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VERTICAL INTERNATIONAL HOLDINGS LIMITED

弘浩國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8375)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

Financial adviser and Underwriter

SUNWAH KINGSWAY

新華滙富

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that at 4:00 p.m. on Thursday, 10 February 2022, being the Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares, a total of 15 valid applications and acceptances had been received, which comprised:

- (i) a total of 10 valid acceptances of provisional allotments under the PALs in respect of 83,937,010 Rights Shares have been received, representing approximately 87.4% of the total number of the Rights Shares available under the Rights Issue; and
- (ii) a total of 5 valid applications for excess Rights Shares under the EAFs in respect of 29,858,000 excess Rights Shares have been received, representing approximately 31.1% of the total number of Rights Shares available under the Rights Issue.

In aggregate, the 113,795,010 Rights Shares validly accepted and applied for under the PALs and EAFs represent approximately 118.5% of the total number of 96,000,000 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was over-subscribed by 17,795,010 Rights Shares, representing approximately 18.5% of the total number of 96,000,000 Rights Shares available for subscription under the Rights Issue. The gross proceeds raised from the Rights Issue are approximately HK\$20.2 million.

THE UNDERWRITING AGREEMENT

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter prior to the Latest Time for Termination, the Underwriting Agreement became unconditional at 4:00 p.m. on Friday, 11 February 2022.

As a result of the over-subscription of the Rights Shares by 17,795,010 Rights Shares, pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter in respect of the Underwritten Shares have been fully discharged and the Underwriter is not required to subscribe or procure the subscription for any Underwritten Shares.

EXCESS RIGHTS SHARES

Based on the valid acceptances of provisional allotments under the PALs as referred to above, a total of 12,062,990 excess Rights Shares were available for subscription under the EAFs. Such number of excess Rights Shares was insufficient to satisfy all valid applications for 29,858,000 excess Rights Shares made under the EAFs.

The Board has resolved to allocate the 12,062,990 excess Rights Shares to those Qualifying Shareholders who had validly applied for excess Rights Shares on a pro-rata basis of approximately 40.40% by reference to the number of excess Rights Shares validly applied for under each such application.

In determining the basis of allocation of the excess Rights Shares, no reference has been made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by the Qualifying Shareholders and no preference has been given to applications for topping up odd-lot holdings to whole-lot holdings.

DESPATCH OF SHARE CERTIFICATES AND REFUND CHEQUES

Share certificates for all fully-paid Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will be posted to those entitled thereto by ordinary post at their own risk on Monday, 21 February 2022.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 22 February 2022.

Reference is made to the announcement of Vertical International Holdings Limited (the “**Company**”) dated 26 November 2021 and the prospectus of the Company dated 24 January 2022 (the “**Prospectus**”) in relation to, amongst other things, the Rights Issue. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

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- (i) a total of 10 valid acceptances of provisional allotments under the PALs in respect of 83,937,010 Rights Shares have been received, representing approximately 87.4% of the total number of the Rights Shares available under the Rights Issue; and
- (ii) a total of 5 valid applications for excess Rights Shares under the EAFs in respect of 29,858,000 excess Rights Shares have been received, representing approximately 31.1% of the total number of Rights Shares available under the Rights Issue.

Pursuant to the Irrevocable Undertaking, Vertical Technology has accepted and subscribed for 60,000,000 Rights Shares, provisionally allotted to it under the PALs.

In aggregate, the 113,795,010 Rights Shares validly accepted and applied for under the PALs and EAFs represent approximately 118.5% of the total number of 96,000,000 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was over-subscribed by 17,795,010 Rights Shares, representing approximately 18.5% of the total number of 96,000,000 Rights Shares available for subscription under the Rights Issue. The gross proceeds raised from the Right Issue are approximately HK\$20.2 million.

EXCESS RIGHTS SHARES

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THE UNDERWRITING AGREEMENT

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As a result of the over-subscription of the Rights Shares by 17,795,010 Rights Shares, pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter in respect of the Underwritten Shares have been fully discharged and the Underwriter is not required to subscribe or procure the subscription for any Underwritten Shares.

USE OF PROCEEDS

The gross proceeds from the Rights Issue are approximately HK\$20.2 million and the net proceeds from the Rights Issue, after deducting the underwriting commission and all other relevant expenses, are estimated to be approximately HK\$18.7 million. The Company will apply the net proceeds of the Rights Issue in accordance with the proposed use of proceeds set out in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Prospectus.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the shareholding structure of the Company immediately before and after the completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Controlling Shareholder				
Vertical Technology <i>(Note 1)</i>	120,000,000	62.5%	180,000,000	62.5%
Public Shareholder	<u>72,000,000</u>	<u>37.5%</u>	<u>108,000,000</u>	<u>37.5%</u>
Total	<u>192,000,000</u>	<u>100.00%</u>	<u>288,000,000</u>	<u>100.00%</u>

Notes:

1. Vertical Technology is wholly and beneficially owned by Mr. Boon. Therefore, Mr. Boon is deemed to be interested in the Shares held by Vertical Technology under the SFO immediately before and after completion of the Rights Issue.
2. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

DESPATCH OF SHARE CERTIFICATES AND REFUND CHEQUES

Share certificates for all fully-paid Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will be posted to those entitled thereto by ordinary post at their own risk on Monday, 21 February 2022. Each such entitled will receive one share certificate for all the Rights Shares in fully-paid form, except HKSCC Nominees Limited.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 22 February 2022.

By Order of the Board
Vertical International Holdings Limited
Boon Ho Yin Henry
Chairman

Hong Kong, 18 February 2022

As at the date of this announcement, the executive Directors are Mr. Boon Ho Yin Henry and Ms. Chow Cheung Chu; and the independent non-executive Directors are Mr. Liu Kwan, Mr. Chik Kin Man Paul and Mr. Wong Wai Leung.

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 of the website of GEM (www.hkgem.com) for at least seven days from its date of publication. This announcement will also be published on the website of the Company at www.verticaltech.com.cn.