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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

Cheong Lee
昌利證券

Cheong Lee Securities Limited

THE PLACING

The Board is pleased to announce that on 24 June 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the Placing of a maximum of 8,550,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons at the Placing Price of HK\$7.00 per Placing Share.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of 8,550,000 Placing Shares under the Placing Agreement represents: (a) 6.31% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 5.94% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full.

The Placing Price of HK\$7.00 per Placing Share represents: (i) a discount of approximately 7.28% to the closing price of HK\$7.55 per Share as quoted on the Stock Exchange on 24 June 2024, being the date of the Placing Agreement; and (ii) a discount of approximately 5.28% to the average closing price of HK\$7.39 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming that all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$59.85 million and the net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing are estimated to be approximately HK\$58.95 million, representing a net placing price of approximately HK\$6.89 per Placing Share.

The Directors intend to use the net proceeds from the Placing as the general working capital of the Group.

GENERAL

The Placing Shares will be allotted and issued pursuant to the General Mandate.

Application will be made by the Company to the Listing Committee for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 24 June 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the Placing of a maximum of 8,550,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons at the Placing Price of HK\$7.00 per Placing Share.

The principal terms of the Placing Agreement are summarized below:

Date: 24 June 2024 (after trading hours)

Issuer: The Company

Placing Agent: Cheong Lee Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party as at the date of this announcement.

The terms of the Placing Agreement were arrived at arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions and the recent trading performance of the Shares. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placing commission

The Placing Agent will charge the Company a placing commission of 1% of the aggregate amount equal to the Placing Price multiplied by the number of the Placing Shares being placed by the Placing Agent. The placing commission payable to the Placing Agent under the Placing Agreement was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms.

Placees

The Placing Agent will, on a best efforts basis, place the Placing Shares to not less than six Placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial shareholder of the Company.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement up to Completion, the maximum number of 8,550,000 Placing Shares under the Placing represents (i) 6.31% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.94% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$855,000.

Ranking of Placing Shares

The Placing Shares will, on allotment and issue, rank *pari passu* in all respects with other existing Shares upon issuance free from all claims, charges, liens, encumbrances and equities, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on the record date of which falls on or after the date of issue of the Placing Shares.

Placing Price

The Placing Price of HK\$7.00 per Placing Share represents:

- (a) a discount of approximately 7.28% to the closing price of HK\$7.55 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 5.28% to the average closing price of HK\$7.39 per Share as quoted on the Stock Exchange in the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares, the recent trading performance of the Shares and the nominal value of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is determined on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

As customary terms of the Placing Agreement, the Placing Price will be adjusted upon occurrence of the following events: (i) consolidation or sub-division or re-classification of Shares or otherwise the Shares become of a different nominal amount; (ii) capitalization issue; or (iii) capital distributions.

General Mandate to allot and issue of the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the then number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 24,000,000 Shares. As at the date of this announcement, 12,000,000 Shares and 3,450,000 Shares have been issued under the General Mandate pursuant to the two placings completed on 12 June 2023 and 20 December 2023, respectively, and the remaining number of Shares under the General Mandate is sufficient for the allotment and issue of all the Placing Shares. Therefore the Placing will not be subject to any further Shareholders approval. The General Mandate will be fully utilised upon the allotment and issue of all the Placing Shares.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee for the grant of the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon fulfilment of the following conditions:

- (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (ii) the Placing Agreement not having been terminated in accordance with the terms of the Placing Agreement.

In the event that any of the above conditions is not fulfilled on or before 16 July 2024 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach of any right or obligation under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing will take place within three (3) Business Days after the fulfillment of the above conditions precedent or such other date to be agreed between the Company and the Placing Agent.

Termination

The Placing Agent may, upon the occurrence of the following events, terminate the Placing Agreement by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date:

- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Company and its subsidiaries as a whole; or
- (ii) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any of its subsidiaries carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Company and its subsidiaries taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
- (iii) any event, or series of events beyond the reasonable control of the Placing Agent, including but not limited to acts of government, strikes, labour disputes, lockouts, fire, explosion, flooding, storm, tempest, typhoon, accident, civil commotion, economic sanctions, epidemic, outbreak of infectious disease, pandemic, outbreak or escalation of hostilities (local, national, international or otherwise), acts of war, terrorism, and acts of God, in the reasonable opinion of the Placing Agent, making it inexpedient or inadvisable to proceed with the Placing; or
- (iv) any material breach of any of the representations and warranties set out in Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (v) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- (vi) any suspension of dealings in the Shares for any period of five (5) consecutive trading days or more except for suspension relating to any transaction under the Placing Agreement.

If notice is given pursuant to this section, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach of any right or obligation under the Placing Agreement prior to such termination.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

Assuming that all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$59.85 million and the net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing are estimated to be approximately HK\$58.95 million, representing a net placing price of approximately HK\$6.89 per Placing Share. The Directors intend to use the net proceeds from the Placing as the general working capital of the Group.

As disclosed in the annual report of the Group for the year ended 31 December 2023, the Group has been devoting resources to developing its innovative supply chain management solutions (“**Innovative SCM Solutions**”) segment, which incorporates anti-counterfeiting, traceability and marketing functions into the products which, in turn, could allow consumers in various industries to promote and verify the genuineness and authenticity of the products. Further, during 2023, the Group has entered into a strategic cooperation agreement with one of its customers, that would apply the Group’s Innovative SCM Solutions across all the products on their e-commerce platform, which include apparel and other products. The management believes that such strategic cooperation will enable the Group to broaden its customer base and explore more business opportunities.

Going forward, it is the plan of the Group to further expand its Innovative SCM Solutions to both apparel and other products, in order to strengthen the cash position of the Group and to cope with the ongoing working capital needs of the Group’s operation, the Directors consider that the Placing will provide a good opportunity to raise further capital for the Company while broadening the shareholder base and the capital base of the Company.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm’s length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the Placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

On 30 November 2023, the Company entered into a placing agreement under which the Company agreed to allot and issue up to 5,000,000 new Shares to certain places at a placing price of HK\$5.20 per placing shares pursuant to the general mandate granted at the annual general meeting of the Company held on 20 May 2022. It was completed on 20 December 2023, whereby the net proceeds of approximately HK\$17.8 million were raised for the purpose of general working capital of the Group. Up to the date of this announcement, the net proceeds have been fully utilised for meeting the operating expenses of the Group in its ordinary course of business.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the Completion) is set out as below:

Name of Shareholder	As at the date of this announcement		Immediately upon Completion (Note 1)	
	No. of Shares	Approximate % of number of Shares in issue	No. of Shares	Approximate % of number of Shares in issue
Beaming Elite Holdings Limited (Note 2)	74,048,000	54.67	74,048,000	51.42
Lau Chi Wing James (Note 3)	1,000,000	0.74	1,000,000	0.70
Arena Investors, LP (Note 4)	25,880,000	19.11	25,880,000	17.97
The Places	—	—	8,550,000	5.94
Other Public Shareholders	<u>34,522,000</u>	<u>25.48</u>	<u>34,522,000</u>	<u>23.97</u>
Total	<u>135,450,000</u>	<u>100.00</u>	<u>144,000,000</u>	<u>100.00</u>

Notes:

1. Assuming no change in total issued share capital of the Company other than the Placing.
2. Beaming Elite Holdings Limited is a company incorporated in the British Virgin Islands with limited liability and beneficially and wholly owned by Mr. Chan Ting.
3. Lau Chi Wing James is currently presumed to be acting in concert with Beaming Elite Holdings Limited under Class (9) of the definition of "acting in concert" under the Hong Kong Code on Takeovers and Mergers.
4. 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.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 19 May 2023
“Board”	the board of Directors of the Company
“Business Day(s)”	any day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business throughout their normal business hours
“Company”	Vision International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8107)
“Completion”	the completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	a date falling within three (3) Business Days after the day on which all the conditions set out in the section headed “Conditions of the Placing” of this announcement have been satisfied (or such later date as may be agreed between the Company and the Placing Agent)
“Director(s)”	the directors of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company (being 24,000,000 Shares as at the date of the AGM)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons in accordance with the GEM Listing Rules
“Listing Committee”	the GEM Listing Committee of the Stock Exchange

“Placee(s)”	any professional, institutional and/or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 8,550,000 Placing Shares by the Placing Agent pursuant to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited, being a corporation licensed under the Securities Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to perform Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) of the regulated activities
“Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 24 June 2024 in respect of the Placing
“Placing Price”	HK\$7.00 per Placing Share
“Placing Share(s)”	Up to 8,550,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“%”	per cent

By order of the Board
Vision International Holdings Limited
威誠國際控股有限公司
Mr. Lau Kai Tai
Chairman and Executive Director

Hong Kong, 24 June 2024

As at the date of this announcement, the Board comprises (i) three executive Directors, namely, Mr. Lau Kai Tai (Chairman), Mr. Cheuk Ka Chun Kevin and Mr. Wong Ching; and (ii) four independent non-executive Directors, namely Dr. Liu Ta-pei, Ir Prof. Young Andrew Meng Cheung, Mr. Cha Ho Wa and Mr. Chu Kin Ming.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the Company’s website at www.vision-holdings.com.hk.