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**波司登**  
**BOSIDENG**

波司登國際控股有限公司

**Bosideng International Holdings Limited**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3998)**

**CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF THE FRAMEWORK INTEGRATED  
SERVICE AGREEMENT AND LEASE AGREEMENTS**

Reference is made to the announcement of the Company dated December 20, 2021 in respect of, among other things, the Framework Integrated Service Agreement which will soon expire on September 14, 2025 and the Supplemental Lease Agreement which will soon expire on April 21, 2025 (except for the Property Lease Agreement which provides that the lease term of each lease granted thereunder shall be no more than 20 years) and shall, subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, be renewable at the option of the Company for another term of three years by giving renewal notice prior to the expiry of the term. The Company intends to renew the Framework Integrated Service Agreement and the Supplemental Lease Agreement by serving the renewal notices to the Parent Group no later than their respective deadlines and to renew the annual caps for the transactions contemplated thereunder for the three years ending March 31, 2028 in order to comply with the Listing Rules.

The transactions contemplated under each of the CCT Agreements entered into by the Company will be subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement as the applicable percentage ratios under the Listing Rules in respect of the respective largest proposed annual caps under each of the CCT Agreements are more than 0.1% and less than 5%.

## DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS

### (1) Framework Integrated Service Agreement

Pursuant to the Framework Integrated Service Agreement, the Parent Group agrees to provide the Group with various ancillary services, which currently include the provision of hotel accommodation and property management services, which include repair and maintenance, security and general cleaning, for the properties occupied by the Group located in the PRC.

The Framework Integrated Service Agreement has an initial term of three years from September 15, 2007 and shall, subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, be renewable at the option of the Company for another term of three years by giving at least three months' notice prior to the expiry of the term. The Company intends to further renew the Framework Integrated Service Agreement for another term of three years from September 15, 2025 and to serve the notice to the Parent Group no later than June 14, 2025.

Set out below are the aggregate service fees paid under the Framework Integrated Service Agreement by the Group to the Parent Group for each of the two years ended March 31, 2024 and the period from April 1, 2024 to December 31, 2024 together with the historical annual caps:

2023 (RMB) (Audited) Actual amounts	Year ended March 31		2024 (RMB) (Audited) Actual amounts	Nine months ended December 31, 2024 (RMB) (Unaudited) Actual amounts	Year ending March 31, 2025 (RMB) Historical cap
	Historical cap	Historical cap			
15,913,000	20,000,000	17,202,000	21,000,000	20,725,000	22,000,000

The proposed annual caps under the Framework Integrated Service Agreement for each of the three years ending March 31, 2028 are set out below:

	For the year ending March 31,		
	2026 RMB	2027 RMB	2028 RMB
Proposed annual caps	30,000,000	35,000,000	40,000,000

The proposed annual caps set out above have been determined with reference to (i) the continuous increase in historical service fees paid under the Framework Integrated Service Agreement, in particular, the aggregate service fees for the nine months ended December 31, 2024 accounted for approximately 94% of the annual cap for the year ending March 31, 2025; (ii) alongside the services provided by the Parent Group's existing hotel, the new hotel developed by the Parent Group in 2023 has provided accommodation and other services to the Group for the past two years. It is expected that the demand for meetings, catering and other integrated services by the Group will continue to increase in the future; (iii) the expected stable annual increase in the utilization of the property management services (including utilities, i.e. electricity, water, repair and maintenance); and (iv) the expected increase in product prices caused by inflation.

The Directors (including the INEDs) have confirmed that the service fees payable by the Group to the Parent Group are determined with reference to (i) compliance with the pricing regulations or guidelines set by the PRC government and/or regulatory authorities, or (ii) the rate not higher than the market price for similar services provided in the vicinity or the market price for similar services provided in the PRC if no market price for similar services provided in the vicinity is available, or (iii) a fee agreed by the parties after taking into account the actual cost or reasonable cost (whichever is lower) plus reasonable profits for the provision of similar services if bases (i) and (ii) are not available.

The service fees payable under the Framework Integrated Service Agreement shall be funded by the Group's internal resources.

The INEDs and the auditor of the Company will be provided on a regular basis with the (i) Framework Integrated Service Agreement; (ii) agreements entered into between the Group and independent third parties for the provision of the same or similar types of services; and (iii) fee quotations provided by independent third parties for the provision of the same or similar types of services for review and comparison purposes. The INEDs will also review and compare the relevant payment terms, payment method and price payable under these agreements to ensure that the transactions contemplated under the Framework Integrated Service Agreement are conducted on normal commercial terms or better. The auditor of the Company will review and confirm the transactions contemplated under the Framework Integrated Service Agreement are conducted in accordance with the terms of the Framework Integrated Service Agreement.

On this basis, the Directors consider that the methods and procedures adopted by the Group can ensure that the transactions contemplated under the Framework Integrated Service Agreement will be conducted on normal commercial terms and in a manner not prejudicial to the interests of the Company and its minority Shareholders.

## **(2) Lease Agreements**

Pursuant to the Property Lease Agreement, as at December 31, 2024, the Parent Group has leased 14 properties with a total area of approximately 71,587 square meters to the Group mainly as the Group's regional offices, stores, warehouses, archival room and showrooms.

The term of each lease granted under the Property Lease Agreement shall be no more than 20 years from the date of the Property Lease Agreement. Under the Property Lease Agreement, the Group is able to terminate a lease of any premise at any time prior to its expiry at the sole discretion of the Company without any penalty, provided that a 30-day prior notice is given to the Parent Group. The Parent Group cannot terminate any lease without the Group's consent. The Company and Mr. Gao Dekang also entered into the Supplemental Lease Agreement on April 22, 2013 pursuant to which the Parent Group agreed to lease additional premises in the PRC to the Group from time to time for a term of not more than three years. The Supplemental Lease Agreement has been renewed and further extended to April 21, 2025. The new leases to be entered into under the Supplemental Lease Agreement shall, subject to compliance by the Group with the relevant requirements applicable to continuing connected transactions under the Listing Rules, be renewable at the option of the Company for another term of three years by giving at least three months' notice prior to the expiry of the term. The Company intends to further renew the Supplemental Lease Agreement for another term of three years from April 22, 2025.



The proposed annual caps set out above are set out below:

	<b>For the year ending March 31,</b>		
	<b>2026</b>	<b>2027</b>	<b>2028</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Proposed annual caps	24,000,000	24,500,000	25,000,000

The proposed annual caps under the Lease Agreements for each of the three years ending March 31, 2028 have been estimated with reference to (i) the prevailing market rental for similar properties situated around the premises under the leases set out above; (ii) the expected normal annual increase of rental in the regions in which the Group currently leases properties from the Parent Group; and (iii) the expected normal annual increase in the number of additional premises to be leased to the Group for a term of not more than three years as well as the leased areas.

The Directors (including the INEDs) have confirmed that the annual rental paid and expected to be paid by the Group to the Parent Group for the leasing of properties have been determined on an arm's length basis by reference to the prevailing market condition in the PRC and the market rates of comparable properties which in any event is not higher than the rent applicable to an independent third party tenant at the relevant time and the proposed annual caps under the Lease Agreements are fair and reasonable to the Company.

The rentals under the Lease Agreements shall be payable according to the specific and separate lease agreements and funded by the Group's internal resources.

The INEDs and the auditor of the Company will be provided on a regular basis with the (i) the Lease Agreements; (ii) lease agreements entered into between the Group and independent third parties for comparable properties in similar locations; and (iii) fee quotations provided by independent third parties for the lease of comparable properties in the vicinity for review and comparison purposes. The INEDs will also review and compare the relevant payment terms, payment method and rental payable under these agreements to ensure that the transactions contemplated under the Lease Agreements are conducted on normal commercial terms or better. The auditor of the Company will review and confirm the transactions contemplated under the Lease Agreements are conducted in accordance with the terms of the Lease Agreements.

On this basis, the Directors consider that the methods and procedures adopted by the Group can ensure that the transactions contemplated under the Lease Agreements will be conducted on normal commercial terms and in a manner not prejudicial to the interests of the Company and its minority Shareholders.

## **REASONS FOR AND BENEFITS OF THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

The Group is principally engaged in developing and managing the portfolio of its down apparel brands, which includes research, design and development, raw materials procurement, outsourced manufacturing, market promotion, and marketing and distribution of branded down apparel products, original equipment manufacturing products and non-down apparel products.

The Non-exempt Continuing Connected Transactions are entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The renewal of the Non-exempt Continuing Connected Transactions will continue to allow the Group to utilize the geographical advantages and resources of the Parent Group to increase the Group's competitiveness, which is beneficial to the Group.

The Directors (including the INEDs) are of the opinion that the proposed annual caps are fair and reasonable and that the transactions contemplated under the CCT Agreements are in the ordinary and usual course of business of the Group and on normal commercial terms or better, and the terms of the CCT Agreements are fair and reasonable and in the interests of the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Mr. Gao Dekang is a controlling Shareholder beneficially interested in approximately 60.60% of the Company's total shares in issue as at the date of this announcement, thus transactions between the Group and the Parent Group will constitute connected transactions for the Company under the Listing Rules.

The applicable percentage ratios under Chapter 14A of the Listing Rules, in respect of transactions contemplated under each of the CCT Agreements and their respective largest proposed annual caps, are more than 0.1% and less than 5%. Accordingly, the transactions contemplated under each of the CCT Agreements will only be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Mr. Gao Dekang, Ms. Mei Dong (the spouse of Mr. Gao Dekang) and Mr. Gao Xiaodong (the son of Mr. Gao Dekang), all of whom are Directors, have abstained from voting on the Board resolution approving the renewal of the transactions contemplated under the CCT Agreements and their respective proposed annual caps.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“CCT Agreements”	collectively, the Framework Integrated Service Agreement and the Lease Agreements
“Company”	Bosideng International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the director(s) of the Company
“Framework Integrated Service Agreement”	the framework integrated service agreement entered into between the Company and Mr. Gao Dekang dated September 15, 2007 pursuant to which the Parent Group agrees to provide various ancillary services to the Group, which was last renewed on December 20, 2021
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INEDs”	the independent non-executive Directors
“Lease Agreements”	collectively, the Property Lease Agreement and the Supplemental Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Gao Dekang”	an executive Director, the chairman and president of the Company
“Non-exempt Continuing Connected Transactions”	the continuing connected transactions contemplated under the CCT Agreements that are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules
“Parent Group”	Mr. Gao Dekang and his associates, other than members of the Group
“PRC”	the People’s Republic of China



“Property Lease Agreement”	the property lease agreement entered into between the Company and Mr. Gao Dekang dated September 15, 2007 pursuant to which the Parent Group agreed to lease certain properties to the Group, as supplemented by agreement entered into between Mr. Gao Dekang and the Company on March 11, 2010 and the Supplemental Lease Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Lease Agreement”	an agreement supplemental to the Property Lease Agreement entered into between the Company and Mr. Gao Dekang dated April 22, 2013 pursuant to which the Parent Group agreed to lease additional properties to the Group from time to time for a term of not more than three years from the date of the Supplemental Lease Agreement, which was last renewed on December 20, 2021
“%”	per cent

By order of the Board  
**Bosideng International Holdings Limited**  
**Gao Dekang**  
*Chairman*

Hong Kong, January 17, 2025

*As at the date of this announcement, the executive Directors are Mr. Gao Dekang, Ms. Mei Dong, Ms. Huang Qiaolian, Mr. Rui Jinsong and Mr. Gao Xiaodong; and the independent non-executive Directors are Mr. Dong Binggen, Mr. Wang Yao and Dr. Ngai Wai Fung.*