), the Offeror, the Vendor and Viva China entered into the Share Purchase Agreement, details of which are set out below.

THE SHARE PURCHASE AGREEMENT

Date

14 May 2020

Parties

- (i) the Offeror, as purchaser;
- (ii) Mr. Law Ka Sing, as vendor; and
- (iii) Viva China, as purchaser guarantor.

The Offeror is owned as to 80% by VC Consumables (a wholly-owned subsidiary of Viva China) and 20% by Keystar and is set up for the sole purpose of executing the Acquisition and the holding and operation of the Bossini Group after Completion. Keystar is wholly owned by Mr. Bosco Law who is a nephew of the Vendor. Save for disclosed above, to the best of Viva China Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is independent of Viva China and connected persons of Viva China and the Vendor, Keystar and Mr. Bosco Law do not have any other relationships with or connection to Viva China and connected persons of Viva China.

Subject matter

Pursuant to the Share Purchase Agreement, the Offeror has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, being 1,093,091,098 Bossini Shares (representing approximately 66.60% of the total issued share capital of Bossini as at the date of this joint announcement), free from all Encumbrances together with all rights and benefits attaching or accruing thereto including, without limitation, all dividends and distributions declared, made or paid, on or after the Completion Date.

Consideration

The Consideration is HK\$46,620,000 (equivalent to approximately HK\$0.043 per Sale Share). The Offeror shall pay, and Viva China shall procure the Offeror to pay, the Consideration to the Vendor in the following manner:

- (i) a sum of HK\$4,662,000 (the "**Deposit**"), representing 10% of the Consideration, shall be paid by the Offeror to the Vendor upon the signing of the Share Purchase Agreement. Subject to and upon Completion, the Deposit shall be applied as part payment of the Consideration at Completion; and
- (ii) a sum of HK\$41,958,000 (the "**Completion Payment**"), being the balance of the Consideration after deducting the Deposit received by the Vendor, shall be paid by the Offeror to the Vendor at Completion.

If any of the conditions (other than the condition set out in sub-paragraph (ii) in the paragraph headed “Conditions precedent” below) is not satisfied or waived (as the case may be) on or prior to the Long Stop Date, or all the conditions precedent have been satisfied or waived (as the case may be) by the Offeror and the Offeror does not comply with its obligations in relation to Completion on the Completion Date, the Deposit shall be forfeited by the Vendor as liquidated damages. The Offeror agrees that the amount of the Deposit represents a genuine estimate of loss to the Vendor.

Subject to all the conditions set out in the paragraph headed “Conditions precedent” below being satisfied or waived (as the case may be), if any of the obligations of the Vendor in relation to Completion are not complied with in any respect by the Vendor on the Completion Date, the Offeror may rescind its obligations under the Share Purchase Agreement and the Vendor shall refund the Deposit to the Offeror and pay a sum equivalent to the Deposit to the Offeror as liquidated damages.

The Consideration was determined following arm’s length negotiations between the parties to the Share Purchase Agreement after taking into account, among others, the unaudited net asset value of Bossini as at 31 December 2019 of approximately HK\$560.2 million, the market price of Bossini Shares of HK\$0.148 per Bossini Share as quoted on the Stock Exchange on the Last Trading Day, the deteriorating financial performance of the Bossini Group and its widening loss in the latest financial years (2018: Net loss of HK\$29.0 million; 2019: Net loss of HK\$139.1 million). The Consideration represents a discount of 87.39% to the unaudited net asset value of Bossini as at 31 December 2019. It also represents a discount of 70.95% to the market price of Bossini Shares of HK\$0.148 per Bossini Share as quoted on the Stock Exchange on the Last Trading Day.

Having considered the above factors and the reasons as set out in the paragraph headed “Reasons for and benefits of the Acquisition” below, the Viva China Directors consider that the Consideration is fair and reasonable and in the interests of the Viva China Group and the Viva China Shareholders as a whole.

The Completion Payment shall be settled in cash by the Offeror to the Vendor on Completion. As mentioned in the paragraph headed “Funding” under the section headed “The Shareholders’ Agreement” below, the Viva China Group and Keystar will contribute an initial sum of HK\$80,000,000 and HK\$20,000,000 respectively for financing the Acquisition and the Offers by way of shareholder’s loans. The Viva China Group will finance the shareholder’s loan by its internal resources, while Keystar will finance the shareholder’s loan from Mr. Bosco Law’s salary and distribution income from his family trust.

As disclosed in the VC Annual Report 2019 (as defined below), the Viva China Group had cash and bank balance of approximately HK\$649.3 million as at 31 December 2019. It has sufficient internal resources to satisfy the shareholder’s loan for financing the Acquisition and the Offers. Viva China does not have any plan, discussion or negotiation of fund raising (including equity or debt) arrangements as at the date of this joint announcement.

Conditions precedent

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Stock Exchange and the Executive advising that they have no further comment on this joint announcement in connection with the transactions contemplated under the Share Purchase Agreement;

- (ii) the warranties, representations and/or undertakings given or made by the Vendor in the Share Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respects as given as at the date of the Share Purchase Agreement and as at Completion;
- (iii) (a) the current listing of the Bossini Shares not having been withdrawn, (b) the Bossini Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any temporary suspension for no longer than ten consecutive trading days (as defined in the Listing Rules) or such other longer period as the Offeror may agree in writing or the temporary suspension in connection with transactions contemplated under the Share Purchase Agreement) and (c) neither the Stock Exchange nor the SFC having indicated before the Completion Date that it will object to such continued listing for reasons related to or arising from the transactions contemplated under the Share Purchase Agreement;
- (iv) Viva China having satisfied the shareholders' approval requirements in respect of the Share Purchase Agreement and the transactions contemplated thereunder in accordance with the GEM Listing Rules; and
- (v) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any Material Adverse Change.

The Offeror may, at its absolute discretion, waive the conditions set out in (ii), (iii) and (v) above. Save for the abovementioned, none of the above conditions can be waived. The Offeror's right to waive certain conditions above provides flexibility to the Offeror in proceeding with the Acquisition. The Offeror will only waive the relevant conditions when it is satisfied that such waiver would not have any material adverse effect on the Enlarged Group taken as a whole, and such waiver would be in the interests of Viva China and the Viva China Shareholders as a whole. Therefore, in the event the Offeror waives any condition, it will not affect the substance of the Acquisition.

If any of the conditions set out above is not fulfilled or waived (as the case may be) on or before the Long Stop Date, the Share Purchase Agreement (save for certain surviving provisions) shall cease and determine, and none of the parties to the Share Purchase Agreement shall have any claim against each other, except in respect of claims arising out of any antecedent breach of any of the provisions of the Share Purchase Agreement. If any of the conditions set out above (other than the condition set out in sub-paragraph (ii) above) is not satisfied or waived (as the case may be) on or before the Long Stop Date, the Deposit shall also be forfeited by the Vendor as liquidated damages.

Completion

If all the conditions precedent under the Share Purchase Agreement are fulfilled or waived (as the case maybe) on or before the Long Stop Date (other than the condition set out in sub-paragraph (ii) above which shall be fulfilled simultaneously at Completion), Completion shall take place on the Completion Date.

Upon Completion, Bossini will become an indirect non-wholly owned subsidiary of Viva China and the financial statements of Bossini will be consolidated into the financial statements of Viva China.

Guarantee

Viva China has guaranteed to the Vendor for the due observance and performance by the Offeror of all its agreements, obligations, commitments, warranties and undertakings contained in the Share Purchase Agreement and in all the other documents entered into in relation to or in connection with the Share Purchase Agreement.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, Bossini has 1,641,333,394 Bossini Shares in issue and 88,708,000 Bossini Share Options entitling the Bossini Optionholders to subscribe for the Bossini Shares at the following exercise prices:

Date of grant	Exercise price per Bossini Share Option (HK\$)	Number of new Bossini Shares to be issued upon exercise of the Bossini Share Options by the Bossini Optionholders
5 July 2010	0.503	2,326,000
12 October 2010	0.780	22,960,000
3 January 2011	0.922	82,000
4 July 2011	0.880	54,000
2 December 2013	0.570	17,948,000
2 January 2014	0.570	124,000
2 July 2015	0.740	398,000
4 October 2016	0.495	34,860,000
1 June 2017	0.460	620,000
3 October 2017	0.455	816,000
1 December 2017	0.425	780,000
3 July 2018	0.352	620,000
2 January 2019	0.275	5,000,000
1 March 2019	0.285	1,240,000
2 July 2019	0.231	880,000

Save as disclosed above, Bossini does not have any other outstanding options, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into the Bossini Shares.

The Offeror and parties acting in concert with it did not own, control or have direction over any Bossini Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Bossini as at the date of this joint announcement, and had not dealt for value in the Bossini Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Bossini during the 6-month period preceding the date of this joint announcement.

Upon Completion, the Offeror and parties acting in concert with it will own an aggregate of 1,093,091,098 Bossini Shares (representing approximately 66.60% of the Bossini Shares in issue as at the date of this joint announcement). Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Bossini Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). The Offeror is also required to make a comparable offer to the Bossini Optionholders pursuant to Rule 13.5 of the Takeovers Code to cancel all the outstanding Bossini Share Options.

Principal terms of the Offers

Optima Capital will, on behalf of the Offeror, make the Offers on the following basis:

The Share Offer

For each Offer Share HK\$0.043 in cash

The Share Offer Price is the same as the price per Sale Share payable by the Offeror under the Share Purchase Agreement.

The Option Offer

For cancellation of each Bossini Share Option HK\$0.0001 in cash

The exercise prices of the Bossini Share Options are all above the Share Offer Price of HK\$0.043 per Offer Share under the Share Offer. Arrangements will be made under the Option Offer to cancel the Bossini Share Options for a nominal payment of HK\$0.0001 for each Bossini Share Option.

Pursuant to the terms of the Bossini Share Option Schemes, in the event a general offer is made to the Bossini Shareholders, the Bossini Optionholders may exercise the Bossini Share Options (to the extent which the Bossini Share Options have become exercisable and not already exercised) to its full extent or to the extent specified in the notice to Bossini in exercise of his or her Bossini Share Options at any time before the close of such offer (or any revised offer). The Bossini Share Options not already exercised shall lapse automatically on the date which the Offers close.

The making of the Offers is subject to Completion, which is conditional on the fulfilment or waiver (as the case may be) of the conditions precedent under the Share Purchase Agreement by the Long Stop Date. If any of such conditions precedent is not fulfilled or waived (as the case maybe) by the Long Stop Date, the Share Purchase Agreement will lapse and the Offers will not be made.

The Offers, if made, will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of the Bossini Shares or any other conditions.

COMPARISON OF THE SHARE OFFER PRICE

The Share Offer Price of HK\$0.043 per Offer Share represents:

- (i) a discount of approximately 70.95% to the closing price of HK\$0.148 per Bossini Share as quoted on the Stock Exchange on 14 May 2020, being the Last Trading Day;
- (ii) a discount of approximately 71.90% to the average of the closing prices of the Bossini Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day of approximately HK\$0.153 per Bossini Share;
- (iii) a discount of approximately 71.14% to the average of the closing prices of the Bossini Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day of approximately HK\$0.149 per Bossini Share;
- (iv) a discount of approximately 68.15% to the average of the closing prices of the Bossini Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day of approximately HK\$0.135 per Bossini Share; and
- (v) a discount of approximately 87.39% to the unaudited consolidated net assets per Bossini Share of approximately HK\$0.341 as at 31 December 2019, calculated based on the Bossini Group's unaudited consolidated net assets of approximately HK\$560,244,000 as at 31 December 2019 as disclosed in the interim report of Bossini dated 19 February 2020 and 1,641,333,394 Bossini Shares in issue as at 31 December 2019.

HIGHEST AND LOWEST CLOSING PRICES OF THE BOSSINI SHARES

The highest and lowest closing price of the Bossini Shares as quoted on the Stock Exchange during the six-month period immediately up to and including the Last Trading Day were HK\$0.213 per Bossini Share on 14 November 2019 and HK\$0.117 per Bossini Share on 18 March 2020 and 25 March 2020, respectively.

TOTAL VALUE OF THE OFFERS

As at the date of this joint announcement, there are 1,641,333,394 Bossini Shares in issue and 88,708,000 Bossini Share Options entitling the Bossini Optionholders to subscribe for the Bossini Shares pursuant to the Bossini Share Option Schemes.

On the basis of the Share Offer Price of HK\$0.043 per Offer Share and 548,242,296 Bossini Shares subject to the Share Offer (excluding 1,093,091,098 Sale Shares to be acquired by the Offeror and parties acting in concert with it and assuming that no Bossini Share Options are exercised before the close of the Offers), the Share Offer is valued at approximately HK\$23,574,419. On the basis of the Option Offer Price of HK\$0.0001 each and 88,708,000 Bossini Share Options subject to the Option Offer (assuming no Bossini Share Options are exercised before the close of the Offers), the total amount required to satisfy the cancellation of the Bossini Share Options is approximately HK\$8,871. Based on the aforesaid and assuming that no Bossini Share Options are exercised before the close of the Offers, the Offers are valued at approximately HK\$23,583,290 in aggregate.

In the event that all the Bossini Share Options are exercised in full by the Bossini Optionholders before the close of the Offers, Bossini will have to allot and issue 88,708,000 new Bossini Shares, representing approximately 5.40% of the issued share capital of Bossini as at the date of this joint announcement. Assuming the Share Offer is accepted in full (including all the Bossini Shares allotted and issued as a result of the exercise of the Bossini Share Options), and on the basis of the Share Offer Price of HK\$0.043 per Offer Share and 636,950,296 Bossini Shares subject to the Share Offer (excluding 1,093,091,098 Sale Shares to be acquired by the Offeror and parties acting in concert with it), the maximum value of the Share Offer will be increased to approximately HK\$27,388,863. In this case, no amount will be payable by the Offeror under the Option Offer, and the Offers are valued at approximately HK\$27,388,863 in aggregate on a fully-diluted basis.

In the event there is no Bossini Share Option outstanding at the time the Offeror makes the Share Offer, only the Share Offer will be made by the Offeror and there will not be any Option Offer.

CONFIRMATION OF FINANCIAL RESOURCES

The Offeror will finance the Offers by shareholder's loans from Viva China and Keystar. Optima Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy the Consideration and full acceptance of the Offers.

EFFECT OF ACCEPTING THE OFFERS

By accepting the Share Offer, the Bossini Shareholders shall sell their Bossini Shares free from all encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Share Offer is made. No distributions or dividends shall be declared as a result of the Share Purchase Agreement and as at the date of this joint announcement, Bossini has no plan to declare, recommend, or pay any dividends or make any other distributions on the Bossini Shares.

By accepting the Option Offer, the relevant Bossini Share Options together with all rights attaching thereto will be entirely cancelled and renounced. Pursuant to the terms of the Bossini Share Option Schemes, the Bossini Optionholders shall be entitled to exercise his or her Bossini Share Options at any time before the close of the Option Offer. The Bossini Share Options shall lapse automatically on the date on which the Option Offer closes.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

PAYMENT

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but within seven (7) business days (as defined in the Takeovers Code) following the date on which the duly completed acceptance of the Offers and the relevant documents of title of the Offer Shares or the Bossini Share Options (as the case may be) in respect of such acceptance are received by or for the Offeror to render each such acceptance complete and valid. No fractions of a cent will be payable and the amount of the consideration payable to a Bossini Shareholder and Bossini Optionholder who accepts the Offers will be rounded up to the nearest cent.

STAMP DUTY

In Hong Kong, seller's ad valorem stamp duty payable by the Bossini Independent Shareholders who accept the Share Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Bossini Independent Shareholders on the acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Bossini Independent Shareholders who accept the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptance of the Option Offer.

BOSSINI OVERSEAS SHAREHOLDERS AND BOSSINI OVERSEAS OPTIONHOLDERS

As the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Bossini Overseas Shareholders and Bossini Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Bossini Overseas Shareholders and the Bossini Overseas Optionholders who wish to accept the Share Offer and the Option Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer and the Option Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Bossini Overseas Shareholders and Bossini Overseas Optionholders will be deemed to constitute a representation and warranty from such Bossini Overseas Shareholders and Bossini Overseas Optionholders to the Offeror that the local laws and requirements have been complied with. The Bossini Overseas Shareholders and Bossini Overseas Optionholders should consult their professional advisers if in doubt.

TAXATION ADVICE

Bossini Independent Shareholders and Bossini Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, Bossini, the Vendor, Optima Capital or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accept any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

OTHER DISCLOSURES

The Offeror confirms that as at the date of this joint announcement:

- (i) save for the Sale Shares to be acquired under the Share Purchase Agreement, none of the Offeror and parties acting in concert with it owns or has control or direction over any voting rights or rights over the Bossini Shares, Bossini Share Options, warrants or other securities convertible into the Bossini Shares;
- (ii) none of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept the Offers;
- (iii) there is no outstanding derivative in respect of securities in Bossini which has been entered into by the Offeror or any person acting in concert with it;
- (iv) save for the Share Purchase Agreement and the irrevocable undertaking given by Mr. Li Ning in relation to the voting of the resolutions approving the Share Purchase Agreement and the transactions contemplated thereunder at the Viva China EGM as mentioned in the section headed “General” below, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or Bossini and which might be material to the Offers;
- (v) save for the Share Purchase Agreement, there is no agreement or arrangement to which the Offeror and/or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (vi) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Bossini;
- (vii) apart from the Consideration, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or parties acting in concert with it to the Vendor or parties acting in concert with the Vendor;
- (viii) there is no understanding, arrangement, agreement or special deal between the Offeror or any parties acting in concert with it on the one hand, and the Vendor and any parties acting in concert with it on the other hand; and
- (ix) there is no understanding, arrangement or agreement or special deal between (a) any Bossini Shareholder; and (b)(i) the Offeror and any parties acting in concert with it, or (b)(ii) Bossini, its subsidiaries or associated companies.

INFORMATION ON THE BOSSINI GROUP

Bossini, a company listed on the Stock Exchange (Stock code: 592), is principally engaged in the retail and distribution of casual wear garments.

Set out below is the summary of the key financial information of the Bossini Group for the six months ended 31 December 2019 (“**Interim 2019/20**”) and the year ended 30 June 2019 (“**FY2018/19**”) and the year ended 30 June 2018 (“**FY2017/18**”) as prepared in accordance with the Hong Kong Financial Reporting Standards. The financial information was extracted from the interim report of Bossini for Interim 2019/20 and the annual report of Bossini for FY2018/19, respectively.

	Interim 2019/20 (unaudited) <i>HK\$'000</i>	FY2018/19 (audited) <i>HK\$'000</i>	FY2017/18 (audited) <i>HK\$'000</i>
Revenue	699,414	1,641,171	1,958,043
Loss before taxation	(90,652)	(134,734)	(21,514)
Loss after taxation	(93,687)	(139,105)	(28,972)

The Bossini Group incurred losses in FY2017/18 mainly attributable to the weak consumer sentiment and competitive apparel retailing environment in its core markets and foreign exchange loss. The losses in FY2018/19 were mainly due to unseasonal weather and the weak consumer sentiment and competitive apparel retailing environment in its core markets. The losses in Interim 2019/20 were primarily due to sharp decline in inbound visitors in Hong Kong, the Sino-United States trade disputes, the weakened consumer sentiment and the unseasonal warm winter weather in several core markets.

As at 31 December 2019, (i) the unaudited net asset value of the Bossini Group attributable to owners was approximately HK\$560.2 million; and (ii) the unaudited carrying value of investment property held by the Bossini Group amounted to approximately HK\$17.7 million.

Bossini is founded by the family of the Vendor. It is a well-established apparel brand which was first launched in Hong Kong in 1987 and has been listed on the Stock Exchange since 1993. The family of the Vendor has been the single largest shareholder of Bossini since it was listed. Over the past two decades, Bossini has rapidly established an extensive international operating platform and distribution network that extended to a total of 287 directly managed stores and 799 export franchised stores in 30 different countries and regions as at 31 December 2019, details of which are set out as follows:–

	As at 31 December 2019
Directly managed stores located in:–	
– Hong Kong and Macau	39
– The PRC	180
– Taiwan	51
– Singapore	17
	<hr/>
Total	287
	<hr/> <hr/>
Export franchised stores	799
	<hr/> <hr/>

Most of the shops of the Bossini Group in the PRC are located in the Guangdong Province. As disclosed in the announcement of the Bossini Group on 2 March 2020, the Bossini Group decided to cease its operation in Taiwan by or about 31 July 2020.

Set out below is the revenue of the Bossini Group by geographic locations for the three financial years ended 30 June 2017, 2018 and 2019:

	For the year ended 30 June					
	2017		2018		2019	
	(audited) (HK\$'000)		(audited) (HK\$'000)		(audited) (HK\$'000)	
Hong Kong and Macau	1,394,517	69.0%	1,304,091	66.6%	1,052,101	64.2%
The PRC	306,999	15.2%	340,454	17.4%	331,853	20.2%
Taiwan	166,763	8.3%	175,512	9.0%	153,099	9.3%
Singapore	151,611	7.5%	137,986	7.0%	104,118	6.3%
Total Revenue	<u>2,019,890</u>	<u>100%</u>	<u>1,958,043</u>	<u>100%</u>	<u>1,641,171</u>	<u>100%</u>

Hong Kong and Macau have always been the main revenue contributors of the Bossini Group which contributed over 60% of the total revenue in the past three financial years. As shown in the above table, revenue generated from Hong Kong and Macau decreased from approximately HK\$1,394.5 million in 2017 to approximately HK\$1,304.1 million in 2018. It further decreased to approximately HK\$1,052.1 million in 2019. As set out in the annual report of Bossini for the year ended 30 June 2019, the significant decrease in revenue in 2019 was mainly due to weak consumer demand and shock waves from the Sino-United States trade war, a sluggish retail environment and market sentiment in Hong Kong and the weakening Renminbi coupled with the social unrest starting from June 2019 which further added uncertainty and negative impact on the already fragile market performance.

SHAREHOLDING STRUCTURE OF BOSSINI

The following table sets out the shareholding structure of Bossini (i) as at the date of this joint announcement; (ii) immediately following Completion (assuming none of the Bossini Share Options has been exercised); and (iii) immediately following Completion and assuming that all the Bossini Share Options have been exercised before the close of the Offers:

	As at the date of this joint announcement		Immediately following Completion (assuming none of the Bossini Share Options has been exercised)		Immediately following Completion (assuming all the Bossini Share Options have been exercised before the close of the Offers)	
	Shares	Approximate	Shares	Approximate	Shares	Approximate
		%		%		%
The Offeror and parties acting in concert with it	–	–	1,093,091,098	66.60	1,093,091,098	63.18
The Vendor	1,093,091,098	66.60	–	–	–	–
Ms. Tsin Man Kuen Bess (Note 1)	–	–	–	–	8,750,000	0.51
Mr. Mak Tak Cheong Edmund (Note 1)	–	–	–	–	23,178,000	1.34
Mr. Chan Cheuk Him Paul (Note 1)	–	–	–	–	7,760,000	0.45
Public Shareholders	<u>548,242,296</u>	<u>33.40</u>	<u>548,242,296</u>	<u>33.40</u>	<u>597,262,296</u>	<u>34.52</u>
Total	<u><u>1,641,333,394</u></u>	<u><u>100.00</u></u>	<u><u>1,641,333,394</u></u>	<u><u>100.00</u></u>	<u><u>1,730,041,394</u></u>	<u><u>100.00</u></u>

Notes:

- Ms. Tsin Man Kuen Bess, Mr. Mak Tak Cheong Edmund and Mr. Chan Cheuk Him Paul are executive directors of Bossini.
- Certain percentage figures included in this table may be subject to rounding adjustments, if any.

INFORMATION ON THE OFFEROR, VIVA CHINA AND KEYSTAR

The Offeror is incorporated in BVI with limited liability and is an investment holding company. The sole purpose of setting up the Offeror is to execute the Acquisition and the holding and operation of the Bossini Group after Completion. It is owned as to 80% by VC Consumables (a wholly-owned subsidiary of Viva China) and 20% by Keystar. Prior to the entering into of the Share Purchase Agreement, the Offeror had not carried out any business since incorporation.

Viva China

The Viva China Group is principally engaged in (i) sports competition and event production and management; (ii) operation of an e-sports club; (iii) sports talent management; (iv) provision of sports-related marketing and consultancy service; (v) operation of sports destinations (including sports parks, sports centres and ice-skating rinks); and (vi) sales of construction materials. During the year ended 31 December 2019, the Viva China Group had embarked on the business of development, design and sale of sports, health and leisure consumables.

As set out in the annual report of the Viva China Group for the year ended 31 December 2019 (the “**VC Annual Report 2019**”), the Viva China Group has formulated a long-term business strategy to develop two principal businesses, namely (i) “sports experience”, including the operation, service provision and investment of sports destinations, sports competitions and events, as well as an esports club; and (ii) “sports and lifestyle consumables”, covering investment in and preparation for sports, health and leisure-related consumables projects. The “sports experience” businesses represent its core sports businesses (the “**Core Sports Businesses**”) and the revenue generated by the Viva China Group for its Core Sports Businesses recorded a 2017-2019 compound annual growth rate of approximately 36.0%. It is the business strategy of the Viva China Group to continue to devote resources to expand the Core Sports Businesses.

As set out in the VC Annual Report 2019, the Viva China Board considers there are lots of opportunities in the sports-related consumables market and the Viva China Group could leverage on its existing resources to tap into the market. The Viva China Group established the “sports and lifestyle consumables” business (the “**Consumables Business**”) in 2019 to capture the related growing consumer’s market in the PRC. The Consumables Business has yet to record any revenue for the year ended 31 December 2019 but will be expected to become one of the key focuses of the Viva China Group in the coming years. To expedite the establishment of a quick foothold in the market, the Viva China Group has been actively exploring business opportunities, in particular, merger and acquisition opportunities relating to sports, health and leisure related apparel and footwear brand.

Furthermore, the Viva China Group is acquainted with the sports goods-related business in the PRC through its investments in associated companies. Viva China currently holds (i) around 13.42% of the issued share capital of Li Ning Company Limited (stock code: 2331), a company listed on the main board of the Stock Exchange which is principally engaged in the development and sales of professional and leisure footwear, apparel, equipment and accessories; and (ii) 10% of the equity interest of Shanghai Double Happiness Co., Ltd., a company which is principally engaged in manufacture, research and development, marketing and sale of principally table tennis and badminton equipment under its own “**紅雙喜 (Double Happiness)**” brand and other sports accessories.

As set out in the VC Annual Report 2019, during the year ended 31 December 2019, the Viva China Group had formed an operation team to commence its Consumables Business and has taken a number of tactical maneuvers to grow the business. In June 2019, the Viva China Group acquired the apparel and footwear brand “LNG” to embark on its apparel business. The target customers of the “LNG” brand are youngster. Meanwhile, the Viva China Group has been aligning its resources and completed the acquisition of 80% ownership of “Snake Esports”, an esports team in the second quarter of 2019 and subsequently changed the team’s name to “LNG Esports”. LNG Esports team has obtained impressive results in multiple League of Legends Pro League matches, a very popular esports game in the PRC, in 2019. The Viva China Board believes that the cultivation of LNG Esports team will facilitate and enhance the brand awareness of the “LNG” brand.

In January 2020, the Viva China Group officially launched a series of apparel and footwear under the “LNG” brand. While the opening of the physical sales store for the “LNG” branded apparel and footwear will form part of the sales and marketing outlets of the Consumables Business, the initial marketing avenues of the “LNG” branded products are through (i) online platforms including, among others, T-mall (天貓) and JD.com (京東商城); and (ii) about 20 distributors. Opening sales platforms on the other popular online shopping platforms such as Tiktok (抖音) and Wechat (微信) is also in the pipeline. Regarding the distributors network, the Viva China Group is also in discussion with some other distributors to expand its distribution network. In addition, the progress of setting up physical retail stores for the “LNG” branded products has been delayed by the pandemic of COVID-19. Nevertheless, the Viva China Group currently plans to commence operation of the physical retail stores in the third quarter of 2020 and to have the number of physical retail stores at or about 10 by the end of 2020.

Viva China currently has a team of more than 40 staff for the Consumables Business. The team is personally led by (i) Mr. Li Ning, the Chairman and Chief Executive Officer of the Viva China Group, who is also the founder of LI-NING brand and the executive chairman and joint chief executive officer of Li Ning Company Limited (stock code: 2331) who possesses extensive experience in sports-related consumables market, and (ii) Mr. Cheung Chi, the Chief Financial Officer of the Viva China Group, who also possesses extensive experience in apparel business and was previously an executive director of Win Hanverky Holdings Limited (stock code: 3322), a company listed on the main board of the Stock Exchange which is principally engaged in manufacturing, distributing and retailing of internationally renowned sports, fashion and outdoor brands and supported by other senior management who has extensive experience in the apparel and/or e-commerce industry. The Viva China Board considers that the management team of the Consumables Business possesses relevant experience to manage the Bossini Group as operations of different fashion brands are similar which involves manufacturing, supply chain management, distribution and marketing. The management team’s experience in other brands could also bring new idea to the management and operation of the Bossini Group. Besides, Viva China is contemplating to recruit more experienced personnel to give impetus to the Viva China Group’s foray into the market nationwide.

Keystar

Keystar is a company incorporated in BVI with limited liability, and is an investment holding company. It is wholly owned by Mr. Bosco Law.

Mr. Bosco Law has over 15 years of experience in the apparel and fashion industry. He is the chief executive officer of Laws Fashion Group Limited (the “**LawsGroup**”), one of the industry leader in garment manufacturing and fashion retail. Mr. Bosco Law is responsible for overseeing the LawsGroup’s global operations and development strategies in manufacturing, supply chain and retail business. LawsGroup is also engaged in property investment in Hong Kong. Under Mr. Bosco Law’s leadership, he initiated and led a series of industrial building revitalization projects in Hong Kong, including D2 Place ONE & TWO in Lai Chi Kok, Connaught Marina in Sheung Wan, East 350 in Kwun Tong, and several other property sites.

Mr. Bosco Law is a nephew of the Vendor. Save for the aforesaid, the Vendor is independent of Keystar and Mr. Bosco Law, and is not a party acting in concert with any one of them. As at the date of this joint announcement, Mr. Bosco Law and Keystar do not have any interests in Bossini.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the section headed “Information of the Offeror, Viva China and Keystar” above, the Viva China Group has embarked on the business of development, design and sale of sports, health and leisure consumables. The Viva China Group has been actively looking for opportunities to expand its Consumables Business. In around late February 2020, Viva China was introduced by a contact of Mr. Li Ning to Mr. Bosco Law who further introduced Viva China to the Vendor to engage in formal discussion on the sale and purchase of the Bossini Group. Viva China considers that it is a good opportunity to expand its Consumables Business at a reasonable price having taken into account the reasons set out below.

With the established operating track record of the Viva China Group in the PRC over the last decade, its Core Sports Businesses have laid a solid foundation for the Viva China Group in the sports-related sector market in the PRC. The Viva China Group believes that the apparel consumer market in the PRC has immense market potentials given the increasing public awareness of health and well-being lifestyle of the population across all ages. With the profound experience possessed by the management team of the Consumables Business and also the long-established household name of Bossini in the region, the Viva China Board believes that there would be much synergy between the business of Bossini and that of the Viva China Group in penetrating the PRC markets for Bossini’s products, and the crossover of intergroup products and sales after completion of the Acquisition. Leveraging on the Viva China Group’s market presence in the PRC, the Viva China Board also believes that the merger would benefit the Bossini Group, thereby Viva China and the Viva China Shareholders, in terms of economies of scale (including but not limited to marketing, supply chains solution and distribution channels) and market coverage.

Despite the fact that there is a downward trend in the retail sector of Hong Kong and Macau, the Viva China Board remains positive about the prospects of Bossini, especially the development potential in the PRC, and believes that the outlook of the apparel industry remains positive in the long run, taking into account that (i) Bossini is a well-established apparel brand in the industry; (ii) the retail industry is an important pillar in both Hong Kong's and Macau's economy and the size of Hong Kong's and Macau's retail market has undergone uninterrupted expansion in the last decade; (iii) Hong Kong remains a world renowned retail destination with an steady influx of over 50 million tourists per year since 2014 until the latter half of 2019 due to social unrest and Macau is also a popular tourist destination with a stable number of tourists of over 30 million since 2014 until the recent COVID-19 outbreak which guarantees a large consumer base; (iv) the Bossini Group currently only has 180 directly managed stores in the PRC which are mainly located in the Guangdong province of the PRC and the Viva China Group believes that the Bossini Group has potential to further promote its brand in the PRC and capture the business opportunities in the PRC; and (v) the extensive experience of the management team of the Consumables Business in the apparel industry in the PRC.

The Viva China Board acknowledges that currently there is a weaker consumer sentiment and the one-off effects of the outbreak of COVID-19 as well as the Sino-United States trade tensions which brought about a slower global economy. However, the Viva China Board is of the view that this would only be temporary and with the gradual restoration of social stability locally, resuming of normality after the outbreak and progress of the Sino-United States trade negotiations, and together with the factors stated above, the slow but inevitable recovery of the consumer market in Hong Kong and Macau will be brought on.

In addition, the Viva China Board is aware of the fact that the Bossini Group generated losses for the two years ended 30 June 2019. However, the Viva China Board took into consideration that (i) the Bossini Group was able to generate stable profit for the past decade up until 2018; and (ii) the prospects of the Bossini Group set out above, and remains optimistic about the outlook of the Bossini Group in the long run. The Viva China Board is of the view that the Acquisition provides an opportunity for the Viva China Group to acquire the Bossini Group at a reasonable price and is confident that the management team of the Consumables Business who possesses extensive experience in apparel business in the PRC and the Viva China Group would be able to turnaround the financial performance and increase the PRC market presence of the Bossini Group which would in turn expand income source of the Viva China Group and generate better returns for the Viva China Shareholders. In addition, it is believed that the Acquisition will achieve synergy between the Bossini Group and the Consumables Business in the marketing, supply chains solutions and distribution channels in the PRC.

As mentioned above, the directly managed stores of Bossini are mainly located in Guangdong Province, the PRC. The Viva China Board intends to expand the distribution network of Bossini to other cities in the PRC by leveraging on Mr. Li Ning's extensive business connections, in particular the network of distributors built up in different regions in the PRC and his strong presence in the sports related and apparel industry. Furthermore, in view of the increasing popularity of e-commerce in the PRC, the Viva China Board intends to (i) use popular marketing tools including but not limited to influencer marketing to promote products of Bossini; and (ii) set up stores on popular online sale platforms to sell Bossini's products.

The Viva China Board will work together with the existing management of the Bossini Group to rejuvenate the brand of Bossini with a younger image to appeal to younger generation in the PRC. It will also renovate the stores of Bossini to enhance its layout so as to create a more immersive retail experience to the customers and capture the minds of the young generation.

As mentioned in the paragraph headed “Funding” under the section headed “The Shareholders’ Agreement” below, in the event additional funding is required for the future development of Bossini’s business, VC Consumables and Keystar shall on demand procure further shareholders’ loans in accordance with the terms of the Shareholders’ Agreement.

In view of the above, the Viva China Board is of the view that the Acquisition provides a good opportunity for the Viva China Group to acquire the Bossini Group at reasonable price. The Viva China Board considers that the Acquisition is aligned with its business plan. All in all, the Viva China Board considers that the terms of the Acquisition are fair and reasonable and in the interests of the Viva China Group and the Viva China Shareholders as a whole.

The maximum amount for satisfying the Consideration and full acceptance of the Offers will be approximately HK\$74.4 million, of which a maximum of approximately HK\$59.5 million shall be payable by the Viva China Group. The Viva China Group will perform an assessment on the fair value of the net identifiable assets of the Bossini Group in accordance with HKFRS 3 at the Completion Date to determine the amount of goodwill or gain from a bargain purchase, if any.

As at the date of this joint announcement, (i) save for the scaling down of the business of sales of construction materials as disclosed in the VC Annual Report 2019, the Viva China Group does not have any agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) about any disposal/termination/scaling-down of the existing principal businesses of Viva China; and (ii) the Viva China Group does not have or intend to enter into any agreement, arrangement, understanding or negotiation about any acquisitions of assets of business (concluded or otherwise); and did not have any asset or business injections agreed or under negotiation.

INTENTION OF THE OFFEROR REGARDING THE BOSSINI GROUP

Following the close of the Offers, the Offeror intends to continue the existing principal business of the Bossini Group and it will maintain the listing status of Bossini on the Stock Exchange.

The Offeror will conduct a review on the existing principal business and the financial position of the Bossini Group for the purpose of formulating business plans and strategies for the further business development of the Bossini Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, fundraising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Bossini Group.

Notwithstanding the above, as at the date of this joint announcement, no investment or business opportunity had been identified nor had the Offeror entered into any agreements, arrangements, understandings or negotiations in relation to the injection of any assets or business into the Bossini Group and the Offeror had no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Bossini Group other than those in its ordinary course of business.

THE SHAREHOLDERS' AGREEMENT

As at the date of this joint announcement, the Offeror is owned as to 80% by VC Consumables (a wholly-owned subsidiary of Viva China) and 20% by Keystar.

On the same date as the signing of the Share Purchase Agreement, the Offeror, VC Consumables and Keystar have entered into the Shareholders' Agreement in respect of the affairs (including but not limited to the operations, management and business) of, and the rights and obligations of VC Consumables and Keystar with respect to their interests in the Offeror.

Purpose and business of the Offeror

The principal business of the Offeror will be the holding and operation of the Bossini Group.

Board composition

The initial number of directors in the Offeror shall be three (3), of which VC Consumables shall have the right to nominate two (2) directors and Keystar shall have the right to nominate one (1) director. The chairman of the board shall be nominated by VC Consumables and appointed by the board and shall be entitled to a second or casting vote.

Funding

VC Consumables and Keystar agree to contribute an initial sum of HK\$80,000,000 and HK\$20,000,000 respectively for financing the Acquisition and the Offers by way of shareholder's loans. The maximum amount for satisfying the Consideration and full acceptance of the Offers of approximately HK\$74.4 million shall be payable by the Offeror by using the respective shareholder's loans advanced by Viva China and Keystar in proportion to their respective shareholding in the Offeror. Any unused balance of the initial shareholder's loan will be used for the future development of Bossini's business.

During the period from the Completion Date and until the second anniversary of the last day of the calendar month in which completion of the Offers took place (or such other date as the parties may agree in writing), in the event that the Offeror requires additional financial resources as determined by the board of the Offeror, VC Consumables and Keystar shall on demand by the Offeror procure further loans to the Offeror. VC Consumables and Keystar agree that the maximum amount of funds to be contributed to the Offeror by VC Consumables and Keystar (including the initial sum as mentioned above) shall not be more than HK\$240,000,000 and HK\$60,000,000 respectively.

Distribution of the Bossini Shares

Subject to the compliance with all necessary requirements under the GEM Listing Rules by Viva China and no general offer obligation being triggered under the Takeovers Code, on the second anniversary of the last day of the calendar month in which completion of the Offers took place (or such other date as VC Consumables and Keystar agree in writing), the shareholders of the Offeror shall procure the Offeror to distribute all the Bossini Shares held by the Offeror and all other assets (if any) to VC Consumables and Keystar in proportion to their shareholding interests in the Offeror after which the Offeror shall be wound up or the shares held by Keystar and any outstanding shareholder's loan owing to Keystar shall be transferred and assigned to VC Consumables at HK\$1 at VC Consumables's written request.

PROPOSED CHANGE OF BOARD COMPOSITION OF BOSSINI

The Offeror intends to nominate new Bossini Directors to the Bossini Board with effect from the earliest time as permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules. As at the date of this joint announcement, the Offeror has not identified the persons to be nominated to the Bossini Board.

Any changes to the Bossini Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made by Bossini as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF BOSSINI

The Offeror intends to maintain the listing of the Bossini Shares on the Stock Exchange.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to Bossini, being 25%, of the issued Bossini Shares are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Bossini Shares; or
- (ii) that there are insufficient Bossini Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Bossini Shares.

Each of the Offeror and the new Bossini Directors to be appointed will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Bossini Shares after the close of the Offers.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for Viva China and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

BOSSINI INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Bossini Independent Board Committee comprising Mr. Cheong Shin Keong and Prof. Sin Yat Ming, both being independent non-executive directors of Bossini, has been established by Bossini to make a recommendation to the Bossini Independent Shareholders and the Bossini Optionholders in respect of the Offers. Ms. Leung Mei Han, the other independent non-executive director of Bossini, is the chairman of Optima Capital, being the financial adviser to Viva China and the Offeror, is therefore not considered independent to be a member of the Bossini Independent Board Committee and has declared her interest to the Bossini Board accordingly. Ms. Leung will not participate in any Bossini Board discussion in respect of the merits the Offers, however Ms. Leung will attend the Bossini Board meeting for addressing the procedural matters for the Acquisition and Offers.

Rainbow Capital has been appointed as the independent financial adviser to advise the Bossini Independent Board Committee in connection with the Offers and as to their acceptance. The appointment of Rainbow Capital has been approved by the Bossini Independent Board Committee.

GENERAL

The Viva China EGM will be convened and held for the Viva China Shareholders to consider and, if thought fit, to approve, among other matters, the Share Purchase Agreement and the transactions contemplated thereunder. To the best of the Viva China Directors' knowledge, information and belief, having made all reasonable enquiries, no Viva China Shareholder has a material interest in the Acquisition which is different from other Viva China Shareholders, and thus no Viva China Shareholder is required to abstain from voting at the Viva China EGM.

Mr. Li Ning has irrevocably undertaken to the Vendor to procure Lead Ahead Limited (a company owned as to 60% by Mr. Li Ning), Victory Mind Assets Limited (a company indirectly held by a corporate trustee of two discretionary trusts and Mr. Li Ning is the settlor of one of the discretionary trusts) and Dragon City Management (PTC) Limited (the trustee of a unit trust, the units of which are owned by two family trusts and the beneficiaries of one of the family trusts include Mr. Li Ning), being the shareholders of Viva China holding in aggregate 5,812,443,151 Viva China Shares representing approximately 65.57% of the issued share capital of Viva China as at the date of this joint announcement, and each of Lead Ahead Limited, Victory Mind Assets Limited and Dragon City Management (PTC) Limited has irrevocably undertaken to the Vendor to vote in favour of the resolutions approving the Share Purchase Agreement and the transactions contemplated thereunder at the Viva China EGM.

A circular containing, among other things, details of the Share Purchase Agreement, the financial information and other information of Viva China, the financial information and other information of Bossini, the unaudited pro forma financial information of the Enlarged Group, other information required under the GEM Listing Rules and the notice of the Viva China EGM is expected to be despatched to the Viva China Shareholders on or before 22 June 2020 as additional time is required for preparing the information to be included in the circular.

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror shall despatch an offer document together with the relevant forms of acceptance and transfer in relation to the Offers to the Bossini Shareholders and Bossini Optionholders. Bossini shall within 14 days of the posting of the offer document send to the Bossini Shareholders and Bossini Optionholders an offeree circular. The Offeror and Bossini intend to combine the offer document and the offeree circular in the Composite Document. As the making of the Offers is conditional upon Completion, an application will be made by the Offeror to seek the Executive's consent under Rule 8.2 of the Takeovers Code to extend the latest time for the despatch of the Composite Document to a date falling within seven days of Completion or 10 September 2020 (whichever is earlier) or such other date as the Executive may approve.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of Bossini or the Offeror (including persons holding 5% or more of a class of relevant securities of Bossini or the Offeror) are reminded to disclose their dealings in the securities of Bossini pursuant to the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Share Purchase Agreement, and the Acquisition may or may not proceed to Completion. Viva China Shareholders and potential investors of Viva China are reminded to exercise caution when dealing in the securities of Viva China.

The Bossini Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement and strongly recommend the Bossini Independent Shareholders and Bossini Optionholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendations of the Bossini Independent Board Committee and the letter of advice from the independent financial adviser in respect of the Offers.

The Offers are subject to Completion which may or may not take place. Accordingly, the Offers may or may not be made. Bossini Shareholders, Bossini Optionholders and potential investors of Bossini are advised to exercise caution when dealing in the securities of Bossini (including the Bossini Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the proposed acquisition of the Sale Shares by the Offeror from the Vendor pursuant to the Share Purchase Agreement
“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning ascribed to it under the Takeovers Code
“Bossini”	Bossini International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 592)
“Bossini Board”	the board of Bossini Directors
“Bossini Director(s)”	the director(s) of Bossini
“Bossini Group”	Bossini and its subsidiaries
“Bossini Independent Board Committee”	the independent committee of the Bossini Board, comprising Mr. Cheong Shin Keong and Prof. Sin Yat Ming, both being the independent non-executive directors of Bossini, formed for the purpose of advising the Bossini Independent Shareholders and the Bossini Optionholders in respect of the Offers
“Bossini Independent Shareholder(s)”	Bossini Shareholders other than the Offeror and parties acting in concert with it
“Bossini Optionholder(s)”	holder(s) of the Bossini Share Option(s)
“Bossini Overseas Optionholder(s)”	Bossini Optionholder(s) whose registered address(es), as shown on the register of Bossini Optionholders of Bossini, is/are outside Hong Kong
“Bossini Overseas Shareholder(s)”	Bossini Shareholder(s) whose address(es), as shown on the register of members of Bossini, is/are outside Hong Kong
“Bossini Share Option(s)”	share option(s) granted by Bossini pursuant to the Bossini Share Option Schemes
“Bossini Share Option Schemes”	the share option schemes adopted by Bossini on 27 November 2003 and 12 November 2013, which entitle holder(s) thereof to subscribe for new Bossini Shares in accordance with the terms and conditions thereof
“Bossini Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of Bossini

“Bossini Shareholder(s)”	holder(s) of the Bossini Shares
“Business Day”	a day on which banks in Hong Kong are open for business other than (i) a Saturday or a Sunday or a public holiday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“BVI”	the British Virgin Islands
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Date”	date of Completion, being the third Business Day after the last of the conditions set out in sub-paragraphs (i) and (iv) in the paragraph headed “The Share Purchase Agreement – Conditions precedent” above has been satisfied provided that the conditions set out in sub-paragraphs (ii), (iii) and (v) are satisfied or waived at Completion, or such other date as may be agreed by the Vendor and the Offeror in writing
“Composite Document”	the composite offer and response document to be jointly issued by Viva China, the Offeror and Bossini to the Bossini Shareholders and Bossini Optionholders in connection with the Offers in compliance with the Takeovers Code
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration for the Sale Shares
“Encumbrances”	means (i) any mortgage, charge, pledge, lien, hypothecation, encumbrance or other security arrangement of any kind; (ii) any option, equity, claim, adverse interest or other third party right of any kind; (iii) any arrangement by which any right is subordinated to any right of such third party; or (iv) any contractual right of set-off, including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above
“Enlarged Group”	the Viva China Group upon Completion
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“GEM”	The GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Keystar”	Keystar Limited, a company incorporated in the BVI with limited liability, and is wholly owned by Mr. Bosco Law
“Last Trading Day”	14 May 2020, being the last trading day of the Bossini Shares immediately prior to the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 August 2020, (or such later date as may be agreed between the Offeror and the Vendor in writing)
“Macau”	the Macau Special Administrative Region of the PRC
“Material Adverse Change”	means a material adverse change (or effect), or any development involving a prospective material adverse change (or effect), in (or on) the assets, liabilities, business, results of operations, condition, financial or otherwise, or performance of the Bossini Group, taken as a whole; provided, however, in no event shall any event, act, circumstance or development that is caused by or results from the following shall in and of itself be constitute a Material Adverse Change: (i) the announcement of pendency of the Share Purchase Agreement or the transactions contemplated thereunder; or (ii) any action or omission by the Vendor or the Bossini Group to the extent such action or omission is required by the Share Purchase Agreement or by the Offeror; or (iii) COVID-19; or (iv) the social unrest in Hong Kong
“Mr. Bosco Law”	Mr. Law Ching Kit Bosco
“Offer Share(s)”	the Bossini Shares that are subject to the Share Offer
“Offeror”	Dragon Leap Developments Limited, a company incorporated in the BVI with limited liability
“Offers”	collectively, the Share Offer and the Option Offer
“Optima Capital”	Optima Capital Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities, being the financial adviser to Viva China and the Offeror in respect of the Offers
“Option Offer”	the mandatory unconditional cash offer to be made by Optima Capital, on behalf of the Offeror, for the cancellation of all the outstanding Bossini Share Options held by the Bossini Optionholders in accordance with the Takeovers Code
“Option Offer Price”	HK\$0.0001 per Bossini Share Option
“PRC”	The People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau and Taiwan

“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity, being the independent financial adviser to the Bossini Independent Board Committee in respect of the Offers
“Sale Shares”	1,093,091,098 Bossini Shares, representing approximately 66.60% of the issued share capital of Bossini which are to be acquired by the Offeror pursuant to the terms of the Share Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the mandatory unconditional cash offer to be made by Optima Capital, on behalf of the Offeror, to acquire all the issued Bossini Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code
“Share Offer Price”	HK\$0.043 per Offer Share
“Shareholders’ Agreement”	an agreement dated 14 May 2020 entered into among the Offeror, VC Consumables and Keystar in respect of the affairs (including but not limited to the operations, management and business) of, and the rights and obligations of VC Consumables and Keystar with respect to their interests in the Offeror
“Share Purchase Agreement”	the share purchase agreement dated 14 May 2020 entered into among the Offeror, the Vendor and Viva China in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“VC Consumables”	Viva China Consumables Holdings Limited, a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of Viva China
“Vendor”	Mr. Law Ka Sing
“Viva China”	Viva China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM (stock code: 8032)
“Viva China Board”	the board of Viva China Directors
“Viva China Director(s)”	director(s) of Viva China

“Viva China EGM”	the extraordinary general meeting of Viva China to be convened and held for the Viva China Shareholders to consider and, if thought fit, to approve the Share Purchase Agreement and the transactions contemplated thereunder
“Viva China Group”	Viva China and its subsidiaries
“Viva China Share(s)”	ordinary share(s) of HK\$0.05 each in the capital of Viva China
“Viva China Shareholder(s)”	holder(s) of Viva China Shares
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of
Viva China
Holdings Limited
LI Ning
Chairman &
Chief Executive Officer

By order of the board of
Dragon Leap
Developments Limited
LI Ning
Director

By order of the board of
Bossini International
Holdings Limited
TSIN Man Kuen Bess
Chairman

Hong Kong, 14 May 2020

As at the date of this joint announcement, the Viva China Board comprises three executive directors, namely Mr. LI Ning (Chairman and Chief Executive Officer), Mr. LI Chunyang and Mr. LI Qilin; one non-executive director, namely Mr. MA Wing Man; and three independent non-executive directors, namely Mr. LI Qing, Mr. PAK Wai Keung, Martin and Mr. WANG Yan.

This joint announcement, for which the Viva China Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to Viva China. The Viva China Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement (other than those related to the Bossini Group and the Offeror) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading. The Viva China Directors also jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those related to the Bossini Group and the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. LI Ning and Mr. CHEUNG Chi.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those related to the Viva China Group and the Bossini Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the Bossini Board comprises three executive directors, namely Ms. TSIN Man Kuen Bess (Chairman), Mr. MAK Tak Cheong Edmund and Mr. CHAN Cheuk Him Paul and three independent non-executive directors, namely Mr. CHEONG Shin Keong, Ms. LEUNG Mei Han and Prof. SIN Yat Ming.

The Bossini Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (to the extent it relates to the Bossini Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the Bossini Directors have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

This joint announcement will remain on the GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least seven days from the date of its posting and Viva China’s website at www.vivachina.hk.