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B & S INTERNATIONAL HOLDINGS LTD.

賓仕國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(the “Company”)

(Stock code: 1705)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of B & S International Holdings Ltd. (the “**Company**”) dated 30 October 2020 relating to the Company’s continuing connected transactions and discloseable transactions in relation to the Renewal of Tenancy Agreements. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those in the Announcement.

The Company wishes to clarify, amend and supplement the following in the Announcement:

- (a) The transactions contemplated under the Renewal Tenancy Agreements shall constitute connected transactions of the Company instead of continuing connected transactions of the Company.
- (b) The term of each of the Renewal Properties 1 Tenancy Agreements and the Renewal Property 2 Tenancy Agreement shall be one year commencing from 22 November 2020 and expiring on 21 November 2021 (both days inclusive) (the “**Initial Term**”). Subject to the terms of each of the Renewal Tenancy Agreements, Wise Fine has an option to renew each of the Renewal Tenancy Agreements for a further term of one year commencing from the expiration of the Initial Term by giving the respective landlord(s) prior written notice of not less than one month before the expiration of the Initial Term.
- (c) The annual rental under each of the Renewal Properties 1 Tenancy Agreements and the Renewal Property 2 Tenancy Agreement shall be HK\$5,856,000 and HK\$1,152,000, respectively, excluding service charges and other outgoings payable by Wise Fine.
- (d) The annual outgoings under each of the Renewal Properties 1 Tenancy Agreements and the Renewal Property 2 Tenancy Agreement shall be HK\$678,000 and HK\$169,000, respectively.

- (e) The sections headed “The annual cap” and “Aggregated value of right-of-use assets” of the Announcement shall be deleted from their entirety. All references to and definition of the “annual cap”/“annual caps” and “Aggregated value of Right-of-Use Assets” throughout the Announcement shall be deleted.
- (f) The heading of “Renewal of Continuing Connected Transactions” in the summary of the Announcement shall be replaced by “Renewal Tenancy Agreements”.
- (g) The third paragraph under the section headed “Renewal of Continuing Connected Transactions” in the summary of the Announcement shall be deleted from its entirety.
- (h) The sections headed “Listing Rules Implications” in the summary of the Announcement and “Implications under the Listing Rules” in the contents of the Announcement shall be replaced by the following (with the changes underlined for easy reference):

Best Source and Ms. Janny Tin are connected persons of the Company since:

- (i) as at the date of this announcement, Best Source is owned as to 33.33% by each of Mr. Andrew Chan, Mr. Stephen Chan and Mr. William Chau, being executive Directors and Substantial Shareholders, hence it is an associate of each of Mr. Andrew Chan, Mr. Stephen Chan and Mr. William Chau; and
- (ii) Ms. Janny Tin, being the spouse of Mr. Andrew Chan, is also an executive Director.

In accordance with HKFRS 16 “Leases”, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. However, as allowed under HKFRS 16, the Group has elected not to recognize right-of-use assets and lease liabilities for leases that at the commencement date, have a fixed lease term of 12 months or less. Instead, the Group recognizes the fixed lease payments associated with those leases as expenses on a straight-line basis over the fixed lease term.

The Directors (including independent non-executive Directors), after considering the independent valuation report prepared by the independent valuer of the Group, are of the view that the Renewal Tenancy Agreements were entered into on an arm's length basis and in the ordinary and usual course of business, and that the transactions contemplated under the Renewal Tenancy Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Given that one or more of the applicable percentage ratios (other than the profit ratio) for the transactions contemplated under the Renewal Tenancy Agreements in aggregate calculated by reference to Rule 14.07 of the Listing Rules is expected to be exceed 5% but are less than 25% and the aggregate rental is less than HK\$10,000,000 on an annual basis, the transactions contemplated under the Renewal Tenancy Agreements constitute connected transactions and discloseable transactions and in aggregate are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Save for the above clarification, all other information and contents of the Announcement remain unchanged.

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

Hong Kong, 17 November 2020

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