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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)

JOINT ANNOUNCEMENT

- (1) AGREEMENT IN RELATION TO
THE SALE AND PURCHASE OF 54.66% OF THE SHARES OF
VISION INTERNATIONAL HOLDINGS LIMITED;**
- (2) MANDATORY UNCONDITIONAL CASH OFFER BY
CHEONG LEE SECURITIES LIMITED
FOR AND ON BEHALF OF
BEAMING ELITE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
VISION INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED
AND/OR AGREED TO BE ACQUIRED BY
BEAMING ELITE HOLDINGS LIMITED);**
- (3) CONTINUING CONNECTED TRANSACTIONS
PURSUANT TO RULE 20.58(1) OF THE GEM LISTING RULES; AND**
- (4) RESUMPTION OF TRADING**

Financial adviser to the Offeror



Offer agent to the Offeror



THE SALE AND PURCHASE AGREEMENT

The Board has been informed that, 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 this 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.

Pursuant to the Sale and Purchase Agreement, the Consideration shall be settled in the following manner:

- (a) 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
- (b) 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.

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.

Completion took place on the Completion Date, being 28 March 2024. 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.

IRREVOCABLE UNDERTAKINGS

Arena’s Irrevocable Undertaking

As at the date of this joint announcement, 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 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 (collectively, 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.

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 following Completion and as at the date of this joint announcement, 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). 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.

As at the date of this joint announcement, 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.

Cheong Lee will, for and on behalf of the Offeror, make the Offer to acquire all of the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code 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.

As at the date of this joint announcement, the Company has 135,450,000 Shares in issue. 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.

Based on the 135,450,000 Shares in issue as at the date of this joint announcement and excluding the 74,038,000 Shares held by the Offeror immediately after Completion, a total of 61,412,000 Shares will be 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\$52,095,799.6 in the event that the Offer is accepted in full. Principal terms of the Offer are set out in the section headed “Mandatory Unconditional Cash Offer” in this joint announcement. The Offer will be unconditional in all respects. The Offeror intends to maintain the listing of the Shares on the Stock Exchange after 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) 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\$29,700,679.6 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.

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.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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, will be 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.

The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee 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. Further announcement(s) will be made by the Company upon the establishment of the Independent Board Committee and the appointment of the Independent Financial Adviser. The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee will be included in the Composite Document to be despatched to the Shareholders.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree's board circular in the Composite Document to be posted. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) further details of the Offer; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to the acceptance of the Offer; and (iv) the relevant form(s) of acceptance and transfer, will be despatched to the Shareholders within 21 days after the date of this joint announcement. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and its acceptance before deciding whether or not to accept the Offer.

CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 20.58(1) OF THE GEM LISTING RULES

Reference is made to the announcement of the Company dated 19 May 2023 in relation to the Supply Chain Management Services Agreement entered into between Vision Garments Limited, an indirect wholly-owned subsidiary of the Company, and ACL Investment. Pursuant to the Supply Chain Management Services Agreement, ACL Investment agreed to provide or grant (or procure the provision or grant of) the Group (i) proprietary supply chain management solution with anti-counterfeit, traceability and marketing functions; (ii) non-exclusive right to use ACL Investment's anti-counterfeit traceability e-platform, customised anti-counterfeit devices and supply chain management solutions in the designated territories, and (iii) revocable license to use certain patents relating to anti-counterfeiting specified in the Supply Chain Management Services Agreement. According to the Supply Chain Management Services Agreement, ACL Investment shall be responsible for the procurement of the anti-counterfeit related products required for the provision of the supply chain management services specified under the Supply Chain Management Services Agreement.

Besides, reference is made to the announcement of the Company dated 30 October 2023 in relation to the Patent Service Agreement entered into between Ocean Blue Supply Chain Management Co., Limited, an indirect wholly-owned subsidiary of the Company, and ACL Investment. Pursuant to the Patent Service Agreement, ACL Investment agreed to grant a revocable license to the Group to use certain patents relating to anti-counterfeiting specified in the Patent Service Agreement. Pursuant to the Patent Service Agreement, the Group shall be responsible for the procurement of the anti-counterfeit related products that require the use of the patents licensed by ACL Investment to the Group under the Patent Service Agreement.

Ms. Woo, spouse of Mr. Chan, is the ultimate beneficial owner and the sole director of ACL Investment. Immediately following Completion, the Offeror (excluding the Vendor) has become a controlling shareholder of the Company, holding 74,038,000 Shares, representing approximately 54.66% of the total issued share capital of the Company. The Offeror, Mr. Chan (as the ultimate beneficial owner of the Offeror) and Ms. Woo (being the spouse of Mr. Chan) have therefore become connected persons of the Company upon Completion. Accordingly, the Supply Chain Management Services Agreement, the Patent Service Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company following Completion under the GEM Listing Rules.

Pursuant to Rule 20.58(1) of the GEM Listing Rules, the Company is required to comply with the annual review and disclosure requirements (including publishing an announcement and annual reporting) if the Group continues to conduct the transactions contemplated under the Supply Chain Management Services Agreement and/or the Patent Service Agreement. In the event that the Supply Chain Management Services Agreement or the Patent Service Agreement is renewed or its terms are varied, the Company will comply with all applicable connected transaction requirements under Chapter 20 of the GEM Listing Rules.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 28 March 2024 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 April 2024.

WARNING

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors of the Company are in any doubt about their position, they should consult their professional advisers.

The Board has been informed that, 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 this 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. Details of the Sale and Purchase Agreement are set out in the section headed “The Sale and Purchase Agreement” below in this joint announcement.

THE SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement.

Date

27 March 2024 (after trading hours)

Parties

- (i) the Vendor (as the vendor of the Sale Shares); and
- (ii) the Offeror (as the purchaser of the Sale Shares).

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, 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 this joint announcement, for a total cash Consideration of HK\$62,800,000, equivalent to approximately HK\$0.8483 per Sale Share.

The Sale Shares were sold free from all encumbrances and together with all rights attached or accruing thereto, including but not limited to all dividends, distributions and payments declared, paid or made in respect thereof at any time on or after the Completion Date. The Sale Shares represent approximately 98.67% of the 75,038,000 Shares held by the Vendor immediately prior to Completion.

Consideration for the Sale Shares

The Consideration for the sale and purchase of the Sale Shares is HK\$62,800,000, equivalent to approximately HK\$0.8483 per Sale Share, which was agreed between the Vendor and the Offeror after arm’s length negotiations, taking into account (i) the Vendor’s costs of acquisition for the Sale Shares, particularly the price per Sale Share represented an appreciation of approximately 10.21% over the price per Share (i.e. HK\$0.7697) previously paid by the Vendor (via offsetting a loan advanced by the Vendor to Metro Vanguard Limited) in acquiring the Sale Shares from Metro Vanguard Limited in July 2023; and (ii) the price per Sale Share represented a premium of approximately 84.41% to the net asset value per Share of approximately HK\$0.46 as at 31 December 2023.

Pursuant to the Sale and Purchase Agreement, the Consideration shall be settled in the following manner:

- (a) 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
- (b) 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.

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.

Completion

Completion took place on the Completion Date, being 28 March 2024. 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 date of this joint announcement, 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.

IRREVOCABLE UNDERTAKINGS

Arena’s Irrevocable Undertaking

As at the date of this joint announcement, 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 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 (collectively, 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.

MANDATORY UNCONDITIONAL CASH OFFER

The 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 following Completion and as at the date of this joint announcement, 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). 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.

As at the date of this joint announcement, 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.

Cheong Lee will, for and on behalf of the Offeror, make the Offer to acquire all of the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code 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 Company confirms that as at the date of this joint announcement, (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 date of closing of the Offer. If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the net amount of such dividend or other distribution.

Total value of the Offer

As at the date of this joint announcement, the Company has 135,450,000 Shares in issue. 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.

Based on the 135,450,000 Shares in issue as at the date of this joint announcement and excluding the 74,038,000 Shares held by the Offeror immediately after Completion, a total of 61,412,000 Shares will be 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\$52,095,799.6 in the event that the Offer is accepted in full.

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 the Composite Document.

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 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;
- (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; and
- (v) 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 date of this joint announcement 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 six-month period immediately preceding the commencement of the Offer Period and up to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$6.14 on 16 October 2023 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$5.00 on 26 March 2024 and 27 March 2024.

Confirmation of financial resources

The maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer is HK\$52,095,799.6, assuming there is no change in the issued share capital of the Company from the date of this joint announcement 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) 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\$29,700,679.6 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.

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

The Offer will be 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.

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 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.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible within seven (7) business days (as defined in the Takeovers Code) of the date of receipt of a duly completed acceptance. Relevant documents evidencing title 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.

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

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 and 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).

If the receipt of the Composite Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders and this will not affect the Overseas Shareholders' right to accept the Offer. In those circumstances, the Offeror will apply for any waivers as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. There are no Overseas Shareholders as at the date of this joint announcement.

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.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

The Offeror confirms that as at the date of this joint announcement:

- (i) save for the Arena's Irrevocable Undertaking and the Vendor's Irrevocable Undertaking, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them has received any irrevocable commitment to accept or reject the Offer or any irrevocable undertaking from any Shareholders not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any Shares held by he/she/it/them;
- (ii) save for the Sale Shares, the 1,000,000 Shares held by the Vendor immediately upon Completion and the Share Pledge, none of the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them owns, has control or has direction over any voting rights or rights over the Shares, convertible securities, warrants, options, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;

- (iii) save for the Sale and Purchase Agreement and the Share Pledge, neither the Offeror, its ultimate beneficial owner, Ms. Woo and/or parties acting in concert with any of 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 period commencing six months preceding the commencement of the Offer Period and up to the date of this joint announcement;
- (iv) 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, its ultimate beneficial owner, and/or parties acting in concert with any of them;
- (v) save for the Share Pledge, there is no other agreement, arrangement or understanding that any securities acquired in pursuance of the Offer or the Sale Shares would be transferred, charged or pledged to any other persons;
- (vi) save for the Sale and Purchase Agreement, the Share Pledge, the Offer Facility and the Personal Guarantee, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which might be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (vii) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (viii) neither the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (ix) save for the Consideration for the Sale Shares and the Personal Guarantee, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its beneficial owner and/or parties acting in concert with any of them to the Vendor and/or any parties acting in concert with him in connection with the sale and purchase of the Sale Shares;
- (x) save for the Sale and Purchase Agreement and the Personal Guarantee, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its beneficial owner and/or parties acting in concert with any of them on one hand, and the Vendor and/or parties acting in concert with him on the other hand; and
- (xi) 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, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder (including the Vendor and parties acting in concert with him); and (2) (a) the Offeror, its beneficial owner and/or parties acting in concert with any of them, or (b) the Company, its subsidiaries or associated companies.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, the authorised share capital of the Company was HK\$100,000,000 divided into 1,000,000,000 ordinary shares, and there are 135,450,000 Shares in issue. 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).

The shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the date of this joint announcement are set forth below:

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

Notes:

- 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.
- 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.

As at the date of this joint announcement, the Directors did not have any interests in the Shares of the Company.

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 is principally engaged in (i) the 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 the provision of supply chain management solutions; and (iii) provision of agency services for construction and related materials in Hong Kong and the PRC.

Set out below is a summary of the audited consolidated financial information of the Group for each of the two financial years ended 31 December 2022 and 2023, as extracted from the Company's annual report for the year ended 31 December 2023:

	For the year ended 31 December 2022 or as at 31 December 2022 HK\$'000	For the year ended 31 December 2023 or as at 31 December 2023 HK\$'000
Revenue	160,375	87,229
(Loss) profit before tax	5,386	(34,311)
(Loss) profit and total comprehensive (expense) income for the year	4,898	(34,156)
Total assets	110,346	107,672
Total liabilities	56,591	45,313
Net assets	53,755	62,359

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability. As at the date of this joint announcement, 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 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.

The Offeror, its ultimate beneficial owner, and parties acting in concert with any of them are third parties independent of, and not connected with, either the Company or any of its connected persons.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Immediately following Completion, the Offeror (excluding the Vendor) has become a 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) the 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 the 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 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 date of this joint announcement, 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.

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. 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 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 himself 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
- (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 Directors and any new Director(s) proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company and the Offeror (as defined under the Takeovers Code which includes, among others, any person who owns or controls 5% or more of any class of relevant securities (as defined in

Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code in relation to the responsibilities of stockbrokers, banks and other intermediaries:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them.

Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

Independent Board Committee and Independent Financial Adviser

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, will be 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.

The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee 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. Further announcement(s) will be made by the Company upon the establishment of the Independent Board Committee and the appointment of the Independent Financial Adviser. The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee will be included in the Composite Document to be despatched to the Shareholders.

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document and the offeree's board circular in the Composite Document to be posted. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) further details of the Offer; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to the acceptance of the Offer; and (iv) the relevant form(s) of acceptance and transfer, will be despatched to the Shareholders within 21 days after the date of this joint announcement. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and its acceptance before deciding whether or not to accept the Offer.

CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 20.58(1) OF THE GEM LISTING RULES

References are made to the announcements of the Company dated 19 May 2023 and 30 October 2023 in relation to the Supply Chain Management Services Agreement and Patent Service Agreement entered into between ACL Investment and the respective indirect wholly-owned subsidiary of the Company, respectively.

Ms. Woo, spouse of Mr. Chan, is the ultimate beneficial owner and the sole director of ACL Investment. Immediately following Completion, the Offeror (excluding the Vendor) has become a controlling shareholder of the Company, holding 74,038,000 Shares, representing approximately 54.66% of the total issued share capital of the Company. The Offeror, Mr. Chan (as the ultimate beneficial owner of the Offeror) and Ms. Woo (being the spouse of Mr. Chan) have therefore become connected persons of the Company upon Completion. Accordingly, the Supply Chain Management Services Agreement, the Patent Service Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company following Completion under the GEM Listing Rules. The principal terms of the Supply Chain Management Services Agreement and the Patent Service Agreement are disclosed in this announcement in compliance with Rule 20.58(1) of the GEM Listing Rules.

THE SUPPLY CHAIN MANAGEMENT SERVICES AGREEMENT

Date : 19 May 2023

Parties : (1) ACL Investment; and
(2) Vision Garments Limited, an indirect wholly-owned subsidiary of the Company

- Term** : From 20 May 2023 to 19 May 2026
- Scope of services** : ACL Investment agreed to provide or grant (or procure the provision or grant of) the Group:
- (i) proprietary supply chain management solution with anti-counterfeit, traceability and marketing functions;
 - (ii) non-exclusive right to use ACL Investment's anti-counterfeit traceability e-platform, customised anti-counterfeit devices and supply chain management solutions in the designated territories, and
 - (iii) revocable license to use certain patents relating to anti-counterfeiting specified in the Supply Chain Management Services Agreement.
- According to the Supply Chain Management Services Agreement, ACL Investment shall be responsible for the procurement of the anti-counterfeit related products required for the provision of the supply chain management services specified under the Supply Chain Management Services Agreement.
- Purchase order** : The Group may place purchase orders with ACL Investment from time to time for the procurement of services under the Supply Chain Management Services Agreement.
- Pricing** : Subject to any changes in the price as agreed between ACL Investment and the Group, ACL Investment shall charge a unit rate of RMB3.5 per product procured by the Group from ACL Investment.

During the period from the commencement of the Supply Chain Management Services Agreement (i.e. 19 May 2023) up to 31 December 2023, the Group did not incur any costs to ACL Investment under the Supply Chain Management Services Agreement.

Reasons for and benefits of the Supply Chain Management Services Agreement

The Board considers that the Supply Chain Management Services Agreement strongly complements the Group's supply chain management services segment, which allows the Group to focus on devoting its resources on market trend analysis, product design and development as well as expansion of its services portfolio, thereby further strengthening its market competitiveness. It is expected that the services provided and granted (or the procurement of the same) by ACL Investment under the Supply Chain Management Services Agreement would enhance the Group's capabilities of anti-counterfeit traceability in supply chain management, especially in anti-counterfeit tracing technology and brand protection, thereby advancing the supply chain management business of the Group through the introduction of anti-counterfeit and tracing functions.

The Directors (including the independent non-executive Directors) consider that the Supply Chain Management Services Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

THE PATENT SERVICE AGREEMENT

- Date** : 30 October 2023
- Parties** : (1) ACL Investment; and
(2) Ocean Blue Supply Chain Management Co., Limited, an indirect wholly-owned subsidiary of the Company
- Term** : From 30 October 2023 to 29 October 2026, which shall be renewed automatically should there be no objection from either party
- Scope of services** : ACL Investment agreed to provide or grant (or procure the provision or grant of) the Group:
- (i) non-exclusive right to use ACL Investment's anti-counterfeit traceability e-platform, customised anti-counterfeit devices and supply chain management solutions in the designated territories, and
 - (ii) revocable license to use certain patents relating to anti-counterfeiting specified in the Supply Chain Management Services Agreement.
- Pursuant to the Patent Service Agreement, the Group shall be responsible for the procurement of the anti-counterfeit related products that require the use of the patents licensed by ACL Investment to the Group under the Patent Service Agreement.
- Pricing** : a fixed royalty rate of 3.0% of the unit rate of the supply chain management solution formulated by the Group which involves the use of the patents licensed by ACL Investment to the Group under the Patent Service Agreement.

During the period from the commencement of the Patent Service Agreement (i.e. 30 October 2023) up to 31 December 2023, the Group did not incur any costs to ACL Investment under the Patent Service Agreement.

Reasons for and benefits of the Patent Service Agreement

Taking into consideration that the Group shall be responsible for the procurement of the anti-counterfeit related products that require the use of the patents licensed by ACL Investment to the Group under the Patent Service Agreement, the Board considers that the

Patent Service Agreement would allow the Group to achieve better cost control, resulting in an improvement in the profitability of the Group's supply chain management solution services.

The Directors (including the independent non-executive Directors) consider that the Patent Service Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT ACL INVESTMENT

ACL Investment is an investment holding company incorporated in Hong Kong. Ms. Woo, spouse of Mr. Chan, is the ultimate beneficial owner and the sole director of ACL Investment. Shenzhen Ficus Technology Holdings Limited (深圳細葉榕科技控股有限公司*) (“**Shenzhen Ficus**”) is a direct wholly-owned subsidiary of ACL Investment and a company established in the PRC with limited liability. Shenzhen Ficus is principally engaged in the business of offering comprehensive solutions with innovative anti-counterfeiting technology for supply chain management. Its comprehensive solution includes anti-counterfeit and track and trace, aiming to form a complete-chain, vertical supply chain management service, which is applicable to different business industries. Leveraging its e-platform, Shenzhen Ficus helps consumer goods enterprises to achieve logistics tracking, marketing promotion and user interaction functions in all aspects of the supply chain.

GEM LISTING RULES IMPLICATIONS

Ms. Woo, spouse of Mr. Chan, is the ultimate beneficial owner and the sole director of ACL Investment. Immediately following Completion, the Offeror (excluding the Vendor) has become a controlling shareholder of the Company, holding 74,038,000 Shares, representing approximately 54.66% of the total issued share capital of the Company. The Offeror, Mr. Chan (as the ultimate beneficial owner of the Offeror) and Ms. Woo (being the spouse of Mr. Chan) have therefore become connected persons of the Company upon Completion. Accordingly, the Supply Chain Management Services Agreement, the Patent Service Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company following Completion under the GEM Listing Rules.

Pursuant to Rule 20.58(1) of the GEM Listing Rules, the Company is required to comply with the annual review and disclosure requirements (including publishing an announcement and annual reporting) if the Group continues to conduct the transactions contemplated under the Supply Chain Management Services Agreement and/or the Patent Service Agreement. In the event that the Supply Chain Management Services Agreement or the Patent Service Agreement is renewed or its terms are varied, the Company will comply with all applicable connected transaction requirements under Chapter 20 of the GEM Listing Rules.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 28 March 2024 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 April 2024.

WARNING

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors of the Company are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following terms and expressions have the meanings set out below unless the context requires otherwise:

“ACL Investment”	ACL Investment Holdings Limited
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Arena”	Arena Investors, LP, the investment manager of Arena Group
“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, inter alia, 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 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 Arena’s 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 (other than Saturday, Sunday, public holiday or any day on which a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	British Virgin Islands
“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
“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 to be 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 forms of acceptance and transfer) 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
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“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, to be established by the Company to make recommendation to the Independent Shareholders in relation to the Offer
“Independent Financial Adviser”	the independent financial adviser to be 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
“Last Trading Day”	27 March 2024, being the last trading day of the Shares immediately prior to the halt in trading in the Shares on the Stock Exchange pending the release of this joint announcement
“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 and the ultimate beneficial owner and the sole director of ACL Investment

“Offer”	the mandatory unconditional cash offer to be 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 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”	has the meaning ascribed to it under the Takeovers Code which commences on 12 April 2024 (being the date of this joint announcement) and ends on the date on which the Offer closes or lapses
“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
“Patent Service Agreement”	the patent service agreement dated 30 October 2023 entered into between Ocean Blue Supply Chain Management Co., Limited, an indirect wholly-owned subsidiary of the Company, and ACL Investment
“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
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“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 sale and purchase of the Sale Shares

“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 date of this joint announcement
“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 and parties acting in concert with it as security for the Offer Facility
“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
“Supply Chain Management Services Agreement”	the supply chain management services agreement dated 19 May 2023 entered into between Vision Garments Limited, an indirect wholly-owned subsidiary of the Company, and ACL Investment
“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 Vendor’s Irrevocable Undertaking will cease only upon the close of the Offer

% per cent.

* for identification only

By order of the board of
Beaming Elite Holdings Limited
Chan Ting
Sole director

By order 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

Hong Kong, 12 April 2024

As at the date of this joint 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.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those 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 joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

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

This joint announcement will remain on the “Latest Listed Company Information” page on the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its publication and on the Company’s website at www.vision-holdings.com.hk.