

**THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

If you have sold or transferred all your shares in Vision International Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

**Beaming Elite Holdings Limited**  
(Incorporated in the British Virgin Islands  
with limited liability)

  
**Vision International Holdings Limited**  
威誠國際控股有限公司  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8107)

**COMPOSITE DOCUMENT RELATING TO  
MANDATORY UNCONDITIONAL CASH OFFER BY  
CHEONG LEE SECURITIES LIMITED FOR AND ON BEHALF OF  
BEAMING ELITE HOLDINGS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES IN  
THE ISSUED SHARE CAPITAL OF  
VISION INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY  
BEAMING ELITE HOLDINGS LIMITED)**

**Financial adviser to the Offeror**



**Offer Agent to the Offeror**

**Cheong Lee**  
昌利證券

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**

**MESSIS 大有融資**

Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) having the same meanings as those defined in the "Definitions" section of this Composite Document.

A letter from Cheong Lee containing, among other things, principal terms of the Offer is set out on pages 10 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 26 of this Composite Document. A letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Offer is set out on pages 27 to 28 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Offer and the principal factors considered by it in arriving at its recommendation is set out on pages 29 to 58 of this Composite Document. A report from Yongtuo Fuson CPA Limited and a report from Messis Capital in relation to the estimate of the unaudited consolidated profit and total comprehensive income attributable to owners of the Company for the three months ended 31 March 2024 are set out on pages V-1 to V-2 and VI-1 to VI-2 of this Composite Document, respectively.

The procedures for acceptance and settlement as well as other related information of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Form of Acceptance should be received by the Registrar, namely Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on Friday, 21 June 2024 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "The Offer — Overseas Shareholders" in the "Letter from Cheong Lee" of this Composite Document before taking any action. It is the sole responsibility of the Overseas Shareholders who wish to accept the 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 Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions). The Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer (as applicable).

This Composite Document is issued jointly by the Offeror and the Company. This Composite Document will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and website of the Company at [www.vision-holdings.com.hk](http://www.vision-holdings.com.hk) as long as the Offer remains open. In case of any inconsistency, the English language texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

31 May 2024

## CHARACTERISTICS OF GEM

*GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.*

*Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.*

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## EXPECTED TIMETABLE

*The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.*

**2024**

Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement date of the Offer ( <i>Note 1</i> ) .....	Friday, 31 May
Latest time and date for acceptance of the Offer ( <i>Notes 1, 2 and 4</i> ) .....	4:00 p.m. on Friday, 21 June
Closing Date ( <i>Notes 1 and 2</i> ) .....	Friday, 21 June
Announcement of the results of the Offer, to be posted on the website of the Stock Exchange ( <i>Note 1</i> ).....	no later than 7:00 p.m. on Friday, 21 June
Latest date for posting of remittances in respect of valid acceptances received under the Offer ( <i>Notes 3 and 4</i> ).....	Wednesday, 3 July

*Notes:*

- (1) The Offer, which is unconditional in all respect, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date.  
  
In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance will be at 4:00 p.m. on Friday, 21 June 2024 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on Friday, 21 June 2024 stating the results of the Offer and whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer, and the announcement regarding the extension of the Offer does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
- (2) Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
- (3) Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the paragraph headed "5. Right of withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

## EXPECTED TIMETABLE

- (4) If there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning:
- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the latest date for despatch of remittances will remain on the same Business Day; or
  - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. and the latest date for despatch of remittances will be rescheduled to the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Save as mentioned above, if the latest time for acceptance of the Offer do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

**All references to dates and times contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong dates and times.**

## **IMPORTANT NOTICE**

### **NOTICE TO THE OVERSEAS SHAREHOLDERS**

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek independent legal advice in respect of the Offer.

It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due from him/her/it in respect of such jurisdiction.

Any acceptance by the Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be lawful, valid and binding in accordance with all applicable laws. Such Overseas Shareholders should consult their respective professional advisers if in doubt.

Based on the register of members of the Company as at the Latest Practicable Date, none of the Shareholders registered as a shareholder on the register of members of the Company is an Overseas Shareholder. Please refer to the section headed “7. Overseas Shareholders” in Appendix I to this Composite Document for further information.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the GEM Listing Rules and/or the Takeovers Code.

## DEFINITIONS

*In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meanings:*

“acting in concert”	has the meaning ascribed to it under the Takeovers Code and “concert parties” shall be construed accordingly
“Arena”	Arena Investors, LP, the investment manager of Arena Group
“Arena Group”	Arena Finance Markets, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Fund, LP, Arena Special Opportunities Partners II, LP and Arena Special Opportunities Partners (Cayman Master) II, LP
“Arena’s Irrevocable Undertaking”	the irrevocable undertaking given by Arena in favor of the Offeror, pursuant to which Arena has for itself and on behalf of each member of Arena Group, unconditionally and irrevocably undertaken to the Offeror, <i>inter alia</i> , that they (i) will not accept the Offer or sell any of the Shares held by them from time to time during the Offer Period to the Offeror, Mr. Chan or parties acting in concert with any of them; (ii) will not take any action to make the Shares held by them from time to time during the Offer Period available for acceptance of the Offer; and (iii) will not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Shares held by them before, the close of the Offer. The Irrevocable Undertaking will cease only upon the close of the Offer
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Cheong Lee”	Cheong Lee Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO, the agent making the Offer on behalf of the Offeror

## DEFINITIONS

“Closing Date”	Friday, 21 June 2024, the closing date of the Offer, or if the Offer is extended, any subsequent closing date as may be determined by the Offeror and jointly announced by the Offeror and the Company, with the consent of the Executive, in accordance with the Takeovers Code
“Company”	Vision International Holdings Limited (威誠國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM (stock code: 8107)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	the date on which Completion took place, being 28 March 2024
“Composite Document”	the composite offer and response document dated 31 May 2024 and jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in accordance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Form of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the amount of HK\$62,800,000, being consideration payable by the Offeror to the Vendor for the purchase of the Sale Shares under the Sale and Purchase Agreement
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM



## DEFINITIONS

“Grande Capital”	Grande Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in relation to the Offer
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Dr. Liu Ta-pei, Ir Prof. Young Andrew Meng Cheung, Mr. Cha Ho Wa and Mr. Chu Kin Ming, which has been established by the Company to make recommendation to the Independent Shareholders in relation to the Offer
“Independent Financial Adviser” or “Messis Capital”	Messis Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to the acceptance of the Offer
“Independent Shareholder(s)”	holder(s) of Share(s), other than the Offeror
“Joint Announcement”	the announcement dated 12 April 2024 jointly issued by the Offeror and the Company in relation to, among others, the Share Transfer and the Offer
“Last Trading Day”	27 March 2024, being the last trading day of the Shares immediately prior to the release of the Joint Announcement
“Latest Practicable Date”	28 May 2024, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Mr. Chan”	Mr. Chan Ting (陳霆), the sole director and sole shareholder of the Offeror
“Ms. Woo”	Ms. Theresa Woo (吳婉慧), the spouse of Mr. Chan

## DEFINITIONS

“Offer”	the mandatory unconditional cash offer made by Cheong Lee for and on behalf of the Offeror to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror on the terms and conditions set out in this Composite Document and in accordance with the Takeovers Code
“Offer Facility”	a loan facility of up to HK\$31.3 million in aggregate made available by Cheong Lee to the Offeror
“Offeror”	Beaming Elite Holdings Limited, a company incorporated in the BVI with limited liability and beneficially and wholly-owned by Mr. Chan, which is the purchaser under the Sale and Purchase Agreement
“Offer Period”	the period commenced on 12 April 2024 and ends on the Closing Date in accordance with the Takeovers Code
“Offer Price”	the cash amount of HK\$0.8483 payable by the Offeror for each Offer Share
“Offer Share(s)”	all the issued Shares other than those already owned or agreed to be acquired by the Offeror
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Personal Guarantee”	the personal guarantee provided by Mr. Chan in favour of the Vendor under a deed of personal guarantee dated 28 March 2024 which guarantees the Offeror’s payment obligations of the remaining consideration under the Sale and Purchase Agreement in the amount of HK\$54,800,000
“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Registrar”	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Relevant Period”	the period commencing on 12 October 2023, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date

## DEFINITIONS

“Sale and Purchase Agreement”	the sale and purchase agreement dated 27 March 2024 and entered into between the Vendor and the Offeror in relation to the Share Transfer
“Sale Share(s)”	the 74,038,000 Shares acquired by the Offeror from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement, representing approximately 54.66% of the total issued share capital of the Company as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share Pledge”	the share pledge provided by the Offeror for the benefit of Cheong Lee over the Sale Shares and Offer Shares to be acquired by the Offeror as security for the Offer Facility
“Share Transfer”	the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Share(s)”	share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Mr. Lau Chi Wing James (劉志榮)
“Vendor’s Irrevocable Undertaking”	the irrevocable undertaking given by the Vendor in favor of the Offeror, pursuant to which the Vendor has unconditionally and irrevocably undertaken to the Offeror, <i>inter alia</i> , that he (i) will not accept the Offer or sell any of the Shares held by him from time to time during the Offer Period to the Offeror, Mr. Chan or parties acting in concert with the Offeror and/or Mr. Chan; (ii) will not take any action to make the Shares held by him from time to time during the Offer Period available for acceptance of the Offer; and (iii) will not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Shares held by him before the close of the Offer. The Irrevocable Undertaking will cease only upon the close of the Offer

## DEFINITIONS

“%”

per cent.

Unless the context otherwise requires, all references in this Composite Document to:

- (a) times and dates are references to Hong Kong times and dates, except as otherwise specified;
- (b) pronouns in masculine, feminine or neutral genders shall be construed to state and include any other gender; and
- (c) words, terms and titles in the singular form shall be construed to include the plural and vice versa.

# Cheong Lee

昌利證券

31 May 2024

*To the Independent Shareholders:*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
CHEONG LEE SECURITIES LIMITED FOR AND ON BEHALF OF  
BEAMING ELITE HOLDINGS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES IN  
THE ISSUED SHARE CAPITAL OF  
VISION INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY  
BEAMING ELITE HOLDINGS LIMITED)**

## **INTRODUCTION**

References are made to (i) the Joint Announcement in relation to, among other things, the Share Transfer and the Offer; and (ii) the joint announcements of the Offeror and the Company dated 3 May 2024 and 17 May 2024 in relation to the delay in despatch of the Composite Document. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

### **The Share Transfer**

As disclosed in the Joint Announcement, on 27 March 2024 (after trading hours), the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, being 74,038,000 Shares, representing approximately 54.66% of the total issued share capital of the Company as at the date of the Joint Announcement, free from all encumbrances, for a total cash Consideration of HK\$62,800,000, equivalent to approximately HK\$0.8483 per Sale Share.

Completion took place on the Completion Date, being 28 March 2024. Pursuant to the Sale and Purchase Agreement, the Consideration were settled in the following manner:

- (i) a sum of HK\$8,000,000, being part payment of the Consideration, was satisfied by the Offeror in full by cheque by the time of signing of the Sale and Purchase Agreement; and

## LETTER FROM CHEONG LEE

- (ii) the remaining balance of the Consideration in the amount of HK\$54,800,000 (the “**Remaining Consideration**”) shall be settled by the delivery of an undated cheque issued by a licensed bank in Hong Kong and made payable to the Vendor (or the Vendor’s nominee(s)) upon Completion. The Vendor shall be entitled to deposit the cheque on or after 27 March 2025, being one (1) year from the Completion Date and no interest is chargeable by the Vendor on the Remaining Consideration. The aforesaid undated cheque was issued and delivered to the Vendor upon Completion.

Mr. Chan, as guarantor, has provided the Personal Guarantee in favour of the Vendor to guarantee the Offeror’s payment obligations of the Remaining Consideration under the Sale and Purchase Agreement.

### **Presumed acting in concert**

Immediately upon Completion, the Vendor continued to hold 1,000,000 Shares, representing approximately 0.74% of the total issued share capital of the Company.

As the Vendor agreed to receive deferred payment by agreeing to the full settlement of the Consideration subsequent to Completion as abovementioned, the Vendor is treated as providing financing or financial assistance to the Offeror and is therefore presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code.

### **Mandatory unconditional cash offer**

Immediately prior to Completion, the Offeror, Mr. Chan (as the ultimate beneficial owner of the Offeror), Ms. Woo (being the spouse of Mr. Chan) and parties acting in concert with any of them (excluding the Vendor) did not own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after Completion which took place on 28 March 2024 and as at the Latest Practicable Date, the Offeror and parties acting in concert with it (including the Vendor) were interested in an aggregate of 75,038,000 Shares, representing approximately 55.40% of the total issued share capital of the Company.

The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror). The Offer will be made to the Independent Shareholders. For the avoidance of doubt, the Offer will be extended to each of the Vendor and Arena Group. Cheong Lee is making the Offer for and on behalf of the Offeror.

### **Purpose of this letter**

This letter sets out, among other things, the principal terms of the Offer, together with the information on the Offeror and the Offeror’s intentions regarding the Group. Further details of the Offer and the procedures for accepting and settlement of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” to the

## LETTER FROM CHEONG LEE

Independent Shareholders, the “Letter from the Independent Financial Adviser” to the Independent Board Committee and the Independent Shareholders and the appendices as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

### IRREVOCABLE UNDERTAKINGS

#### Arena’s Irrevocable Undertaking

As at the Latest Practicable Date, Arena is deemed to be interested in a total of 25,400,000 Shares, representing approximately 18.75% of the total issued share capital of the Company. Arena is an investment manager of and is deemed to be interested in the Shares held by the Arena Group.

On 28 March 2024, the Offeror received the Arena’s Irrevocable Undertaking, pursuant to which Arena has for itself and on behalf of each member of Arena Group, unconditionally and irrevocably undertaken to the Offeror, *inter alia*, that they (i) will not accept the Offer or sell any of the Shares held by Arena and/or any member of Arena Group from time to time during the Offer Period to the Offeror, Mr. Chan or parties acting in concert with the Offeror and/or Mr. Chan; (ii) will not take any action to make the Shares held by Arena and/or any member of Arena Group from time to time during the Offer Period available for acceptance of the Offer; and (iii) will not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Shares held by Arena and/or any member of Arena Group before the close of the Offer. The Arena’s Irrevocable Undertaking will cease only upon the close of the Offer.

#### Vendor’s Irrevocable Undertaking

Immediately upon Completion, the Vendor continued to hold 1,000,000 Shares, representing approximately 0.74% of the total issued share capital of the Company. On 11 April 2024, the Offeror received the Vendor’s Irrevocable Undertaking, pursuant to which the Vendor has unconditionally and irrevocably undertaken to the Offeror, *inter alia*, that he (i) will not accept the Offer or sell any of the Shares held by him from time to time during the Offer Period to the Offeror, Mr. Chan or parties acting in concert with the Offeror and/or Mr. Chan; (ii) will not take any action to make the Shares held by him from time to time during the Offer Period available for acceptance of the Offer; and (iii) will not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Shares held by him before the close of the Offer. The Vendor’s Irrevocable Undertaking will cease only upon the close of the Offer.

# LETTER FROM CHEONG LEE

## THE OFFER

### Principal terms of the Offer

We are making the Offer, for and on behalf of the Offeror, to acquire the Offer Shares on the following basis:

#### The Offer

**For each Offer Share..... HK\$0.8483 in cash**

The Offer Price of HK\$0.8483 per Offer Share is the same as the price of HK\$0.8483 per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

As at the Latest Practicable Date, the Company has 135,450,000 Shares in issue and the Company has no other outstanding Shares, options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

The Offer is unconditional in all respects and extended to all Independent Shareholders in accordance with the Takeovers Code.

Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

### Comparison of value

The Offer Price of HK\$0.8483 per Offer Share represents:

- (i) a discount of approximately 83.03% to the closing price of HK\$5.000 per Share as quoted on the Stock Exchange on 27 March 2024, being the Last Trading Day;
- (ii) a discount of approximately 83.41% to the average closing price of HK\$5.114 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 83.82% to the average closing price of approximately HK\$5.243 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to and including the Last Trading Day;



## LETTER FROM CHEONG LEE

- (iv) a discount of approximately 83.95% to the average closing price of approximately HK\$5.284 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 88.54% to the closing price of HK\$7.400 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a premium of approximately 84.41% over the audited consolidated net assets value attributable to the owners of the Company per Share of approximately HK\$0.46 as at 31 December 2023 (based on a total of 135,450,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net assets value attributable to the owners of the Company of HK\$62,359,000 as at 31 December 2023).

### **Highest and lowest Share prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$7.99 per Share on 29 April 2024 and 30 April 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$5.00 per Share on 26 March 2024 and 27 March 2024.

### **Total consideration for the Offer Shares**

As at the Latest Practicable Date, the Company has 135,450,000 Shares in issue and the Company has no other outstanding Shares, options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.8483 per Offer Share, the total issued share capital of the Company is valued at HK\$114,902,235. As the Offeror hold in aggregate 74,038,000 Shares as at the Latest Practicable Date, 61,412,000 Shares are subject to the Offer. Based on the Offer Price of HK\$0.8483 per Offer Share, the total consideration of the Offer would be HK\$52,095,799.60 in the event that the Offer is accepted in full.

### **Financial resources available for the Offer**

The maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer is HK\$52,095,799.60, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer.

Based on the Vendor's Irrevocable Undertaking and the Arena's Irrevocable Undertaking, the Offeror anticipates that the Offer made in respect of the 1,000,000 Shares and 25,400,000 Shares held by the Vendor and Arena Group, respectively, will not be accepted. In this regard, based on a total of 35,012,000 Shares which will be subject to the Offer (excluding the 1,000,000 Shares and 25,400,000 Shares held by the Vendor and Arena Group, respectively)

## LETTER FROM CHEONG LEE

and the Offer Price of HK\$0.8483 per Offer Share, the Offeror anticipates that the total consideration payable under the Offer would be HK\$29,700,679.60 in the event the Offer is accepted in full by the other Shareholders except for the Vendor and Arena Group.

The Offeror intends to satisfy the consideration payable under the Offer by the Offer Facility of up to HK\$31.3 million granted to it by Cheong Lee. The Offer Facility is secured by the Share Pledge provided by the Offeror for the benefit of Cheong Lee.

The Offeror does not intend that the payment of interest on, repayment of or provision of security for any liability (contingent or otherwise) under the Offer Facility will depend to any significant extent on the business of the Company.

Grande Capital, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer

### **Effect of accepting the Offer**

By accepting the Offer, the Independent Shareholders will be deemed to warrant that all the Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances and together with all rights and benefits attaching thereto as at the date of this Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The Company confirmed that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date.

The Offer is unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions, and will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed "5. Right of withdrawal" in Appendix I to this Composite Document.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of a duly completed acceptance of the Offer. Relevant documents evidencing title of the Offer Shares must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

## LETTER FROM CHEONG LEE

### **Hong Kong Stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Taxation advice**

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Cheong Lee, Grande Capital, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **Overseas Shareholders**

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders 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 sole responsibility of the Overseas Shareholders who wish to accept the 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 Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Shareholders in respect of such jurisdictions).

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

### **INFORMATION OF THE GROUP**

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange.

## LETTER FROM CHEONG LEE

The Group's businesses are mostly carried out in offices located in Hong Kong and the PRC. The Group principally generates its revenue from (i) the wholesale of apparel and related products with the provision of supply chain management services comprising market trend analysis, product design and development, sourcing of suppliers, production management, logistics services and quality control to customers located in Hong Kong, Germany, Macau and the PRC (the "**Apparel Products segment**"); (ii) sales of innovative anti-counterfeit, traceability and marketing products and related ancillaries with the provision of supply chain management solutions to customers located in Hong Kong and the PRC, of which the anti-counterfeit traceability and marketing functions of the products could allow consumers, include but not limited to the apparel industry, to promote and verify the genuineness and authenticity of the products (the "**Innovative SCM Solutions segment**"); and (iii) provision of agency services for construction and related materials to customers located in Cambodia.

The financial information of the Group is set out in Appendix II to this Composite Document. Your attention is also drawn to the general information in relation to the Group as set out in Appendix III to this Composite Document.

### INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, save for the entering into of the Sale and Purchase Agreement, the Offeror did not engage in any other business activities. Mr. Chan is the sole shareholder and sole director of the Offeror.

Mr. Chan, aged 54, has over 28 years of experience in business management. Mr. Chan served as an executive director of Sinopharm Tech Holdings Limited (國藥科技股份有限公司) ("**Sinopharm Tech**"), a company listed on GEM of the Stock Exchange (stock code: 8156) from December 2001 to August 2022. Immediately prior to his resignation as an executive director of Sinopharm Tech, Sinopharm Tech and its subsidiaries were principally engaged in the provision of, amongst others, (i) anti-counterfeiting businesses; (ii) lottery related services; and (iii) "Internet Plus" solution and supply chain services. During his tenure at Sinopharm Tech, Mr. Chan was primarily responsible for the marketing, business development, strategic planning and operations of Sinopharm Tech.

Mr. Chan also served as an executive director of Celebrate International Holdings Limited (譽滿國際(控股)有限公司) ("**Celebrate International**") (formerly known as Aptus Holdings Limited), a company formerly listed on GEM of the Stock Exchange from August 2004 to September 2010. Immediately prior to his resignation as an executive director of Celebrate International, Celebrate International and its subsidiaries were principally engaged in the businesses of trading of edible oil and mineral materials, holding profit sharing right of oil field, sales of gas and gas appliances, provision of gas transportation services and installation services for gas connected.

In 1993, Mr. Chan was awarded a bachelor's degree in Economics from Macquarie University in Australia.

## LETTER FROM CHEONG LEE

### INTENTION OF THE OFFEROR REGARDING THE GROUP

As at the Latest Practicable Date, the Offeror is the controlling shareholder of the Company, holding 74,038,000 Shares, representing approximately 54.66% of the total issued share capital of the Company.

The Group is principally engaged in (i) sales of apparel and related products with the provision of supply chain management services; (ii) sales of innovative anti-counterfeit traceability and marketing products and related ancillaries with provision of supply chain management solutions; and (iii) provision of agency services for construction and related materials.

The intention of the Offeror is that the Company's existing principal business activities will be maintained and continued after completion of the Offer. The Offeror confirms that there is no intention to further expand and/or divest the existing businesses of the Company during the Offer Period and after the end of the Offer Period unless appropriate opportunities arise. The Offeror will conduct a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. Leveraging Mr. Chan's experience in business management, anti-counterfeiting businesses and the provision of supply chain services, especially during his tenure at Sinopharm Tech as aforementioned, the Offeror intends to leverage the synergies between the Offeror and the Group to explore related business opportunities in the future. Leveraging the increasing public awareness of anti-counterfeiting and consumer protection in the PRC, Mr. Chan and the Offeror believe that there will be a significant increase in demand for the Group's anti-counterfeit products and services. Taking into consideration the expected future growth and improving business prospect of the Group resulting from the increase in market demand for anti-counterfeit products and services, Mr. Chan and the Offeror considered that it is in their commercial interests to invest in the Company.

Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, or disposal of or downsizing of the Group's existing business. Should such corporate actions materialise, further announcement(s) will be made in accordance with the GEM Listing Rules.

The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate).

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the GEM Listing Rules and the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest

## LETTER FROM CHEONG LEE

Practicable, the Offeror has not identified any potential candidate to be appointed as a new director to the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to make material changes to the employment of the management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); and (ii) the Offeror has no intention to dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the GEM Listing Rules.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued 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 Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that, upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. Mr. Chan (being the sole director of the Offeror), the Directors and any new Director(s) to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

### **ACCEPTANCE AND SETTLEMENT OF THE OFFER**

Your attention is drawn to the details regarding the procedures for acceptance of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

### **COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

## LETTER FROM CHEONG LEE

### GENERAL

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances will be sent to the Independent Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, or, in case of joint holders to the Independent Shareholder whose name appears first in the said register of members. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Cheong Lee, Grande Capital, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are also reminded to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” contained in this Composite Document and to consult your professional advisers as you see fit, before deciding whether or not to accept the Offer.

Yours faithfully,  
For and on behalf of  
**Cheong Lee Securities Limited**  
**Kwok Kin Chung**  
*Responsible Officer*

LETTER FROM THE BOARD



**Vision International Holdings Limited**  
**威誠國際控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8107)**

*Executive Directors:*

Mr. Lau Kai Tai  
Mr. Cheuk Ka Chun Kevin  
Mr. Wong Ching

*Independent non-executive Directors:*

Dr. Liu Ta-pei  
Ir Prof. Young Andrew Meng Cheung  
Mr. Cha Ho Wa  
Mr. Chu Kin Ming

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Headquarters and Principal Place  
of Business in Hong Kong:*

Unit 1305–10, 13/F  
Delta House  
3 On Yiu Street  
Shatin  
New Territories  
Hong Kong

31 May 2024

*To the Independent Shareholders:*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
CHEONG LEE SECURITIES LIMITED FOR AND ON BEHALF OF  
BEAMING ELITE HOLDINGS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES IN  
THE ISSUED SHARE CAPITAL OF  
VISION INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY  
BEAMING ELITE HOLDINGS LIMITED)**

**INTRODUCTION**

References are made to (i) the Joint Announcement in relation to, among other things, the Share Transfer and the Offer; and (ii) the joint announcements of the Offeror and the Company dated 3 May 2024 and 17 May 2024 in relation to the delay in despatch of the Composite Document. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.



## LETTER FROM THE BOARD

As disclosed in the Joint Announcement, on 27 March 2024 (after trading hours), the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, being 74,038,000 Shares, representing approximately 54.66% of the total issued share capital of the Company as at the date of the Joint Announcement, free from all encumbrances, for a total cash Consideration of HK\$62,800,000, equivalent to approximately HK\$0.8483 per Sale Share.

Immediately after Completion which took place on 28 March 2024 and as at the Latest Practicable Date, the Offeror and parties acting in concert with it (including the Vendor) hold in an aggregate 75,038,000 Shares, representing approximately 55.40% of the total issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror). The Offer will be made to the Independent Shareholders. For the avoidance of doubt, the Offer will be extended to each of the Vendor and Arena Group.

Further details of the Offer are set out in the “Letter from Cheong Lee” and Appendix I to this Composite Document of which this letter forms part, and in the accompanying Form of Acceptance.

The purpose of this Composite Document is to provide you with, among other things, information relating to the Group, the Offeror and the Offer, the recommendation of the Independent Board Committee to the Independent Shareholders and the “Letter from the Independent Financial Adviser” to the Independent Board Committee and the Independent Shareholders in relation to the Offer.

### THE OFFER

As at the Latest Practicable Date, the Company had 135,450,000 Shares in issue.

As at the Latest Practicable Date, the Company had no other outstanding Shares, options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

### Principal terms of the Offer

As disclosed in the “Letter from Cheong Lee” on pages 10 to 20 of this Composite Document, Cheong Lee is making the Offer for and on behalf of the Offeror to all the Independent Shareholders for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror) on the following basis:

**For each Offer Share..... HK\$0.8483 in cash**

The Offer Price of HK\$0.8483 per Offer Share is the same as the price of HK\$0.8483 per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

## **LETTER FROM THE BOARD**

The Offer Shares to be acquired under the Offer shall be fully paid, free from all encumbrances and with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions during the Offer Period.

The Offer is unconditional in all respects. Acceptance of the Offer tendered by the Independent Shareholders shall be unconditional and irrevocable once given and cannot be withdrawn except in circumstances set out in Rule 19.2 of the Takeovers Code.

Your attention is drawn to the further details regarding the procedures for acceptance of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

### **INFORMATION OF THE GROUP**

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange.

The Group's businesses are mostly carried out in offices located in Hong Kong and the PRC. The Group principally generates its revenue from (i) the wholesale of apparel and related products with the provision of supply chain management services comprising market trend analysis, product design and development, sourcing of suppliers, production management, logistics services and quality control to customers located in Hong Kong, Germany, Macau and the PRC; (ii) sales of innovative anti-counterfeit, traceability and marketing products and related ancillaries with the provision of supply chain management solutions to customers located in Hong Kong and the PRC, of which the anti-counterfeit traceability and marketing functions of the products could allow consumers, include but not limited to the apparel industry, to promote and verify the genuineness and authenticity of the products; and (iii) provision of agency services for construction and related materials to customers located in Cambodia.

## LETTER FROM THE BOARD

The following table sets out the shareholding structure of the Company (a) immediately prior to Completion; and (b) immediately upon Completion and before the Offer and as at the Latest Practicable Date:

	<b>Immediately prior to Completion</b>		<b>Immediately after Completion and before the Offer and as at the Latest Practicable Date</b>	
	<i>Approximate Number of Shares</i>	<i>% of issued Shares</i>	<i>Approximate Number of Shares</i>	<i>% of issued Shares</i>
<b>Offeror and parties acting in concert with it</b>				
— Offeror	—	—	74,038,000	54.66
— Vendor ( <i>Note 1</i> )	75,038,000	55.40	1,000,000	0.74
<b>Arena Investors, LP (<i>Note 2</i>)</b>	25,400,000	18.75	25,400,000	18.75
<b>Public Shareholders</b>	35,012,000	25.85	35,012,000	25.85
<b>Total</b>	135,450,000	100.00	135,450,000	100.00

*Notes:*

1. As the Vendor agreed to receive deferred payment by agreement to the full settlement of the Consideration subsequent to Completion, the Vendor is treated as providing financing or financial assistance to the Offeror and is therefore presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code.
2. According to the disclosure of interests filing available to the Company, Arena Investors, LP is an investment manager of and deemed to be interested in the Shares held by Arena Finance Markets, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Fund, LP, Arena Special Opportunities Partners II, LP and Arena Special Opportunities Partners (Cayman Master) II, LP.

Your attention is drawn to Appendix III to this Composite Document which contain further general information of the Group.

### FINANCIAL INFORMATION OF THE GROUP

Your attention is drawn to Appendix II to this Composite Document which contain financial information of the Group.

### INFORMATION OF THE OFFEROR

Your attention is drawn to the section headed “Information of the Offeror” in the “Letter from Cheong Lee” contained in this Composite Document.

## **LETTER FROM THE BOARD**

### **INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

Your attention is drawn to the paragraph headed “Intention of the Offeror Regarding the Group” in the “Letter from Cheong Lee” of this Composite Document. The Board is aware of the intentions of the Offeror regarding the Group and is willing to render reasonable co-operation with the Offeror which is in the interests of the Company and the Independent Shareholders as a whole.

The Board is aware that the Offeror intends to continue the existing principal business of the Group but will conduct a review to formulate a long-term business strategy for the Group. The Board is also aware that (i) the Offeror has no intention to make material changes to the employment of the management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); (ii) the Offeror has no intention to dispose of or redeploy the assets of the Group other than those in its ordinary course of business; and (iii) as at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, or disposal of or downsizing of the Group’s existing business.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Board is aware that the Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Company will, together with the Offeror, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the GEM Listing Rules.

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

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

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. Mr. Chan (being the sole director of the Offeror) and any new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Directors have jointly and severally undertaken to the Stock Exchange to take appropriate steps while they remain on the Board to ensure that sufficient public float exists in the Shares after the close of the Offer.

## LETTER FROM THE BOARD

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

### **RECOMMENDATION**

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Dr. Liu Ta-pei, Ir Prof. Young Andrew Meng Cheung, Mr. Cha Ho Wa, and Mr. Chu Kin Ming, has been established to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance of the Offer. Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 27 to 28 of this Composite Document; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 29 to 58 of this Composite Document containing their respective advice and recommendation in respect of the Offer and principal factors considered by it in arriving at their recommendation.

### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what actions to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your own professional advisers.

Yours faithfully,  
On behalf of the Board of  
**Vision International Holdings Limited**  
威誠國際控股有限公司  
**Mr. Lau Kai Tai**  
*Chairman and executive Director*

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

*The following is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer prepared for the purpose of inclusion in this Composite Document.*



**Vision International Holdings Limited**

**威誠國際控股有限公司**

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

**(Stock Code: 8107)**

31 May 2024

*To the Independent Shareholders:*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
CHEONG LEE SECURITIES LIMITED FOR AND ON BEHALF OF  
BEAMING ELITE HOLDINGS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES IN  
THE ISSUED SHARE CAPITAL OF  
VISION INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY  
BEAMING ELITE HOLDINGS LIMITED)**

We refer to this Composite Document dated 31 May 2024 jointly issued by the Company and the Offeror, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in this Composite Document.

We have been appointed to constitute the Independent Board Committee to consider the terms of the Offer and to advise you (i.e. the Independent Shareholders) as to whether or not the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation in respect of the acceptance of the Offer. Messis Capital has been appointed as the Independent Financial Adviser to make recommendation to us in respect of the terms of the Offer and, in particular, whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation in respect of the acceptance of the Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from the Independent Financial Adviser” on pages 29 to 58 of this Composite Document.

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from the Board”, the “Letter from Cheong Lee” and the additional information set out in the appendices to this Composite Document.

### RECOMMENDATION

Taking into account the terms of the Offer and the Independent Financial Adviser’s advice and recommendations, we consider that the terms of the Offer are not fair or reasonable so far as the Independent Shareholders are concerned. Therefore, we do not recommend the Independent Shareholders to accept the Offer.

The Independent Shareholders are reminded to monitor the development of the Group, in particular the Offeror’s business strategy and any announcements of the Company during and after the Offer Period.

In any case, the Independent Shareholders should read carefully the procedures for accepting the Offer as detailed in the Composite Document and are strongly advised that the decision to realise or to hold their investment in the Shares is subject to individual circumstances and investment objectives.

The Shares have been consistently traded above the Offer Price since publication of the Joint Announcement, and closed at HK\$7.40 on the Latest Practicable Date. Shareholders who wish to take the opportunity of the market price of the Shares to realise their investment for cash should monitor the market price and the trading liquidity of the Shares with a view to disposing of some or all of their Shares in the market instead of accepting the Offer.

Yours faithfully,  
For and on behalf of  
the Independent Board Committee of  
**Vision International Holdings Limited**  
威誠國際控股有限公司

**Dr. Liu Ta-pei**  
*Independent  
non-executive  
Director*

**Ir Prof. Young  
Andrew  
Meng Cheung**  
*Independent  
non-executive  
Director*

**Mr. Cha Ho Wa**  
*Independent  
non-executive  
Director*

**Mr. Chu Kin Ming**  
*Independent  
non-executive  
Director*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of a letter of advice from Messis Capital Limited to the Independent Board Committee in respect of the Offer which has been prepared for the purpose of incorporation in the Composite Document.*

**MESSIS 大有融資**

31 May 2024

*To: The Independent Board Committee and the Independent Shareholders*

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
CHEONG LEE SECURITIES LIMITED FOR AND ON BEHALF OF  
BEAMING ELITE HOLDINGS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES IN  
THE ISSUED SHARE CAPITAL OF  
VISION INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED BY  
BEAMING ELITE HOLDINGS LIMITED)**

### INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to the acceptance of the Offer. Details of the Offer are set out in the composite document of the Company dated 31 May 2024 (the “**Composite Document**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

The Offeror, Beaming Elite Holdings Limited being the purchaser of the Sale and Purchase Agreement, and the Company, jointly announced that on 12 April 2024 (after trading hours), the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and transfer, and the Offeror agreed to purchase, the Sale Shares, being 74,038,000 Shares, representing approximately 54.66% of the total issued share capital of the Company as at the Latest Practicable Date free from all encumbrances, for a total cash Consideration of HK\$62,800,000, equivalent to approximately HK\$0.8483 per Sale Share. Mr. Chan, as guarantor, has provided the Personal Guarantee in favour of the Vendor to guarantee the Offeror’s payment obligations of the Remaining Consideration under the Sale and Purchase Agreement. As the Vendor agreed to receive deferred payment by agreeing to the full settlement of the Consideration subsequent to Completion, the Vendor is treated as providing financing or financial assistance to the Offeror and is therefore presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code.



**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

Immediately upon Completion, the Vendor continued to hold 1,000,000 Shares, representing approximately 0.74% of the total issued share capital of the Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it (including the Vendor) are interested in an aggregate of 75,038,000 Shares, representing approximately 55.40% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror). As at the Latest Practicable Date, the Company has 135,450,000 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

Cheong Lee, for and on behalf of the Offeror, is making the Offer to all the Independent Shareholders for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror) on the following basis:

Offer Price for each Offer Share. . . . . HK\$0.8483 in cash

The Offer Price of HK\$0.8483 per Offer Share is the same as the price of HK\$0.8483 per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer Shares to be acquired under the Offer shall be fully paid, and free from all encumbrances and with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared, or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

As set out in the “Letter from the Board”, the Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions during the Offer Period.

For the principal terms of the Offer, together with the information of the Offeror and the Offeror’s intention regarding the Group, please refer to the “Letter from Cheong Lee” contained in the Composite Document.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Dr. Liu Ta-pei, Ir Prof. Young Andrew Meng Cheung, Mr. Cha Ho Wa and Mr. Chu Kin Ming, was established pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

We, Messis Capital Limited, have been appointed with the Independent Board Committee's approval pursuant to Rule 2.1 of the Takeovers Code as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. As at the Latest Practicable Date, we were independent from and not connected with the Group pursuant to Rule 17.96 of the GEM Listing Rules, and we have not acted as an independent financial adviser to the Company's other transactions in the past two years. No arrangement exists whereby affects our independence in relation to our appointment as the Independent Financial Adviser. Therefore, we are considered eligible to give independent advice on the Offer under the requirement of the GEM Listing Rules. As at the Latest Practicable Date, we are not in the same group as the financial or other professional advisers (including a stockbroker) to the Company or the Offeror, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) or the substantial shareholder(s) of either of them, therefore we are considered independent and suitable to give independent advice to the Independent Board Committee and the Independent Shareholders pursuant to Rule 2.6 of the Takeovers Code.

This letter contains our advice to the Independent Board Committee and the Independent Shareholders as to (i) whether the Offer is fair and reasonable; (ii) whether the Offer is in the interests of the Independent Shareholders as a whole; and (iii) the acceptance of the Offer.

### BASIS OF OUR OPINION

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Composite Document and the information and representations provided to us by the Group and/or the Directors and/or the senior management of the Company (the "**Management**"). We have assumed that all such statements, information, opinions and representations contained or referred to in the Composite Document or otherwise provided or made or given by the Group and/or the Directors and/or the Management are true and accurate. We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. Should there be any subsequent material changes which occur during the period from the date of the Composite Document up to the date of closing of the Offer, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this Composite Document were reasonably

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its adviser and/or the Directors, which have been provided to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable and there are no reasons to doubt the accuracy and reliability of such public information.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than that expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in the Composite Document misleading.

We consider that we have reviewed all information and documents which are made available to us to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Offeror and the Group or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer (as the case may be) since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.

### PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE OFFER

In assessing the Offer and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

#### 1. Background and financial information of the Group

Pursuant to the annual report of the Company for the year ended 31 December 2023 (“**2023 Annual Report**”), the Group is principally engaged in (i) the wholesale of apparel and related products with the provision of supply chain management (“**SCM**”) services comprising market trend analysis, product design and development, sourcing of suppliers, production management, logistics services and quality control in Hong Kong, Macau and Germany (the “**Apparel Products**”); (ii) sales of innovative anti-counterfeit, traceability and marketing products and related ancillaries with the provision of supply chain management solutions in Hong Kong and the PRC, of which the anti-counterfeit

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

traceability and marketing functions of the products could allow consumers in various industries, including but not limited to the apparel industry, to promote and verify the genuineness and authenticity of the products (the “**Innovative SCM Solutions**”); and (iii) provision of agency services for construction and related materials in Cambodia (the “**Construction Materials**”).

Set out below is a summary of the audited consolidated financial information of the Group for the year ended 31 December 2021, 2022 and 2023, respectively, as extracted from the 2023 Annual Report and 31 December 2022 (the “**2022 Annual Report**”):

### **1.1 Financial results for the year ended 31 December 2022**

#### *1.1.1 Consolidated statement of profit or loss of the Group for the year ended 31 December 2021 and 2022*

	<b>For the year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Total Revenue</b>	<b>160,375</b>	<b>125,707</b>
<b>(a) Apparel Products</b>	<b>160,120</b>	<b>124,658</b>
— Hong Kong	61,885	51,923
— Germany	36,195	37,008
— Macau	62,040	35,626
— France	—	101
<b>(b) Construction Materials</b>	<b>255</b>	<b>1,049</b>
— Cambodia	255	1,049
<b>(c) Innovative SCM Solutions</b>	<b>Nil</b>	<b>Nil</b>
— PRC	Nil	Nil
<b>Gross profit</b>	<b>13,490</b>	<b>10,302</b>
<b>Profit (loss) before tax</b>	<b>5,386</b>	<b>(8,178)</b>

The total revenue of the Group was recorded as approximately HK\$160.4 million for the year ended 31 December 2022, representing an increase of approximately 27.6% from approximately HK\$125.7 million for the year ended 31 December 2021.

Such increase was primarily due to the (i) increase in sales of apparel and related SCM services by approximately HK\$10.0 million in Hong Kong market and approximately HK\$26.4 million in Macau market, respectively; and (ii) the decrease in sales of approximately HK\$0.8 million in Germany market.

The Group recorded a profit before tax of approximately HK\$5.4 million for the year ended 31 December 2022, representing an increase of approximately 165.9% from the loss before tax of approximately HK\$8.2 million for the year ended 31 December 2021.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Such increase was primarily attributable to (i) the increase in gross profit due to the increase in revenue from sales of apparel products as aforementioned; (ii) the decrease in the net change in allowance for expected credit losses for trade receivables by approximately HK\$10.6 million; and (iii) the decrease in selling and distribution expenses by 61.1% from approximately HK\$1.8 million for the year ended 31 December 2021 to HK\$0.7 million for the year ended 31 December 2022, mainly resulting from the decrease in staff costs pertaining to selling and distribution.

### *1.1.2 Consolidated statements of financial position of the Group as at 31 December 2021 and 2022*

	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-Current Assets</b>	<b>30,244</b>	<b>32,336</b>
<b>Current Assets</b>	<b>80,102</b>	<b>73,931</b>
Trade and other receivables, prepayments and deposits	78,996	70,655
Tax recoverable	450	1,562
Bank balances and cash	656	1,714
<b>Total assets</b>	<b><u>110,346</u></b>	<b><u>106,267</u></b>
<b>Current Liabilities</b>	<b>48,275</b>	<b>51,187</b>
Trade and other payables	8,911	16,162
Contract liabilities	4,754	585
Bank borrowings	34,610	34,440
<b>Non-Current Liabilities</b>	<b>8,316</b>	<b>6,223</b>
<b>Total liabilities</b>	<b><u>56,591</u></b>	<b><u>57,410</u></b>
<b>Net assets attributable to the Shareholders</b>	<b><u>53,755</u></b>	<b><u>48,857</u></b>

The Company's total assets increased to approximately HK\$110.3 million as at 31 December 2022 from approximately HK\$106.3 million as at 31 December 2021, representing an increase of approximately 3.8%.

Such increase was attributable to the increase in the current assets position, of which the trade and other receivables, prepayments and deposits increased by approximately 11.7% from approximately HK\$70.7 million as at 31 December

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2021 to approximately HK\$79.0 million as at 31 December 2022 which was mainly due to the increase in trade receivables from approximately HK\$70.9 million as at 31 December 2021 to approximately HK\$83.8 million as at 31 December 2022.

The total liabilities of the Company decreased to approximately HK\$56.6 million as at 31 December 2022 from approximately HK\$57.4 million as at 31 December 2021, representing a decrease of 1.4%.

Such decrease was primarily due to the decrease in current liabilities, attributable to the decrease in trade and other payables from approximately HK\$16.2 million as at 31 December 2021 to HK\$8.9 million as at 31 December 2022, mainly resulting from the decline in trade payables from approximately HK\$15.0 million as at 31 December 2021 to approximately HK\$7.9 million as at 31 December 2022.

### **1.2 Financial results for the year ended 31 December 2023**

#### *1.2.1 Consolidated statement of profit or loss of the Group for the year ended 31 December 2022 and 2023*

	<b>For the year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	(audited) HK\$'000	(audited) HK\$'000
<b>Total Revenue</b>	<b>87,229</b>	<b>160,375</b>
<b>(a) Apparel Products</b>	<b>85,874</b>	<b>160,120</b>
— Hong Kong	16,638	61,885
— Germany	1,947	36,195
— Macau	67,289	62,040
<b>(b) Construction Materials</b>	<b>701</b>	<b>255</b>
— Cambodia	701	255
<b>(c) Innovative SCM Solutions</b>	<b>654</b>	<b>Nil</b>
— PRC	654	Nil
<b>Gross (loss) profit</b>	<b>(2,035)</b>	<b>13,490</b>
<b>(Loss) profit before tax</b>	<b>(34,311)</b>	<b>5,386</b>

The Group's total revenue decreased from approximately HK\$160.4 million for the year ended 31 December 2022 to approximately HK\$87.2 million for the year ended 31 December 2023, representing a decrease of approximately 45.6%.

Such decrease was primarily due to the decrease in revenue from the sales of apparel products from approximately HK\$160.1 million for the year ended 31 December 2022 to approximately HK\$85.9 million for the year ended 31 December 2023, representing a decrease of approximately 46.3%, for the

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reasons that (i) the economic recovery was lower than expected; and (ii) the decrease in demand for the apparel products together with the related SCM services from customers as a result of the weak consumption sentiment.

During the same period, the decrease in the total revenue of the Group was partially off-set by the revenue recorded from the other two business segments of the Group through (i) the slight increase in revenue generated from the construction materials segment from approximately HK\$0.3 million for the year ended 31 December 2022 to approximately HK\$0.7 million for the year ended 31 December 2023; and (ii) the Innovative SCM Solutions segment started to generate revenue for the year ended 31 December 2023, which was amounted to approximately HK\$0.7 million.

The Group recorded a loss before tax of approximately HK\$34.3 million for the year ended 31 December 2023 as opposed to a profit before tax of approximately HK\$5.4 million for the year ended 31 December 2022, which was mainly due to (i) first, the change from a gross profit of approximately HK\$13.5 million for the year ended 31 December 2022 to a gross loss of approximately HK\$2.0 million for the year ended 31 December 2023, which was mainly attributable to the one-off claim (“**One-off Claim**”) made by a customer as a result of the quality issue of the Group’s products during the year ended 31 December 2023; (ii) second, the increase of approximately 12 times in the selling and distribution expenses from approximately HK\$0.7 million for the year ended 31 December 2022 to approximately HK\$8.5 million for the year ended 31 December 2023, resulting from the increase in marketing expense in relation to some of the Group’s products; and (iii) third, the increase of approximately three times in the administrative expenses from approximately HK\$8.3 million for the year ended 31 December 2022 to approximately HK\$26.1 million for the year ended 31 December 2023, as a result of the one-off distribution of directors bonus and the increase in professional fees during the year ended 31 December 2023.

We have reviewed the ledger related to the One-off Claim and the sales record regarding the sales of apparel products from the Company to the same customer (“**Client A**”) of the One-off Claim. We were informed by the Management that the One-off claim was settled, and given the long-term business relationship between the Group and the Client A, the One-off Claim did not render the end of the procurement of apparel products from the Company by the Client A after such issues, which were evidenced by the ledgers of sales to the Client A showing the sales amount to the Client A were continuous in the subsequent months after the One-off Claim. The Company also confirmed that there was no other claim regarding the quality issues of the apparel products by the clients.

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We are of the view that given that (i) save as the One-off Claim, there was no other significant claims by the customers during the year ended 31 December 2023; and (ii) the Client A did not cease the procurement from the Company, such One-off Claim would not have material impact on the Group's business operation.

### *1.2.2 Consolidated statements of financial position of the Group as at 31 December 2022 and 2023*

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-Current Assets</b>	<b>34,849</b>	<b>30,244</b>
<b>Current Assets</b>	<b>72,823</b>	<b>80,102</b>
Trade and other receivables, prepayments and deposits	49,477	78,996
Tax recoverable	1,247	450
Bank balances and cash	22,099	656
<b>Total assets</b>	<b><u>107,672</u></b>	<b><u>110,346</u></b>
<b>Current Liabilities</b>	<b>36,185</b>	<b>48,275</b>
Trade and Other Payables	10,676	8,911
Contract Liabilities	—	4,754
Bank Borrowings	24,026	34,610
Lease Liabilities	1,483	—
<b>Non-Current Liabilities</b>	<b>9,128</b>	<b>8,316</b>
<b>Total liabilities</b>	<b><u>45,313</u></b>	<b><u>56,591</u></b>
<b>Net assets attributable to the Shareholders</b>	<b><u>62,359</u></b>	<b><u>53,755</u></b>

The Company's total assets decreased to approximately HK\$107.7 million as at 31 December 2023 from approximately HK\$110.3 million as at 31 December 2022, representing a decrease of approximately 2.4%.

Such decrease was attributable to the decrease in the current assets position, where the trade and other receivables, prepayments and deposits decreased by approximately 37.3% from approximately HK\$79.0 million as at 31 December 2022 to approximately HK\$49.5 million as at 31 December 2023,



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mainly resulting from the decline in trade receivables from approximately HK\$83.8 million as at 31 December 2022 to approximately HK\$43.8 million as at 31 December 2023.

The total liabilities of the Company decreased by approximately 20.0% from approximately HK\$56.6 million as at 31 December 2022 to approximately HK\$45.3 million as at 31 December 2023, which was primarily due to the decrease in total current liabilities, resulting from the decrease of approximately 30.6% in bank borrowings from approximately HK\$34.6 million to approximately HK\$24.0 million including (i) amounts due within one year and contain a repayment on demand clause; and (ii) amounts that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause.

### ***1.3 Dividends***

No dividend had been declared for the year ended 31 December 2022 and 2023, respectively, according to the annual reports of the Group for the year ended 31 December 2022 and 2023, respectively.

### ***1.4 Overview on the financial performance and position of the Group***

As discussed in the financial analysis for the year ended 31 December 2023 under the section “1.2 Financial results for the year ended 31 December 2023” above, it was noted that Group’s total revenue and net profits showed improvement from the year ended 31 December 2021 to the year ended 31 December 2022 but then deteriorated sharply for the year ended 31 December 2023. The Group recorded a loss position for the year ended 31 December 2023 which was mainly attributable to (i) the significant decrease in total revenue resulted from the decrease in demand for the apparel products from the Hong Kong customers amid the continuous global economic downturn; and coupled with (ii) the significant increase in both selling and distribution expenses and administrative expenses as discussed above.

We have discussed with the Management about any action plan to enhance the Group’s financial performance, and were given to understand that the Group has adopted the cost-control measures since the fourth quarter of 2023 to enhance the cost-effectiveness and improve the profit margin accordingly, including but not limited to (i) restrict the marketing expense taking into account the business scale; (ii) establish both qualitative and quantitative criteria to distribute bonus to staff; and (iii) distribute more resources to the business segment which has a higher gross margin.

As discussed with the Management and with reference to the unaudited management accounts of the Company for the three months ended 31 March 2024, we noted that the revenue decreased significantly as compared to the corresponding period in 2023 due to the slower-than-expected economic recovery and the weak consumption sentiment. During the three months ended 31 March 2024, revenue of the Group comprised mainly the revenue generated from the Innovative SCM

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Solutions from the PRC market, which has a higher gross profit margin than the segment of Apparel Products. We were given to understand by the Management that the Company plans to expand its Innovative SCM Solutions segments while continue to strive to seize the business opportunities in the Apparel Products segment. We are of the view that the cost control measures mentioned in previous paragraph are mainly for controlling marketing expenses and bonus payout categorised under selling and distribution expenses. On the other hand, the change in revenue that was primarily due to the economic and market factors as discussed should not, in our view, be considered to have a direct relationship with the cost-control measures nor its effectiveness. Regarding the effect of the cost control measures, it is observed that the Company recorded a higher gross profit margin after the distribution of resources to higher gross margin segment for the three months ended 31 March 2024.

Also, we have noted that the equity attributable to Shareholders was not less than HK\$48.8 million since the year ended 31 December 2019 and steadily increased to approximately HK\$62.4 million as at 31 December 2023. We are of the view that the net assets value attributable to Shareholders did not have material adverse change.

### *1.5 Outlook of the Group*

Taking into account the financial performance of the business segments of the Company for the three months ended 31 March 2024 aforementioned, and the Management will place business focus on the Apparel Products segment and Innovative SCM Solutions segment, we considered it is reasonable to discuss the prospects of the Group mainly on the Apparel Products segment and Innovative SCM Solutions segment.

#### *1.5.1 The Apparel Products Segment*

According to a research report for clothing industry in Hong Kong as released by the Hong Kong Trade Development Council (**HKTDC**) on 12 April 2024, Hong Kong apparel market practitioners which are known as original design manufacturer (**ODM**) and original equipment manufacturer (**OEM**) production are capable of delivering quality clothing with a short lead time, which facilitates to tighten up supply chain management and to ensure goods reach the stores on time as requested by foreign importers and retailers. As COVID-related restrictions are lifted and the negative impacts of the pandemic gradually subside, apparel companies are expected to expand their business and reverse the industry's decline.

Pursuant to the 2024 First Quarter Economic Report as released by the government of Hong Kong on 17 May 2024, taking into account the actual outturn in the first quarter and the latest developments of the global and local situation, the overall economy of Hong Kong is projected to grow by 2.5% to 3.5% in 2024, which we considered that will provide a chance to apparel industry in Hong Kong to record a better business performance.

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According to Euromonitor International, being one of the global independent providers of strategic market research, global retail sales in the apparel industry grew modestly by 5% in 2023 and are expected to grow by 6% in year 2024. It is also mentioned by the Euromonitor International that, many apparel industry players have made efforts to destock their inventory, which explained the volume of new orders has been relatively weak, leading to trading activities of the suppliers in the apparel sector remained subdued in 2023 while the retail sales of apparel mainly from the previous stock of inventory experienced growth. With the gradual depletion of previous inventory of apparel products, it is likely that the wholesalers and retailers of apparel and related products would increase their sourcing and buying activities from suppliers in 2024.

As one of the Group's principal businesses is wholesale of apparel and related products with the provision of SCM services, and the SCM services includes market trend analysis, product design and development, sourcing of suppliers, production management, logistics services and quality control in Hong Kong and the PRC, and we are noted from Management that the Company's SCM services during the year ended 31 December 2023 mainly comprised the ODM services, we are of the view that it is reasonable to foresee that the Group might benefit from potential more new orders to be placed to suppliers of apparel industry; and the increasing demand in the Company's ODM services under the SCM services for the new orders by the wholesalers of the apparel industry in 2024 after reviewing the Euromonitor's market research.

We noted from the 2023 Annual Report that the Group is still struggling to recover from adverse impact from the COVID-19 pandemic which led to further economic downturn globally and the Company's profitability which was mainly derived from sales of apparel products has been severely affected. To cope with the Company's business downturn, we have discussed with the Management and noted that the Company has continued to take cost-control measures in 2024 to reduce unnecessary operating costs and keep exploring for appropriate opportunities to generate more revenue source.

### *1.5.2 The Innovative SCM Solutions Segment*

It is observed that the potential benefits from the anti-counterfeiting services solutions include verifying the authenticity of products, strengthening customer trust, enhancing brand loyalty and creating potential customer demand for the products.

In 2018, the Chinese State Administration for Market Regulation announced new efforts to ban the illegal manufacture and sale of counterfeit goods in China. China also passed a new e-commerce law that regulates the e-commerce industry. The new law puts more responsibility on e-commerce platforms and on merchants who sell on them, as well as on vendors that have

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their own websites or sell on social media. As a result, e-commerce operators are required to protect intellectual property, and are jointly liable with the merchants who sell counterfeit goods on their platforms.

Pursuant to a research report regarding China Anti-counterfeiting Industry Panorama 2023 as released on 30 April 2023 by the Foresight Industry Research Institute, a leading Industrial Consulting Research Institute in the PRC, driven by the development of the Internet of Things (IoT), mobile Internet, and Radio-frequency identification (RFID) and biometric technologies, China's anti-counterfeiting industry market continues to grow. According to China Trade Association for Anti-counterfeiting, the only national-level social organisation in China's anti-counterfeiting industry registered by the Ministry of Civil Affairs with independent legal personality, in 2022, taking into account the revenue of listed anti-counterfeiting enterprises in China stock exchanges, the preliminary statistics for anti-counterfeiting industry market size exceeded RMB230 billion. With the establishment and enhancement of industry norms and standards, it is reasonable to expect that the anti-counterfeiting function from a single anti-counterfeiting and traceability function to the direction of diversified functions covering the whole life cycle of the product, as well as big data, cloud computing, artificial intelligence, blockchain and other technologies will promote China's anti-counterfeiting industry and the compound annual growth rate of market capacity is estimated to be approximately 10%, and therefore the market capacity of China's anti-counterfeiting industry in 2028 is projected to be more than RMB400 billion.

We noted from the Company and the 2023 Annual Report that the Company has built up stable business cooperation with a major customer, who applies the Company's Innovative SCM Solutions across all the products on its e-commerce platform, which includes apparel and other products. We considered that such strategic cooperation will enable the Company to broaden its customer base and explore more business opportunities. In the meantime, the Group is able to upgrade its provision of Innovative SCM Solutions which fit for the customers' needs via the customers' feedback from the e-commerce platform.

For the Hong Kong market, as the customs and excise department of Hong Kong SAR keeps combating the counterfeiting products in Hong Kong, we considered that there is business opportunity for the Company to seize to expand its Innovative SCM Solutions business in Hong Kong.

We considered it is reasonable to foresee that the Group will formulate a better business strategy adapting to the changing business environment and economic circumstances given (i) after analysing the selling and distribution expenses, and the administrative expenses offset much of the gross profit from the principal businesses for the year ended 31 December 2023, the Company has continued to adopt cost-control measures, wishing to improve its business profit margin; (ii) the Company entered into service agreement with qualified

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service provider for the purpose of enhancing and upgrading the Company's anti-counterfeit traceability knowhow for the development of Innovative SCM Solutions segment; and (iii) the Company has promoted its provision of Innovative SCM Solutions via online channel as disclosed in the 2023 Annual Report with Hainan JRJJ Technology Company Limited, aiming to leveraging on its broad customer base from the online merchants who have joined this e-commerce platform and principally engaged in selling a diverse range of apparel and other products to attract more business commitment from such online merchants and upgrade the Company's provision of such Innovative SCM Solutions based on the customers' feedback. We noted from the Company that since the Company's Innovative SCM Solutions is applicable to various industry, there will be cross-selling opportunities between the Apparel Products and Innovative SCM Solutions segments.

Taking both the research reports abovementioned for the positive prospects in both apparel industry and anti-counterfeiting industry as well as the Company's active endeavours to improve its business performance and financial performance into consideration, we are of the view that the Company, focusing on the Apparel Products and Innovative SCM Solutions segments, is in an uptrend on prospects.

## 2. Information of the Offeror and its intentions in relation to the Group

### 2.1 The Offeror

The Offeror is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, save for entering into of the Sale and Purchase Agreement, the Offeror did not engage in any other business activities. Mr. Chan is the sole shareholder and sole director of the Offeror.

Mr. Chan, aged 54, has over 28 years of experience in business management. Mr. Chan served as an executive director of Sinopharm Tech Holdings Limited (國藥科技股份有限公司) (“**Sinopharm Tech**”), a company listed on GEM of the Stock Exchange (stock code: 8156) from December 2001 to August 2022. Immediately prior to his resignation as an executive director of Sinopharm Tech, Sinopharm Tech and its subsidiaries were principally engaged in the provision of, amongst others, (i) anti-counterfeiting businesses; (ii) lottery related services; and (iii) “Internet Plus” solution and supply chain services. During his tenure at Sinopharm Tech, Mr. Chan was primarily responsible for the marketing, business development, strategic planning and operations of Sinopharm Tech.

Mr. Chan also served as an executive director of Celebrate International Holdings Limited (譽滿國際(控股)有限公司) (“**Celebrate International**”) (formerly known as Aptus Holdings Limited), a company formerly listed on GEM of the Stock Exchange, from August 2004 to September 2010. Immediately prior to his resignation as an executive director of Celebrate International, Celebrate International and its subsidiaries were principally engaged in the businesses of

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trading of edible oil and mineral materials, holding profit sharing right of oil field, sales of gas and gas appliances, provision of gas transportation services and installation services for gas connected.

In 1993, Mr. Chan was awarded a bachelor's degree in Economics from Macquarie University in Australia.

We considered that Mr. Chan's profound experience in business management and anti-counterfeiting business will benefit the Company to further develop the Innovative SCM Solutions segment, which includes the sales of anti-counterfeit, traceability and marketing solutions by leading the Company to develop enforceable business plan.

### *2.2 The Offeror's intention in relation to the Company's business*

The intention of the Offeror is that the Company's existing principal business activities will be maintained and continued after completion of the Offer. The Offeror confirms that there is no intention to further expand and/or divest the existing businesses of the Company during the Offer Period and after the end of the Offer Period unless appropriate opportunities arise. The Offeror will conduct a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. Leveraging the Offeror's experience in business management and anti-counterfeiting businesses, the Offeror intends to leverage the synergies between the Offeror and the Group to explore related business opportunities in the future.

Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the GEM Listing Rules.

We considered that it is much likely the Offeror as the controlling shareholder of the Company will propose the potential beneficial business action plan for the Company, which may bring more new business ideas to the Company and the Board to consider whether to implement the relevant business plan if they think fit and generate more interests for the Company and the Shareholders as a whole.

***2.3 Proposed change to the Board composition of the Company***

The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate).

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the GEM Listing Rules and the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable, the Offeror has not identified any potential candidate to be appointed as a new director to the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to make material changes to the employment of the management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); and (ii) the Offeror has no intention to dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

We considered it is reasonable for the Offeror to maintain the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate), which will maintain the stability of the business of the Group. For the possible board composition changes, the procedure will be conducted according to the Memorandum of Association of the Company, the Takeovers Codes and/or the GEM Listing Rules, which is considered to be fair and reasonable.

***2.4 Listing status of the Company and public float***

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the GEM Listing Rules.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued 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 Shares; or

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- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

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

Therefore, it should be noted that, upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

Mr. Chan (being the sole director of the Offeror), the Directors and any new Director(s) to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

### **3. Principal terms of the Offer**

#### ***3.1 Comparison of Offer Price***

The Offer Price of HK\$0.8483 per Offer Share is the same as the price of HK\$0.8483 per Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer Price of HK\$0.8483 per Offer Share represents:

- (i) a discount of approximately 88.54% to the closing price of HK\$7.4 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 83.03% to the closing price of HK\$5.000 per Share as quoted on the Stock Exchange on 27 March 2024, being the Last Trading Day;
- (iii) a discount of approximately 83.41% to the average closing price of HK\$5.114 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 83.82% to the average closing price of approximately HK\$5.243 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 83.95% to the average closing price of approximately HK\$5.284 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the Last Trading Day; and
- (vi) a premium of approximately 84.41% over the audited consolidated net assets value attributable to the owners of the Company per Share of approximately HK\$0.46 as at 31 December 2023 (based on a total of



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135,450,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net assets value attributable to the owners of the Company of HK\$62,359,000 as at 31 December 2023).

We have conducted further analysis on the fairness and reasonableness of the Offer Price as presented below.

### *3.2 Analysis of historical Share price movement*

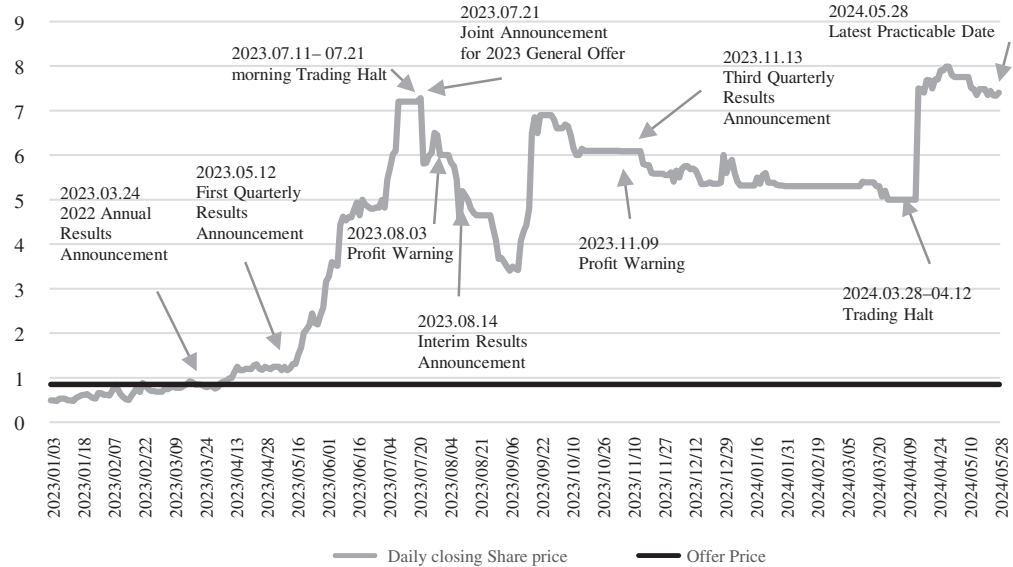
In order to assess the fairness and reasonableness of the Offer Price, we have performed a review on the daily closing prices and trading volume of the Shares from 1 January 2023 up to and including the Last Trading Day (the “**Pre-Announcement Period**”) (being a period of approximately 13 months prior to and including the Last Trading Day), and the period subsequent to the Last Trading Day up to and including the Latest Practicable Date (the “**Post-Announcement Period**”, collectively “**Review Period**”) to compare with the Offer Price.

We consider that it is fair and reasonable that the Review Period include both the Pre-Announcement Period and the Post-Announcement Period, which cover the annual business operation cycle of the Company and the dates of releasing financial results, reflecting the market perception on the Company’s business performance and prospects, and moreover, the changing social and economic circumstances together with the relaxation of COVID-19 pandemic control in Hong Kong, instead of merely focusing on the Share price movement since the Last Trading Day. In the meantime, the Share price movement during the period subsequent to the Last Trading Day and up to and including the Latest Practicable Date is also presented here for Shareholder’s information.

The graph below illustrates the daily closing prices of the Shares during the Review Period.

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### Daily closing Share price against Offer Price



Source: the website of the Stock Exchange

#### *Pre-Announcement Period*

During the Pre-Announcement Period commencing from 1 January 2023 to 27 March 2024, the Shares were traded at a price ranging from HK\$0.48 (the “**Lowest Share Price**”) to HK\$7.28 (the “**Highest Share Price**”). During the Pre-Announcement Period, the Highest Share Price represented a premium of approximately 7.58 times over the Offer Price and the Lowest Share Price represented a discount of approximately 43.4% against the Offer Price. The average closing price per Share for the Pre-Announcement Period was approximately HK\$4.00, which represented a premium of approximately 3.72 times over the Offer Price. We note that among the 303 trading days during the Pre-Announcement Period, 248 trading days the Offer Price is below the daily closing price per Share, while 55 days the Offer Price is above the daily closing price per Share.

From 1 January 2023 to 16 May 2023

The closing price of the Shares showed an uptrend movement and gradually increased from HK\$0.48 to HK\$1.21 during the period from 1 January 2023 to 12 May 2023 without significant fluctuation.

It is observed from the annual results announcement of the Company for the year ended 31 December 2022 which was released on 24 March 2023 that the Company performed much better during the year ended 31 December 2022 than the year ended 31 December 2021, turned a net loss attributable to the owners of the Company of approximately HK\$8.7 million for the year ended 31 December 2021 to a net profit attributable to the owners of the Company of approximately HK\$4.9 million for the year ended 31 December 2022. Further,

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as shown from the first quarterly report of the Company for the three months ended 31 March 2023 published on 12 May 2023, the Company's performance is relatively stable compared with the period for the three months ended 31 March 2022.

We considered that such published financial information may be one of the reasons that the investors had faith in the Company's prospect which in turn the daily closing price of the Shares still showed an uptrend during such period. We have discussed and understood from the Management that they were not aware of any other events or factors attributable to the uptrend in closing price of the Shares from 28 January 2023 to 16 May 2023.

From 17 May 2023 to 21 July 2023

During the period commencing from 17 May 2023 to 21 July 2023, the closing price of the Shares showed an exponential uptrend movement, increasing from HK\$1.68 on 18 May 2023 to HK\$7.2 on 10 July 2023. The Shares was at trading halt from 11 July 2023 to the morning of 21 July 2023. We did not identify any public announcement of the Company that may explain such the upward movement of the closing price of the Shares. We have discussed and understood from the Management that they were not aware of any events or factors attributable to the such increase.

From 22 July 2023 to 12 September 2023

Subsequent to the release of the joint announcement regarding the general offer where the Company was the offeree company on 21 July 2023 ("**2023 General Offer**"), the closing price of the Shares showed a downward trend from HK\$7.28 on 21 July 2023 to HK\$3.42 on 12 September 2023. We considered such decline in the closing prices of Shares may be attributable to the (i) the investors' reaction to the 2023 General Offer; (ii) the profit warning announcement of the Company as released on 3 August 2023; and (iii) the corresponding interim results of the Company for the six months ended 30 June 2023, showing that the Company recorded a much larger net loss attributable to the owners of the Company for the six months ended 30 June 2023 of approximately HK\$19.3 million for the six months ended 30 June 2023 as compared to the net loss attributable to the owners of the Company of HK\$1.1 million for the six months ended 30 June 2022.

From 13 September 2023 to 28 September 2023

The closing price of the Shares surged to HK\$6.9 on 28 September 2023 from HK\$4.07 on 13 September 2023. We did not identify any public announcement of the Company that may explain such the upward movement of the closing price of the Shares. We have discussed and understood from the Management that they were not aware of any events or factors attributable to the such increase.

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From 29 September 2023 to the Last Trading Day

The closing price of the Shares was traded within the range from HK\$5.0 to HK\$6.8 during the period from 29 September 2023 up to and including the Last Trading Day, the average closing price per Share during such period was HK\$5.63. The Share was traded relatively stable during such period and there is no material influence from the release of the third quarterly results of the Company for the nine months ended 30 September 2023 on 13 November 2023.

### *Post-Announcement Period*

The Shares were at trading halt during the period from 28 March 2024 to 12 April 2024 (“**Trading Halt Period**”) for the purpose of publication of the Joint Announcement. During the Post-Announcement Period commencing from 28 March 2024 up to and including the Latest Practicable Date (except for the Trading Halt Period), the closing price of the Shares increased from HK\$5 on the Last Trading Day to HK\$7.5 on the first day of resumption of trading of the Shares, from then on the closing price of the Shares was traded at the range from HK\$7.33 to HK\$7.99 with the average closing price of HK\$7.61 during this period, representing a premium of 7.97 times over the Offer Price. As at the Latest Practicable Date, the closing price of the Shares represented a premium of 7.72 times over the Offer Price.

**Independent Shareholders should note that the information set out above is not an indication of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price after the Latest Practicable Date.**

### *Section summary*

During the approximately one-year period prior to and including the date of the Joint Announcement, being a period without the possible effect from the Joint Announcement of the Offer, most of the trading days of which the closing prices of the Share had been traded at a premium to the Offer Price. Therefore, from the perspective of the historical market trading price performance of the Shares during the Pre-Announcement Period, we are of the view that the Offer Price is not fair or reasonable.

We noted the recent surge in prices of Shares during the Post-Announcement Period. We have discussed with the Management and was informed that save as the change in the ownership of the Company, the Management are not aware of any events or factors (such as material improvements in business operation, trading positions, recent business strategy, or prospects of the Group) as of the Latest Practicable Date that would potentially alter the intrinsic value of the Shares and support this price surge. We considered that such surge in closing price of the Shares may be attributable to (i) positive market sentiment as presented by the recent Hong Kong stock market performance; and (ii) the investors’ confidence in the prospects of the

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Company's business performance by leveraging Mr. Chan's profound industry experience in the business management and anti-counterfeiting businesses. Considering during the Post-Announcement Period (except for the Trading Halt Period), the average closing price of the Shares was at a premium of 7.97 times over the Offer Price, we considered the Offer Price is not fair or reasonable in such context.

In summary, we are of the view that the Offer Price of HK\$0.8483 is not fair or reasonable in the circumstances where the closing price of Shares has been traded higher than the Offer Price in vast majority of time since the 1 January 2023 and up to and including the Latest Practicable Date. We considered the increase in the closing price of the Shares during the Post-Announcement Period also reflected the confidence of the investors in the prospects of the Company's business, which will surely benefited from Mr. Chan's established industry experience in business management and anti-counterfeiting businesses.

### ***3.3 Historical trading liquidity of the Shares***

We have reviewed the trading liquidity of the Shares during the Review Period. Set out below is the average daily trading volume of the Shares on a monthly basis and the respective percentage of the average daily trading volume of the Shares as compared to the total number of the issued Shares as at the end of relevant months/periods and the total number of the Shares held by Independent Shareholders as at the end of the relevant months/periods. Given the reasons aforementioned under the subsection headed "3.2 Analysis of historical Share price movement" above, we are of the view that the trading liquidity of the Shares during the Pre-Announcement Period can sufficiently reflect the market trading together with the market perception of the Shares without the possible effect from the Joint Announcement regarding the Offer. Similar analysis for the Post-Announcement Period is also presented for the Offer Shareholders' information.

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The table below summarizes the trading volume of the Shares for the following period:

Month	Total trading volume of Shares (Shares)	Number of trading days (days)	Approximate average daily trading volume of the Shares (Shares) (Note 1)	Total issued Shares	Approximate % of average daily trading volume to total issued Shares as at the end of the relevant month/ period (Note 2)	Approximate percentage of average daily trading volume to the total number of issued Shares held by Independent Shareholders (Note 3)
<b>Pre-Announcement Period</b>						
<b>2023</b>						
January	4,005,000	18	222,500	120,000,000	0.1854%	0.3683%
February	8,082,000	20	404,100	120,000,000	0.3368%	0.6689%
March	8,039,000	23	349,522	120,000,000	0.2913%	0.5786%
April	5,651,000	17	332,412	120,000,000	0.2770%	0.5502%
May	14,201,000	21	676,238	120,000,000	0.5635%	1.1194%
June	23,414,000	21	1,114,952	132,000,000	0.8447%	1.8456%
July (Note 4)	9,874,000.00	12.5	789,920	132,000,000	0.5984%	1.3076%
August	2,619,000.00	23	113,870	132,000,000	0.0863%	0.1885%
September	3,814,000.00	19	200,737	132,000,000	0.1521%	0.3323%
October	305,000.00	20	15,250	132,000,000	0.0116%	0.0252%
November	248,000.00	22	11,273	132,000,000	0.0085%	0.0187%
December	1,928,000.00	19	101,474	135,450,000	0.0749%	0.1680%
<b>2024</b>						
January	980,000.00	22	44,545	135,450,000	0.0329%	0.0737%
February	63,000.00	19	3,316	135,450,000	0.0024%	0.0055%
1 March to 27 March (Last Trading Day)	220,000.00	19	11,579	135,450,000	0.0085%	0.0192%
<b>Post-Announcement Period</b>						
<b>2024</b>						
28 March to 31 March (Note 5)	—	—	—	—	—	—
April (Note 5)	1,800,000	12	150,000	135,450,000	0.1107%	0.2483%
1 May to 28 May (Latest Practicable Date)	556,000	18	30,889	135,450,000	0.0228%	0.0511%

*Source: the website of Stock Exchange (www.hkex.com.hk)*

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*Notes:*

1. Average daily trading volume is calculated by dividing the total trading volume of the Shares for the month/period by the number of trading days during the months/period.
2. Based on Shares in issue which was stated on the monthly return of the Company for the end of the relevant month/period from the website of the Stock Exchange.
3. Based on 60,412,000 Shares in issue held by Shareholders other than the Offeror and parties acting in concert with it as set out in the Composite Document.
4. The Shares were on trading halt during the period from 11 July 2023 to morning of 21 July 2023.
5. The Shares were on trading halt from 28 March 2024 to 12 April 2024.

As illustrated from the table above, we noted that the average daily trading liquidity of the Shares was thin during the Pre-Announcement Period, ranging from approximately 0.0024% to 0.8447% of the Group's total issued share capital as at the end of the relevant month/period, 0.0055% to 1.8456% of the total number of issued Shares held by Independent Shareholders. Further, save as in the month of May 2023, June 2023 and July 2023, the average daily trading liquidity of the Shares was approximately 0.5635%, 0.8447%, and 0.5984% of the Group's total issued share capital as at the end of the relevant month/period, respectively; and the average daily trading liquidity of the Shares was approximately 1.9314%, 3.1845% and 2.2561% of the total number of issued Shares held by Independent Shareholders, respectively, the average daily trading liquidity of the Shares was not over 0.34% of the Group's total issued share capital as at the end of the relevant month/period and not over 0.67% of the total number of issued Shares held by Independent Shareholders. It is also observed that during the Pre-Announcement Period which covered 295.5 trading days of the Company after taking into account the trading halt period during the 11 July 2023 to the morning of 21 July 2023, the days that the investors were not traded the Shares accrued 81.5 days, which represented approximately 27.6%. Hence, we considered the trading volume of the Shares were rather thin during the Pre-Announcement Period.

Such thin liquidity may suggest that it is not easy to sell relatively high volume of Shares on the market over a short period of time without inducing downward pressure of the Share price.

During the Post-Announcement Period, we noted that the average daily trading liquidity of the Shares ranged from approximately 0.0228% to approximately 0.1107% of the Group's total issued share capital as at the end of the relevant month/period and ranged from approximately 0.0511% to approximately 0.2483% of the total number of Shares held by the Independent Shareholders as at the Latest Practicable Date, both of which were not more than 0.3%.

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We considered that such trading liquidity was in line with the corresponding range during the Pre-Announcement Period. It is also observed that such trading liquidity after the Post-Announcement Period was much higher than those of the month/period of January 2024, February 2024, and the period from 1 March 2024 to the Last Trading Day. We are of the view that considering the potential market perception of (i) the public information of 2023 Annual Report as released on 14 March 2024 which suggested that Company recorded a net loss attributable to the Shareholders for the year ended 31 December 2023 compared with a net profit attributable to the Shareholders was recognised for the year ended 31 December 2022, and (ii) the Joint Announcement, the increase in trading liquidity is much likely attributable to the Joint Announcement.

**Shareholders should be noted that such relatively high liquidity of shares trading may or may not sustain during and/or after the Offer Period.**

In light of the thin liquidity of the Shares during the Pre-Announcement Period and the uncertainty for the trading volume after the Latest Practicable Date, it is reasonable to consider that the Offer provides an alternative opportunity for the Independent Shareholders to dispose of the Shares held by themselves for cash at the Offer Price if such Independent Shareholders considers appropriate.

### ***3.4 Comparison between the NAV per Share and the closing prices of Shares during the Review Period***

We noted that the net asset value attributable to the Shareholders per Share (“NAV per Share”) was approximately HK\$0.46 as at 31 December 2023. During the whole Pre-Announcement Period, the Shares were traded at a premium of the NAV per Share, among which the Lowest Share Price of HK\$0.48 per Share was higher than the NAV per Share of approximately of HK\$0.46. During the Post-Announcement Period, the Shares has been surged to HK\$7.4 as at the Latest Practicable Date, representing a premium of 15.09 times over than the NAV per Share of approximately HK\$0.46. We considered that the closing price of the Shares of HK\$7.4 as of Latest Practicable Date Offer Price is more favourable than the Offer Price to the Shareholders, which represented at a slightly lower premium of approximately 84.41% over the NAV per Share.

### ***3.5 Analysis of the reasonableness and the fairness of the Offer Price***

Although (i) the Offer Price represented a premium of approximately 84.4% over the NAV per Share of approximately HK\$0.46; (ii) the Group was loss-making for the year ended 31 December 2023 according to the 2023 Annual Report, which may not attract investors, who focus more on a company’s profitability, to trade in high trading volume in a short period of time; and (iii) during the Pre-Announcement Period, the average daily trading volume was thin during the Pre-Announcement



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Period, ranging from approximately 0.0024% to 0.8447% of the Group's total issued share capital as at the end of the relevant month/period, 0.0055% to 1.8456% of the total number of issued Shares held by Independent Shareholders, during which approximately 27.6% of the trading days no trading transaction was completed in a single trading day, as at the Latest Practicable Date, the closing price of the Shares has been surged to HK\$7.4, representing a premium of 15.09 times over than the NAV per Share of approximately HK\$0.46, which is more favourable than the Offer Price to the Shareholders as a whole as discussed under the former sub-section. Viewing that the Share price as of the Latest Practicable Date representing a premium of approximately 7.72 times over the Offer Price is a more crucial factor to decide whether to accept the Offer, we considered that the Offer Price is not fair or reasonable.

**The Shareholders should be informed that (i) there is no guarantee that the price of Shares will continue its upward trends and sustain at a level higher than the Offer Price after the Offer Period; and (ii) there exists uncertainty whether there would be sufficient liquidity in the future for the Shareholders to dispose of their Shares in the open market without depressing the Share price, taking into account the changing economic and financial circumstances globally.**

#### 4. Market comparable analysis

##### *Market approach for market comparable analysis*

*Price-earnings ratio ("P/E Ratio"), Price-to-book ratio ("P/B Ratio") and Price-to-sales ratio ("P/S Ratio")*

We noted from the 2023 Annual Report that the Company recorded a net loss attributable to the Shareholders for the year ended 31 December 2023, and thus the P/E ratio analysis is not suitable for our market comparable analysis. We also have considered the P/B ratio, which is commonly used in the valuation for the asset-intensive entity, is also not much appropriate for our market comparable analysis here, since the Company is an asset-light company, taking into account (i) the current assets accounted for approximately 67.6% of the total assets of the Company as at 31 December 2023 while the non-current assets represented 32.4% of the total assets of the Company as at 31 December 2023; and (ii) the property, plant and equipment of the Company accounted for 25.2% of the total assets of the Company.

Therefore, we further consider to assess the Offer Price with reference to the P/S Ratio, which is calculated by dividing the market capitalisation of a company by its sales revenue and is another common valuation method to evaluate the market value of a non-profitable listed company even though the comparable companies are profitable.

*4.1 Apparel Products Segment*

P/S Ratio

For conducting the P/S Ratio market comparable analysis, we have identified listed companies on the Stock Exchange engaging in similar business of the Group with selection criteria which include companies which (i) are listed on GEM of the Stock Exchange taking into account the business scale factor; (ii) are principally engaged in sales of apparel and related products with the provision of supply chain management services in apparel industry which derived more than 50% of their revenue (the “**Relevant Revenue**”) from such principal business based on their latest published annual reports available as at the date immediately before the Latest Practicable Date; (iii) the geographical market is mainly in PRC, Hong Kong or Macau.

Based on the aforesaid selection criteria, we have identified a comparable company which is an exhaustive comparable, being Wealth Glory Holdings Limited (stock code: 8269). Given that there is only one comparable company, we considered that the comparable analysis is not meaningful and therefore not suitable for comparable analysis.

*4.2 Innovative SCM Solutions Segment*

It was set out under the sub-section “1.4 Overall view on the financial performance and position of the Group” the Innovative SCM Solutions segment has an increased revenue contribution for the three months ended 31 March 2024.

However, given that the revenue generated from the Innovative SCM Solutions segment merely accounted for approximately 0.7% of the total revenue of the Company for the year ended 31 December 2023, we considered the P/S Ratio market comparable analysis based on revenue for the year ended 31 December 2023 which recorded insignificant contribution from the Innovative SCM Solutions segment would render the analysis not meaningful and unsuitable.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### RECOMMENDATIONS

In making our recommendation, we have considered the foregoing and, the following principal reasons:

#### (i) Recent results

According to the 2023 Annual Report, it was noted that Group's total revenue decreased from approximately HK\$160.4 million for the year ended 31 December 2022 to approximately HK\$87.2 million for the year ended 31 December 2023, representing an decrease of approximately 45.6% and recorded a profit of approximately HK\$5.4 million for the year ended 31 December 2022 and a loss of approximately HK\$34.3 million for the year ended 31 December 2023.

As discussed with the Management and with reference to the unaudited management accounts of the Company for the three months ended 31 March 2024, we noted that the revenue decreased significantly as compared to the corresponding period in 2023. During the three months ended 31 March 2024, revenue of the Group comprised mainly the revenue generated from the Innovative SCM Solutions from the PRC market. We were given to understand by the Management that the Company plans to expand its Innovative SCM Solutions segments while continue to strive to seize the business opportunities in the Apparel Products segment.

#### (ii) Prospects

Taking both the research reports abovementioned for the positive prospects in both apparel industry and anti-counterfeiting industry as well as the Company's active endeavours to improve its business performance and financial performance into consideration, we are of the view that the Company, according to the Management, which focused on the Apparel Products and Innovative SCM Solutions segments since this year, is in an uptrend on prospects.

Furthermore, Mr. Chan, being the sole director and sole shareholder of the Offeror, has established over twenty-eight (28) years of experiences in business management together with rich experience in anti-counterfeiting businesses. The Offeror plans to leverage the synergies between the Offeror and the Group to explore related business opportunities in the future, which is considered to be a positive factor for the Shareholders not to accept the Offer.

#### (iii) The Offer Price

Among the 303 trading days during the Pre-Announcement Period, 248 trading days the Offer Price is below the daily closing price per Share, while 55 days the Offer Price is above the average closing price per Share, taking into account that the Highest Share Price represented a premium of approximately 7.58 times over the Offer Price and the Lowest Share Price represented a discount of approximately 43.4% against the Offer Price, we considered the Offer Price is not fair and reasonable.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### **(iv) Share price and trading liquidity**

The Share price of HK\$7.4 as of the Latest Practicable Date represented a premium of 15.09 times over than the NAV per Share of approximately HK\$0.46, while the Offer Price of HK\$0.8483 represented a premium of approximately 84.4% over the NAV per Share of approximately HK\$0.46, the Share price as of the Latest Practicable Date is more favourable than the Offer Price to the Independent Shareholders as a whole.

During the Pre-Announcement Period, the average daily trading volume of the Shares has been rather thin, ranged from approximately 0.0024% to 0.8447% of the Group's total issued share capital as at the end of the relevant month/period, 0.0055% to 1.8456% of the total number of issued Shares held by Independent Shareholders. It is also observed that during the Pre-Announcement Period which covered 295.5 trading days of the Company after taking into account the trading halt period from 11 July 2023 to the morning of 21 July 2023, the days that the investors had not traded the Shares accrued 89 days, which represented approximately 27.6%. Hence, we considered the trading volume of the Shares were rather thin during the Pre-Announcement Period.

During the Post-Announcement Period, we noted that the average daily trading liquidity of the Shares ranged from approximately 0.0228% to approximately 0.1107% of the Group's total issued share capital as at the end of the relevant month/period and ranged from approximately 0.0511% to approximately 0.2483% of the total number of Shares held by the Independent Shareholders as at the Latest Practicable Date, both of which were not more than 0.3%. Although the Offer provides an alternative opportunity for the Independent Shareholders to realise their investment for cash, it is undoubtedly that the Share price as at the Latest Practicable Date is much more attractive to the Shareholders.

### **(v) P/S comparison to peers**

As discussed under the sub-section "4. Market comparable analysis", we considered the market comparable analysis is not applicable.

Balancing the considerations (i)–(v) as set out above, (a) we considered the Offer is not fair and reasonable and is not in the interests of the Independent Shareholders; and (b) accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders not to accept the Offer.

The Independent Shareholders are reminded to monitor the development of the Group, in particular the Offeror's business strategy and any announcements of the Company during and after the Offer Period.

In any case, the Independent Shareholders should read carefully the procedures for accepting the Offer as detailed in the Composite Document and are strongly advised that the decision to realise or to hold their investment in the Shares is subject to individual circumstances and investment objectives.

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

The Shares have consistently traded at or above the Offer Price since publication of the Joint Announcement, and closed at HK\$7.4 on the Latest Practicable Date. Shareholders who wish to take the opportunity of the market price of the Shares to realise their investment for cash should monitor the market price and the trading liquidity of the Shares with a view to disposing of some or all of their Shares in the market instead of accepting the Offer.

Yours faithfully,  
For and on behalf of  
**Messis Capital Limited**  
**Wallace Cheung**  
*Managing Director*

*Mr. Wallace Cheung is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of Mesis Capital Limited to carry out type 6 (advising on corporate finance) regulatory activity under the SFO and has over 13 years of experience in corporate finance industry.*

## 1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer, by post or by hand, to the Registrar, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong in an envelope marked “**Vision International Holdings Limited — Offer**” as soon as possible but in any event so as to reach the Registrar no later than 4:00 p.m. on the Closing Date.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares, you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “**Vision International Holdings Limited — Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or
  - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “**Vision International Holdings Limited — Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or
  - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorize

HKSCC Nominees Limited to accept the Offer on your behalf in respect of the number of Shares for which you intend to accept the Offer on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed, signed and delivered in an envelope marked "**Vision International Holdings Limited — Offer**" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar.
- (d) If you have lodged transfer of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "**Vision International Holdings Limited — Offer**" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Cheong Lee and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the Closing Date and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer and, if that/those share certificate(s) is/are not in your name, such other document(s) in order to establish your right to become the registered holder of the relevant Shares; or
  - (ii) from a registered Independent Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
  - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (g) In Hong Kong, seller's ad valorem stamp duty for transfer of Shares registered in the seller's name by the Company through the Registrar arising in connection with acceptance of the Offer payable by the relevant Independent Shareholders 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 Offer, whichever is higher, will be deducted from the amount payable to the relevant Independent Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Independent Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any Form of Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

## 2. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by the Registrar no later than 4:00 p.m. on the Closing Date in accordance with the instructions printed on the Form of Acceptance, and the Offer will be closed on the Closing Date.



- (b) The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.
- (c) In the event that the Offeror decides to extend the Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Independent Shareholders who have not accepted the Offer.
- (d) If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.
- (e) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date of the Offer so extended.

### **3. NOMINEE REGISTRATION**

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares whose investments are registered in nominee names to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

### **4. ANNOUNCEMENTS**

- (a) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the GEM Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired. Such announcement must state the followings:
  - (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
  - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror and the parties acting in concert with it before the Offer Period;
  - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it during the Offer Period; and

- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, and parties acting in concert with it has borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and fulfill the acceptance conditions set out in paragraph 1(e) of this Appendix, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) If the Offeror, the parties acting in concert with it or its advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.
- (d) As required under the Takeovers Code and the GEM Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company (<http://www.vision-holdings.com.hk/>).

## **5. RIGHT OF WITHDRAWAL**

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in paragraph headed “4. Announcements” above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days following the date of receipt of the notice of withdrawal, despatch the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or

any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Independent Shareholder(s) by ordinary post at his/her/its own risk.

## **6. SETTLEMENT OF THE OFFER**

Provided that the accompanying Form of Acceptance for the Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Shares tendered under the Offer (less seller's ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.

No fraction of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

## **7. OVERSEAS SHAREHOLDERS**

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders 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 sole responsibility of the Overseas Shareholders who wish to accept the 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 Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Shareholders in respect of such jurisdictions). The Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Cheong Lee, Grande Capital, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes they may be required to pay. Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

**8. TAX IMPLICATIONS**

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Cheong Lee, Grande Capital, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

**9. GENERAL**

- (a) All communications, notices, Form of Acceptance, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Cheong Lee, Grande Capital, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.
- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror that the Shares tendered under the Offer are sold or tendered by such Independent Shareholder(s) free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the Offer.
- (d) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.
- (e) The accidental omission to despatch this Composite Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.
- (f) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

- (g) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Cheong Lee and/or such person or persons as any of them may direct to complete and execute on behalf of the person(s) accepting the Offer, and to do any other act(s) that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.
- (h) The Offer is made in accordance with the Takeovers Code.
- (i) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (j) The Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved, in making their decision as to acceptance of the Offer. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them, the Company or its ultimate beneficial owners, directors, officers, agents, professional advisers or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advices.
- (k) The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited consolidated financial results of the Group for each of the financial years ended 31 December 2021, 2022 and 2023, respectively, as extracted from the relevant published financial statements of the Group for the relevant years.

	<b>For the year ended 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	125,707	160,375	87,229
Cost of sales	<u>(115,405)</u>	<u>(146,885)</u>	<u>(89,264)</u>
<b>Gross profit/(loss)</b>	10,302	13,490	(2,035)
Other income	212	323	130
Other gains and (losses), net	(7,995)	2,156	4,796
Selling and distribution expenses	(1,783)	(681)	(8,518)
Administrative expenses	(8,089)	(8,277)	(26,076)
Finance costs	<u>(825)</u>	<u>(1,625)</u>	<u>(2,608)</u>
<b>(Loss) Profit before taxation</b>	(8,178)	5,386	(34,311)
Income tax credit (expense)	<u>(511)</u>	<u>(488)</u>	<u>155</u>
<b>(Loss) Profit and total comprehensive (loss) income for the year/period</b>	<u>(8,689)</u>	<u>4,898</u>	<u>(34,156)</u>
<b>Basic and diluted earnings (loss) per Share (HK\$ cents)</b>	<u>(8.69)</u>	<u>4.90</u>	<u>(27.08)</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 January 2017 and its issued shares have been listed on GEM since 4 May 2018. The Board has declared (i) interim dividends with an aggregate amount of HK\$6.5 million to its then sole Shareholder in April 2018 which had been fully paid; (ii) quarterly dividends of HK\$0.01 per Share, amounting to a total of HK\$10 million for the nine months ended 30 September 2017, which had been fully paid; (iii) final dividend of HK\$0.013 per Share, amounting to a total of HK\$13 million for the year ended 31 December 2018, which had been fully paid; (iv) interim dividends of HK\$0.01 per Share, amounting to a total of HK\$10 million for the six months ended 30 June 2019, which had been fully paid; and (v) final dividend of HK\$0.0075 per Share, amounting to a total of HK\$7.5 million for the year ended 31 December 2019, which had been fully paid. Save as disclosed above, no dividend has been paid or declared by the Company since its date of incorporation.

The Group did not record any non-controlling interests for each of the years ended 31 December 2021, 2022 and 2023.

The reporting accountant and auditor of the Company for the three years ended 31 December 2023 were Yongtuo Fuson CPA Limited, Certified Public Accountant of Hong Kong, did not issue any qualified or modified opinion (including emphasis of matter, adverse opinion, disclaimer of opinion and material uncertainty related to going concern) on the consolidated financial statements of the Group for the years ended 31 December 2021, 2022 and 2023, respectively.

There were no items of any income or expense which was material in respect of the consolidated financial results of the Group for each of the financial year ended 31 December 2021, 2022 and 2023.

## 2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer in this Composite Document the consolidated statements of financial position, the consolidated statements of cash flows, and any other primary statements as shown in the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”), the year ended 31 December 2022 (the “**2022 Financial Statements**”) and the year ended 31 December 2023 (the “**2023 Financial Statements**”) together with the relevant notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2023 Financial Statements are set out from page 96 to page 199 in the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report 2023**”) which was published on 14 March 2024. The Annual Report 2023 of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.vision-holdings.com.hk](http://www.vision-holdings.com.hk)), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0314/2024031401615.pdf>

The 2022 Financial Statements are set out from page 80 to page 159 in the annual report of the Company for the year ended 31 December 2022 (the “**Annual Report 2022**”) which was published on 24 March 2023. The Annual Report 2022 of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.vision-holdings.com.hk](http://www.vision-holdings.com.hk)), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0324/2023032400677.pdf>

The 2021 Financial Statements are set out from page 85 to page 167 in the annual report of the Company for the year ended 31 December 2021 (the “**Annual Report 2021**”) which was published on 29 March 2022. The Annual Report 2021 of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.vision-holdings.com.hk](http://www.vision-holdings.com.hk)), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0329/2022032900772.pdf>

### 3. INDEBTEDNESS

As at 31 March 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had outstanding bank borrowings of approximately HK\$30.6 million, among which (i) bank borrowings of approximately HK\$22.8 million are secured by certain of the Group's property, plant and equipment with carrying amount of HK\$24.2 million (the "**Secured Bank Borrowings**"); and (ii) bank borrowings of approximately HK\$7.8 million are guaranteed by the HKMC Insurance Limited under the SME Financing Guarantee Scheme and also secured by personal guarantee provided by a former Director.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the normal course of business, as at 31 March 2024, the Group did not have any other debt securities issued, outstanding and authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that, save as disclosed above, there has not been any material change in the indebtedness and contingent liabilities of the Group between 31 March 2024 and the Latest Practicable Date.

### 4. MATERIAL CHANGE

The Directors confirm that save as disclosed herein below, there has been no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2023, being the date to which the latest audited consolidated financial statements of the Company were made up to, up to and including the Latest Practicable Date. With reference to and compared an estimate of unaudited consolidated profit and total comprehensive income attributable to owners of the Company of the Group for the three months ended 31 March 2024 (the "**Profit Estimate**") which was prepared based on the unaudited consolidated management accounts of the Group for the three months ended 31 March 2024 to that for the three months ended 31 March 2023 based on the unaudited first quarterly report of the Company published on 12 May 2023, the material changes are set forth below:

- (i) total revenue of the Group for the three months ended 31 March 2024 decreased by approximately 57.6% as compared to that of the Group for the three months ended 31 March 2023, of which the revenue recorded from the Apparel Products segment decreased from approximately 96.5% of the total revenue of the Group for the three months ended 31 March 2023 to approximately 25.5% of the total revenue of the Group for the three months ended 31 March 2024, while the Innovative SCM Solutions segment made a 74.1% contribution to the total revenue for the three months ended 31 March 2024 in comparison with nil for the three months ended 31 March 2023, which was primarily due to (i) the slower than expected economic recovery and the weak consumption sentiment that the customers did not have strong demand for more apparel and related products; and (ii) a strategic cooperation agreement entered into between the Company and a major customer in the PRC market in November 2023, under which the customer has procured the innovative



SCM solution services for its e-commerce platform during the three months ended 31 March 2024. For further details, please refer to the announcement of the Company dated 1 November 2023;

- (ii) for the Apparel Products segment, the Group recorded 100% of revenue for such segment from the PRC market for the three months ended 31 March 2024, in comparison to nil for the three months ended 31 March 2023, while the Group did not generate any revenue for such segment from the Macau market, Hong Kong market or the Germany market for the three months ended 31 March 2024, in comparison to approximately 86.2%, 6.6% and 7.3%, respectively of the revenue of the Apparel Products segment for the three months ended 31 March 2023. The aforesaid changes were mainly attributable to the intention of the Group to focus and expand its business in the Innovative SCM Solutions segment in the PRC and Hong Kong markets and the Apparel Products segment in the PRC market commencing from 2024;
- (iii) for the Innovative SCM Solutions segment, revenue generated from such segment accounted for approximately 74.1% of the total revenue of the Group for the three months ended 31 March 2024, in comparison to nil for the three months ended 31 March 2023, which was primarily due to the strategic cooperation with a major customer in the PRC market who operated an e-commerce platform and procured the innovative SCM solutions services from the Company;
- (iv) the gross profit margin of the Group increased from approximately 4.9% for the three months ended 31 March 2023 to approximately 57.2% for the three months ended 31 March 2024, which was mainly due to the higher gross profit margin under the Innovative SCM Solutions segment of the Group;
- (v) the Group recorded a profit and total comprehensive income attributable to owners of the Company for the three months ended 31 March 2024, in comparison to a loss and total comprehensive expense attributable to owners of the Company for the three months ended 31 March 2023, which was mainly attributable to the net effect of (a) higher gross profit margin as set out in paragraph (iv) above; (b) decrease in selling and distribution expenses as a result of the reduction in marketing fees for business development; and (c) increase in administrative expenses resulting from the increase in staff salaries and MPF contributions; and
- (vi) the top customers and top suppliers of the Company for the three months ended 31 March 2024 were different from those of the Group for the three months ended 31 March 2023, which was primarily due to the (a) significant increase in revenue of the Innovative SCM Solutions segment as set out on paragraph (iii) above; and (b) different geographical market of the customer under the Apparel Products segment as set out in paragraph (ii) above.

The Profit Estimate constituted a profit forecast under Rule 10 of the Takeovers Code and must be reported on by the financial adviser or independent financial adviser, and the auditors or consultant accountants. In this regard, please refer to the “Letter from Yongtuo Fuson CPA Limited on the Profit Estimate” and “Letter from Messis Capital on the Profit Estimate” set forth in Appendix V and Appendix VI to this Composite Document, respectively.

## 1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than that expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date are as follows:

<i>Authorised</i>	<i>HK\$</i>
<u>1,000,000,000</u> Shares	<u>100,000,000</u>
 <i>Issued and fully paid:</i>	
<u>135,450,000</u> Shares	<u>13,545,000</u>

All of the existing issued Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting. The Shares are listed and traded on the Stock Exchange. No Shares are listed, or dealt in, on any other stock exchange, nor is any listing of or permission to deal in the Shares being, or proposed to be sought, on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company.

The Company has not issued any Shares since 31 December 2023, being the date to which the latest audited financial statements of the Company were made up.

### 3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing Price per Share (HK\$)</b>
31 October 2023	6.10
30 November 2023	5.61
29 December 2023	6.00
31 January 2024	5.30
29 February 2024	5.30
27 March 2024 (the Last Trading Day)	5.00
28 March 2024	5.00
30 April 2024	7.99
28 May 2024 (the Latest Practicable Date)	7.40

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$7.99 per Share on 29 April 2024 and 30 April 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$5.00 per Share on 26 March 2024 and 27 March 2024.

### 4. DISCLOSURE OF INTERESTS

#### (a) **Directors and the chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Rule 5.46 to 5.67 to the GEM Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

**(b) Substantial Shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons or entities who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital were as follows:

Name	Nature of interest and capacity	Number of Shares held (Note 1)	Number of underlying Shares held pursuant to share options (Note 2)	Total number of Shares and/or underlying Shares held	Approximate % in the issued share capital (Note 3)
The Offeror	Beneficial owner	74,038,000 (L)	—	74,038,000 (L)	54.66
Mr. Chan	Interest in controlled corporation	74,038,000 (L)	—	74,038,000 (L)	54.66
Arena Investors, LP (“Arena”)	Investment manager (Note 4)	25,400,000 (L)	— 9,600,000 (S)	25,400,000 (L) 9,600,000 (S)	18.75 7.09
EnKai Investments Pte. Ltd.	Beneficial owner	—	9,600,000 (L)	9,600,000 (L)	7.09
Mr. Ng Kim Ming (“Mr. Ng”)	Interests of controlled corporation (Note 5)	—	9,600,000 (L)	9,600,000 (L)	7.09

*Notes:*

- The letters “L” and “S” denotes to the long and short positions in the Shares.
- According to the disclosure of interests filing available to the Company, on 18 May 2023, EnKai Investments Pte. Ltd. (“EnKai”), a company incorporated in Singapore entered into an option agreement with Arena (as amended by an amendment agreement dated 18 July 2023) pursuant to which call options up to 9,600,000 shares of the Company were granted by Arena to EnKai (the “Option Agreement”). Under the option agreement, EnKai has the right to elect either cash settlement or physical settlement of the call options.
- The percentage of shareholding was calculated based on the Company’s total number of issued Shares as at the Latest Practicable Date (i.e. 135,450,000 Shares).
- According to the disclosure of interests filing available to the Company, Arena is an investment manager of and deemed to be interested in the Shares held by Arena Finance Markets, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Fund, LP, Arena Special Opportunities Partners II, LP, and Arena Special Opportunities Partners (Cayman Master) II, LP. Pursuant to the Option Agreement, Arena agreed to grant EnKai call options up to 9,600,000 shares and EnKai may elect cash settlement or physical settlement of the options.
- The 9,600,000 underlying Shares held pursuant to share options are held by EnKai, which is 60% owned by Mr. Ng. Therefore, Mr. Ng is deemed to be interested in all the underlying Shares held by EnKai for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

## 5. SHAREHOLDINGS AND DEALINGS IN SECURITIES

- (a) During the Relevant Period and up to the Latest Practicable Date, none of the Directors had dealt for value in, any Shares or any securities, convertible securities, warrants, options, or derivatives in respect of any Shares or securities of the Company;
- (b) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were owned or controlled or dealt with by a subsidiary of the Company or by a pension fund of members of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) during the Offer Period and up to the Latest Practicable Date;
- (c) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code had any dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the Latest Practicable Date;
- (d) none of the Company nor any Director had borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (e) none of the persons who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who was an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (f) none of the Directors beneficially owned any Shares and accordingly none of them is entitled to the Offer;

- (g) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company; and
- (h) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i)(a) the Offeror, Mr. Chan or any party acting in concert with them, or (i)(b) the Company, its subsidiaries or associated companies on one hand; and (ii) any Shareholder on the other hand.

## 6. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) there was no agreement or arrangement entered into between any Director and any other person which was conditional or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (c) there was no material contract entered into by the Offeror in which any Director had a material personal interests.

## 7. SERVICE CONTRACT OF DIRECTOR

As at the Latest Practicable Date, the Company had entered into the following service agreements and letters of appointment with the Directors:

<b>Name of Director</b>	<b>Term of contract</b>	<b>Remuneration</b>
Mr. Lau Kai Tai ( <i>executive Director</i> )	Initial term of three years from 15 September 2023 to 14 September 2026	HK\$240,000 per annum
Mr. Cheuk Ka Chun Kevin ( <i>executive Director</i> )	Initial term of three years from 15 September 2023 to 14 September 2026	HK\$240,000 per annum
Mr. Wong Ching ( <i>executive Director</i> )	Initial term of three years from 6 November 2023 to 5 November 2026	HK\$240,000 per annum

<b>Name of Director</b>	<b>Term of contract</b>	<b>Remuneration</b>
Dr. Liu Ta-pei <i>(independent non-executive Director)</i>	Initial term of three years from 15 September 2023 to 14 September 2026	HK\$180,000 per annum
Ir Prof. Young Andrew Meng Cheung <i>(independent non-executive Director)</i>	Initial term of three years from 15 September 2023 to 14 September 2026	HK\$180,000 per annum
Mr. Cha Ho Wa <i>(independent non-executive Director)</i>	Initial term of three years from 15 September 2023 to 14 September 2026	HK\$180,000 per annum
Mr. Chu Kin Ming <i>(independent non-executive Director)</i>	Initial term of three years from 15 September 2023 to 14 September 2026	HK\$180,000 per annum

There is no variable remuneration payable under the service agreements and letters of appointment as mentioned above.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which:

- (a) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the commencement of the Offer Period;
- (b) were continuous contracts with a notice period of 12 months or more; or
- (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

## **8. MATERIAL CONTRACT**

Save as disclosed below, as at the Latest Practicable Date, the members of the Group had not entered into any material contracts (being a contract not entered into in the ordinary course of business carried or intended to be carried on by any member of the Group) after the date two years before the commencement of the Offer Period, which are or may be material:

- (a) the placing agreement dated 23 December 2022 entered into between the Company and Silverbricks Securities Company Limited relating to the placing of 20,000,000 Shares, further details of which are disclosed in the announcement of the Company dated 23 December 2022. The placing was completed on 13 January 2023 and the net proceeds raised from such placing was approximately HK\$4.06 million;



- (b) the placing agreement dated 29 May 2023 entered into between the Company and Cheong Lee Securities Limited relating to the placing of 12,000,000 Shares, further details of which are disclosed in the announcement of the Company dated 29 May 2023. The placing was completed on 12 June 2023 and the net proceeds raised from such placing was approximately HK\$20.9 million; and
- (c) the placing agreement dated 30 November 2023 entered into between the Company and Cheong Lee Securities Limited relating to the placing of up to 5,000,000 Shares, further details of which are disclosed in the announcement of the Company dated 30 November 2023. The placing was completed on 20 December 2023 and the net proceeds raised from such placing was approximately HK\$17.8 million.

## 9. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

## 10. QUALIFICATIONS AND CONSENTS OF EXPERTS

In addition to those listed under the paragraph headed “4. Experts and consents” in Appendix IV to this Composite Document, the following are the names and qualifications of the experts who have given their opinion, letters, reports or advice which are contained or referred to in this Composite Document:

Name	Qualification
Messis Capital	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Independent Financial Adviser to the Independent Board Committee in respect of the Offer
Yongtuo Fuson CPA Limited	Certified Public Accountants (Practising)

Each of Messis Capital and Yongtuo Fuson CPA Limited has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinion, letters, reports or advice and references to its name included herein in the form and context in which it appears.

## 11. GENERAL

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- (b) The headquarters and principal place of business in Hong Kong of the Company is Unit 1305–10, 13/F, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong.
- (c) As at the Latest Practicable Date, the Board comprises Mr. Lau Kai Tai, Mr. Cheuk Ka Chun Kevin and Mr. Wong Ching as executive Directors, and Dr. Liu Ta-pei, Ir Prof. Young Andrew Meng Cheung, Mr. Cha Ho Wa and Mr. Chu Kin Ming as independent non-executive Directors.
- (d) The company secretary of the Company is Mr. Tam Chun Wai Edwin, who is an authorised representative under Rule 5.24 of the GEM Listing Rules.
- (e) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (f) The registered office of Messis Capital, the Independent Financial Adviser, is at Room 1303, 13/F, OfficePlus @Wan Chai, No. 303 Hennessy Road, Wan Chai, Hong Kong.
- (g) The English texts of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts, in case of an inconsistency.

## 12. DOCUMENTS ON DISPLAY

In addition to the documents relating to the Offeror as set out in the paragraph headed “6. Documents on display” in Appendix IV to this Composite Document, copies of the following documents are available on display (i) on the website of the Company ([www.vision-holdings.com.hk](http://www.vision-holdings.com.hk)) and (ii) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)) from the date of this Composite Document up to and including the Closing Date:

- (a) the second amended and restated memorandum of association and articles of association of the Company;
- (b) the annual report of the Company for year ended 31 December 2021, 2022 and 2023, respectively;
- (c) the letter from the Board, the text of which is set out on pages 21 to 26 of this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 27 to 28 of this Composite Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out on pages 29 to 58 of this Composite Document;
- (f) the report from Yongtuo Fuson CPA Limited on the profit estimate, the text of which is set out on pages V-1 to V-2 of this Composite Document;

- (g) the report from Messis Capital on the profit estimate, the text of which is set out on pages VI-1 to VI-2 of this Composite Document;
- (h) the letter of consent referred to in the paragraph headed “10. Qualifications and Consents of Experts” in this Appendix;
- (i) the service contracts and letters of appointment referred to in the paragraph headed “7. Service Contract of Director” in this Appendix;
- (j) the material contracts referred to in the paragraph headed “8. Material Contract” in this Appendix;
- (k) the Sale and Purchase Agreement; and
- (l) this Composite Document.

## 1. RESPONSIBILITY STATEMENT

Mr. Chan, being the sole director and sole shareholder of the Offeror, accepts full responsibility for the accuracy of information contained in this Composite Document (other than those relating to the Vendor and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES OF THE COMPANY

The Offeror is wholly and beneficially owned by Mr. Chan, who is also the sole director of the Offeror. As at the Latest Practicable Date, the Offeror, Mr. Chan and the parties acting in concert with them (including the Vendor) hold in aggregate 75,038,000 Shares, representing 55.40% of the total issued share capital of the Company. As at the Latest Practicable Date, save as disclosed above, the Offeror, Ms. Woo (being the spouse of Mr. Chan) and the parties acting in concert with any of them (including the Vendor) did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

The Offeror confirms that, as at the Latest Practicable Date:

- (a) save for (i) the 74,038,000 Shares held by the Offeror immediately following Completion, (ii) the 1,000,000 Shares held by the Vendor immediately following Completion, and (iii) the Share Pledge, none of the Offeror, Mr. Chan nor any party acting in concert with them owned or had control or direction over any voting rights or rights over the Shares or options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;
- (b) save for the entering into of the Sale and Purchase Agreement and the Share Pledge, none of the Offeror, Mr. Chan nor any party acting in concert with them had dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period;
- (c) save for the Offer Facility, the Share Pledge, the Personal Guarantee and the Sale and Purchase Agreement, 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 between the Offeror or any party acting in concert with it and/or other associates of the Offeror and any other person;
- (d) save for Cheong Lee who was granted the Share Pledge over the Sale Shares and the Offer Shares to be acquired by the Offeror, Mr. Chan and parties acting in concert with them, none of the persons who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror, Mr. Chan or with any

person acting in concert with them owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;

- (e) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror, Mr. Chan or with any person acting in concert with them had any dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the Latest Practicable Date;
- (f) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, Mr. Chan or any party acting in concert with them, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a precondition or a condition to the Offer;
- (g) none of the Offeror, Mr. Chan nor any party acting in concert with them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (h) save for the Arena's Irrevocable Undertaking and the Vendor's Irrevocable Undertaking, neither the Offeror, Mr. Chan nor any party acting in concert with them has received any irrevocable commitment to accept or reject the Offer;
- (i) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, Mr. Chan nor any party acting in concert with them;
- (j) save for the Consideration payable to the Vendor under the Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror, Mr. Chan or any party acting in concert with them to the Vendor or any party acting in concert with him in connection with the Share Transfer;
- (k) save for the Sale and Purchase Agreement and the Personal Guarantee, there is no understanding, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between the Vendor or any party acting in concert with him on one hand, and the Offeror, Mr. Chan or any party acting in concert with them on the other hand;
- (l) save for the Sale and Purchase Agreement, the Personal Guarantee, the Arena's Irrevocable Undertaking and the Vendor's Irrevocable Undertaking, there is no understanding, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between (i)(a) the Offeror, Mr. Chan or any party acting in concert with them, or (i)(b) the Company, its subsidiaries or associated companies on one hand; and (ii) any Shareholder on the other hand;

- (m) save for the Share Pledge, there is no understanding, arrangement or agreement under which securities to be acquired pursuant to the Offer will be transferred, charged, pledged to any other persons;
- (n) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (o) save for the Sale and Purchase Agreement and the Personal Guarantee, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, Mr. Chan or any party acting in concert with them and any Director, recent Directors, Shareholders or recent Shareholders which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (p) there was no material contracts entered into by the Offeror in which any Director has a material personal interest.

### 3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing Price per Share (HK\$)
31 October 2023	6.10
30 November 2023	5.61
29 December 2023	6.00
31 January 2024	5.30
29 February 2024	5.30
27 March 2024 (the Last Trading Day)	5.00
28 March 2024	5.00
30 April 2024	7.99
28 May 2024 (the Latest Practicable Date)	7.40

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$7.99 per Share on 29 April 2024 and 30 April 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$5.00 per Share on 26 March 2024 and 27 March 2024.

#### 4. EXPERTS AND CONSENTS

In addition to those listed under the paragraph headed “10. Qualifications and consents of experts” in Appendix III to this Composite Document, the followings are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Cheong Lee	a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO
Grande Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinions, advice letter/report and/or the references to its name included herein in the form and context in which it appears.

#### 5. GENERAL

- (a) The principal members of the Offeror’s concert parties are the Offeror, Mr. Chan, the Vendor and Cheong Lee. The Offeror, Beaming Elite Holdings Limited, is a company incorporated in the BVI with limited liability, which is wholly owned by Mr. Chan, who is also the sole director of the Offeror as at the Latest Practicable Date.
- (b) The correspondence address of the principal members of the Offeror’s concert group is Unit 809, 8/F, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong.
- (c) The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address of the Offeror and Mr. Chan is Unit 809, 8/F, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong.
- (d) The registered office of Cheong Lee is Unit B, 16/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (e) The registered office of Grande Capital is Room 2701, 27/F., Tower One, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.
- (f) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

**6. DOCUMENTS ON DISPLAY**

In addition to the documents set forth in the paragraph headed “12. Documents on display” of Appendix III to this Composite Document, copies of the following documents are available on display on the website of the SFC at [www.sfc.hk](http://www.sfc.hk) and the website of the Company at [www.vision-holdings.com.hk](http://www.vision-holdings.com.hk) during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Cheong Lee, the text of which is set out in the section headed “Letter from Cheong Lee” of this Composite Document;
- (c) the written consents as referred to in the section headed “4. Experts and consents” in this appendix;
- (d) the Sale and Purchase Agreement;
- (e) the Offer Facility;
- (f) the Arena’s Irrevocable Undertaking and the Vendor’s Irrevocable Undertaking; and
- (g) this Composite Document and the accompanying Form of Acceptance.



*The following is the text of a letter received from Yongtuo Fuson CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Composite Document.*



永拓富信會計師事務所有限公司  
YONGTUO FUSON CPA LIMITED

31 May 2024

The Board of Directors  
Vision International Holdings Limited  
Unit 1305-10  
13/F, Delta House  
3 On Yiu Street  
Shatin, New Territories  
Hong Kong

Dear Sirs,

**VISION INTERNATIONAL HOLDINGS LIMITED (THE “COMPANY”) AND ITS  
SUBSIDIARIES (COLLECTIVELY REFERRED TO AS THE “GROUP”)**

**Profit estimate for the three months ended 31 March 2024**

We refer to the estimate of unaudited consolidated profit and total comprehensive income attributable to owners of the Company of the Group for the three months ended 31 March 2024 (the “**Profit Estimate**”) which was prepared based on the unaudited consolidated management account for the three months ended 31 March 2024 as set out in the section headed “Material Change” in Appendix II “Financial information of the Group” to the composite offer and response document (the “**Composite Document**”) jointly issued by Beaming Elite Holdings Limited and the Company dated 31 May 2024. The Profit Estimate has been prepared by the directors of the Company (the “**Directors**”) and constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers issued by The Securities and Futures Commission.

**Directors’ Responsibilities**

The Profit Estimate has been prepared by the Directors based on the unaudited consolidated management accounts of the Group for the three months ended 31 March 2024.

The Company’s directors are solely responsible for the Profit Estimate.

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “*Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness*” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “*Assurance Engagements Other than Audits or Reviews of Historical Financial Information*” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

### **Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled and presented in accordance with a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statement of the Group for the year ended 31 December 2023.

Yours faithfully,

**Yongtuo Fuson CPA Limited**

*Certified Public Accountants*

**Liao Yik Lam**

Practising Certificate Number P06630

Hong Kong

*The following is the text of a report received from Messis Capital, the Independent Financial Adviser, for the purpose of incorporation in this Composite Document.*

31 May 2024

**The Board of Directors**

Vision International Holdings Limited  
Unit 1305-10  
13/F, Delta House  
3 On Yiu Street  
Shatin, New Territories  
Hong Kong

**Attention: the Board of Directors**

Dear Sirs

We refer to the section headed “4. MATERIAL CHANGE” in Appendix II to the composite offer and response document jointly issued by Beaming Elite Holdings Limited and the Company dated 31 May 2024 (the “**Composite Document**”), which contains an estimate of unaudited consolidated profit and total comprehensive income attributable to owners of the Company of the Group for the three months ended 31 March 2024 (the “**Profit Estimate**”) which was prepared based on the unaudited consolidated management account for the three months ended 31 March 2024. Capitalised terms used herein have the same meanings as defined in the Composite Document unless the context requires otherwise.

The Profit Estimate constituted a profit forecast under Rule 10 of the Takeovers Code and must be reported on by the financial adviser or independent financial adviser, and the auditors or consultant accountants. This report is issued in compliance with the requirement under Rule 10.4 and Note 1(c) to Rules 10.1 and 10.2 of the Takeovers Code.

We have reviewed the Profit Estimate and other relevant information and documents (in particular, the unaudited consolidated management accounts of the Company for the three months ended 31 March 2024 (the “**2024 Unaudited Management Accounts**”) and the first quarterly report of the Company for the three months ended 31 March 2023 as published on 12 May 2023) which you as the Directors are solely responsible for and discussed with the Company the information and documents (in particular, the 2024 Unaudited Management Accounts) provided by the Company which formed the key bases upon which the Profit Estimate has been made. In respect of the accounting policies and calculations concerned, upon which the Profit Estimate has been made, we have relied upon the report as contained in Appendix V to the Composite Document addressed to the Board from Yongtuo Fuson CPA Limited, being the auditors of the Company. Yongtuo Fuson CPA Limited is of the opinion that so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled on a basis consistent, in all material respect with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statement of the Group for the year ended 31 December 2023.

Based on the above, we are of the opinion that the Profit Estimate, for which the Directors are solely responsible, has been made with due care and consideration.

Yours faithfully  
For and on behalf of  
**Messis Capital Limited**  
**Wallace Cheung**  
*Managing Director*