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Vesync Co., Ltd

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2148)

DISCLOSEABLE TRANSACTION SUPPLEMENTARY AGREEMENT TO THE RECEIVABLES DISCOUNTING AGREEMENT

References are made to the announcements of Vesync Co., Ltd (the “**Company**”) dated July 22, 2024 and August 2, 2024 in relation to the Receivables Discounting Agreement (the “**Announcements**”). Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements. Pursuant to the Receivables Discounting Agreement, the Bank agreed to provide Etekcity with discount services for non-recourse receivables, up to a revolving limit of US\$60,000,000 in discounted balance of Eligible Receivables from the date of signing the Receivables Discounting Agreement, and Etekcity agreed to assign outstanding amounts from Eligible Receivables with a balance not exceeding a revolving limit of US\$60,000,000 to the Bank. Within such amount of the revolving limit, the Bank will purchase Etekcity’s Eligible Receivables on a revolving basis, and Etekcity agrees to sell its Eligible Receivables to the Bank.

Etekcity and the Bank entered into a supplementary agreement to the Receivables Discounting Agreement (the “**Supplementary Agreement**”) on January 7, 2025 (after trading hours), which amended that the Bank agreed to provide Etekcity with discount services for non-recourse receivables, up to a revolving limit of US\$90,000,000 in discounted balance of Eligible Receivables from the date of signing the Supplementary Agreement, and Etekcity agreed to assign outstanding amounts from Eligible Receivables with a balance not exceeding a revolving limit of US\$90,000,000 to the Bank. Except for such amendment, other terms and conditions under the Receivables Discounting Agreement remained unchanged.

THE IMPLICATIONS OF LISTING RULES

Pursuant to Rule 14.08 of the Listing Rules, as applicable percentage ratios for the transactions contemplated under the Supplementary Agreement exceeded 5%, yet all applicable percentage ratios were below 25%, the transactions under the Supplementary Agreement constitute discloseable transactions for the Company which were subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

SUPPLEMENTARY AGREEMENT

The principal terms are summarized as follows:

Date of signing

Date of signing of the Supplementary Agreement: January 7, 2025.

Parties

- (1) Etekcity, being a wholly-owned subsidiary of the Company, is a company registered in the state of Iowa, the United States and engaged in trading business; and
- (2) The Hongkong and Shanghai Banking Corporation Limited, being a subsidiary of HSBC Holdings plc (the issued shares of which are listed on the Main Board of the Stock Exchange).

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Bank and its ultimate beneficial owners are Independent Third Parties that are independent of the Company and its connected persons (as defined in the Listing Rules).

Discounted balance of receivables

Pursuant to the Supplementary Agreement, the discounted amount of receivables shall not exceed a revolving limit of US\$90,000,000, within which the Bank will purchase the Eligible Receivables from Etekcity on a revolving basis and Etekcity agrees to sell the Eligible Receivables to the Bank.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTARY AGREEMENT

The Supplementary Agreement has been entered into by the Company in the ordinary and usual course of business and is conducive to giving full play to the advantages of all parties. The conclusion of the Receivables Discounting Agreement is conducive to revitalizing the Company's receivables assets, accelerating asset circulation and broadening financing channels.

The terms of the Receivables Discounting Agreement (including discounting proceeds, handling fees and interest) have been entered into after arm's length negotiation between the parties and with reference to prevailing commercial practices. The Directors are of the view that the terms of the Receivables Discounting Agreement are general commercial terms, fair and reasonable, and are in the interests of the Company and the shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.04 (1) (a) of the Listing Rules, the receivables notice submitted by Etekcity to the Bank constitutes an asset disposal. Based on the discount fee amount, the aggregated loss of US\$1,445,276.12 was recorded as of the date of this announcement.

USE OF DISCOUNTING PROCEEDS

The discounting proceeds from the Receivables Discounting Agreement will be used as the Company's general working capital.

INFORMATION OF THE PARTIES INVOLVED

- (1) Etekcitiy, being a wholly-owned subsidiary of the Company, is a company registered in the state of Iowa, the United States and engaged in trading business; and
- (2) The Hongkong and Shanghai Banking Corporation Limited, being a subsidiary of HSBC Holdings plc (the issued shares of which are listed on the Main Board of the Stock Exchange, stock code: 00005), is a commercial bank registered in Hong Kong.

INFORMATION OF THE GROUP

The Group is principally engaged in research and development, manufacture and sale of small smart household appliances and smart home devices. The Group's products are sold to customers in the United States, Canada, the United Kingdom, France, Germany, Spain, Italy and Japan and dozens of other countries.

This announcement is in addition to, and should be read in conjunction with, the Announcements. Unless otherwise indicated, the above supplementary information does not affect any information and contents contained in the Announcements.

By order of the Board
Vesync Co., Ltd
YANG Lin
Chairperson

Hong Kong, January 7, 2025

As of the date of this announcement, the Board comprises Ms. Yang Lin, Mr. Yang Hai and Mr. Chen Zhaojun as executive Directors, Mr. Yang Yuzheng as non-executive Director, and Mr. Fong Wo, Felix, Mr. Gu Jiong and Mr. Tan Wen as independent non-executive Directors.