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## **VICTORY III CO., LTD**

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



## **Vesync Co., Ltd**

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

**(Stock Code: 2148)**

### **UPDATE ANNOUNCEMENT ON TRANSFER OF THE VESTING SHARES**

References are made to (i) the joint announcement issued by Victory III Co., Ltd (the “**Offeror**”) and the Company dated 27 December 2024 (the “**Joint Announcement**”) in respect of, among other things, the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act; and (ii) the joint announcement issued by the Offeror and the Company dated 13 January 2025 in respect of the transfer of the Retained Shares and update on the number of Disinterested Shares (the “**Retained Shares Announcement**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

## TRANSFER OF THE VESTING SHARES AND UPDATE ON THE NUMBER OF DISINTERESTED SHARES

As disclosed in the Joint Announcement, as at the date thereof, the Trustee holds 67,829,083 Shares, of which:

- (a) 5,762,083 Shares are held to satisfy share awards which are granted but yet to be vested (or vested but not yet transferred) with the designated Share Award Holders (the “**Awarded Shares**”), comprising 81,900 share awards which are vested but not yet transferred as of the date of the Joint Announcement (the “**Retained Shares**”), 254,000 share awards which will vest in accordance with the terms and conditions of the Share Award Scheme after the date of the Joint Announcement and prior to 28 February 2025 (the “**Vesting Shares**”) and 5,426,183 share awards which are granted but will not vest by 28 February 2025 (the “**Unvested Shares**”); and
- (b) 62,067,000 Shares are held to satisfy any future grant of share awards under the Share Award Scheme.

As disclosed in the Retained Shares Announcement, on 13 January 2025, the Trustee transferred all of the 81,900 Retained Shares to the respective Share Award Holders in accordance with the terms and conditions of the Share Award Scheme. None of the relevant Share Award Holders were Offeror Concert Parties, and accordingly, the 81,900 Retained Shares have since formed part of the Disinterested Shares.

On each of 1, 2, 18 and 31 January 2025, 20,000, 100,000, 44,000 and 90,000 Vesting Shares have vested in accordance with the terms and conditions of the Share Award Scheme, respectively. On 13 February 2025, the Trustee has transferred all of such 254,000 Vesting Shares to the respective Share Award Holders in accordance with the terms and conditions of the Share Award Scheme. None of the relevant Share Award Holders are Offeror Concert Parties, and accordingly, such 254,000 Vesting Shares now form part of the Disinterested Shares.

As at the date of this announcement, all of the Retained Shares and the Vesting Shares have been transferred to the relevant Share Award Holders, and the Trustee only holds 67,493,183 Shares, comprising:

- (a) 5,426,183 Unvested Shares; and
- (b) 62,067,000 Shares held to satisfy any future grant of share awards under the Share Award Scheme.

The table below sets out the shareholding structure of the Company as at the date of the Joint Announcement, as at the date of this announcement and immediately upon completion of the Proposal:

| Shareholders                                                    | As at the date of<br>the Joint Announcement <sup>(8)</sup>                                     |                      | As at the date of<br>this announcement <sup>(8)</sup>                                          |                      | Immediately upon<br>completion of the Proposal <sup>(8)</sup>                                  |                      |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------|----------------------|
|                                                                 | <i>Number of Shares<br/>as a percentage<br/>of total number<br/>of Shares in issue<br/>(%)</i> |                      | <i>Number of Shares<br/>as a percentage<br/>of total number<br/>of Shares in issue<br/>(%)</i> |                      | <i>Number of Shares<br/>as a percentage<br/>of total number<br/>of Shares in issue<br/>(%)</i> |                      |
|                                                                 | <i>Number<br/>of Shares</i>                                                                    | <i>(%)</i>           | <i>Number<br/>of Shares</i>                                                                    | <i>(%)</i>           | <i>Number<br/>of Shares</i>                                                                    | <i>(%)</i>           |
| <b>Offeror and the Offeror<br/>Concert Parties</b>              |                                                                                                |                      |                                                                                                |                      |                                                                                                |                      |
| Offeror                                                         | —                                                                                              | —                    | —                                                                                              | —                    | 1,139,492,800                                                                                  | 100.00               |
| <b>Founder Group</b>                                            |                                                                                                |                      |                                                                                                |                      |                                                                                                |                      |
| Ms. Yang <sup>(1)(4)</sup>                                      | 413,973,800                                                                                    | 36.33                | 413,973,800                                                                                    | 36.33                | —                                                                                              | —                    |
| Mr. Yang Hai <sup>(2)(4)</sup>                                  | 8,067,200                                                                                      | 0.71                 | 8,067,200                                                                                      | 0.71                 | —                                                                                              | —                    |
| Mr. Yang Yuzheng <sup>(3)(4)</sup>                              | <u>364,719,200</u>                                                                             | <u>32.01</u>         | <u>364,719,200</u>                                                                             | <u>32.01</u>         | <u>—</u>                                                                                       | <u>—</u>             |
| <b>Sub-total of Founder Group</b>                               | <b><u>786,760,200</u></b>                                                                      | <b><u>69.04</u></b>  | <b><u>786,760,200</u></b>                                                                      | <b><u>69.04</u></b>  | <b><u>—</u></b>                                                                                | <b><u>—</u></b>      |
| Investor <sup>(5)</sup>                                         | 94,686,000                                                                                     | 8.31                 | 94,686,000                                                                                     | 8.31                 | —                                                                                              | —                    |
| Mr. Chen <sup>(6)</sup>                                         | 3,681,667                                                                                      | 0.32                 | 3,681,667                                                                                      | 0.32                 | —                                                                                              | —                    |
| Trustee <sup>(7)</sup>                                          | <u>67,829,083</u>                                                                              | <u>5.95</u>          | <u>67,493,183</u>                                                                              | <u>5.92</u>          | <u>—</u>                                                                                       | <u>—</u>             |
| <b>Sub-total of Offeror and<br/>the Offeror Concert Parties</b> | <b><u>952,956,950</u></b>                                                                      | <b><u>83.63</u></b>  | <b><u>952,621,050</u></b>                                                                      | <b><u>83.60</u></b>  | <b><u>—</u></b>                                                                                | <b><u>—</u></b>      |
| <b>Disinterested Shareholders</b>                               |                                                                                                |                      |                                                                                                |                      |                                                                                                |                      |
| Gongjin                                                         | 14,398,473                                                                                     | 1.26                 | 14,398,473                                                                                     | 1.26                 | —                                                                                              | —                    |
| Chen Wangcai Holdings                                           | 8,758,600                                                                                      | 0.77                 | 8,758,600                                                                                      | 0.77                 | —                                                                                              | —                    |
| Other Disinterested Shareholders                                | <u>163,378,777</u>                                                                             | <u>14.34</u>         | <u>163,714,677</u>                                                                             | <u>14.37</u>         | <u>—</u>                                                                                       | <u>—</u>             |
| <b>Sub-total of Disinterested<br/>Shareholders</b>              | <b><u>186,535,850</u></b>                                                                      | <b><u>16.37</u></b>  | <b><u>186,871,750</u></b>                                                                      | <b><u>16.40</u></b>  | <b><u>—</u></b>                                                                                | <b><u>—</u></b>      |
| <b>Total</b>                                                    | <b><u>1,139,492,800</u></b>                                                                    | <b><u>100.00</u></b> | <b><u>1,139,492,800</u></b>                                                                    | <b><u>100.00</u></b> | <b><u>1,139,492,800</u></b>                                                                    | <b><u>100.00</u></b> |

Notes:

- Ms. Yang is an executive Director. As at the date of this announcement, Ms. Yang is directly interested in 7,933,000 Shares and 1,150,000 Share Options.

As at the date of this announcement, each of Karis I and Karis II is directly interested in 243,624,800 and 162,416,000 Shares, respectively.

Karis I is wholly-owned by North Point Trust Company LLC, as trustee of the Karis I Annuity Trusts and the Family Trust I. The Karis I Annuity Trusts were established by Ms. Yang for the ultimate benefit of the Family Trust I, pursuant to certain arrangements. The Family Trust I was established by Ms. Yang as the settlor, and the beneficiaries

of which are any children and issue of Ms. Yang. Pursuant to the Karis I Annuity Trusts and the Family Trust I, Ms. Yang, as the powerholder, has the power to appoint additional trustees and remove and replace North Point Trust Company LLC as trustee of the Karis I Annuity Trust and the Family Trust I, and as the sole manager of Karis I, has the authority to make all business decisions in relation to Karis I. Ms. Yang is deemed to be interested in Karis I, and is therefore deemed to be interested in any Shares in which Karis I is interested by virtue of Part XV of the SFO.

Karis II is wholly-owned by North Point Trust Company LLC, as trustee of the Karis II Annuity Trusts and the Family Trust II. The Karis II Annuity Trusts were established by Ms. Yang for the ultimate benefit of the Family Trust II, pursuant to certain arrangements. The Family Trust II was established by Ms. Yang as the settlor, and the beneficiaries of which are Mr. Ryan Xu, being Ms. Yang's child, and any charitable organisations to be subsequently determined by the independent trustee (if any) at its discretion. Pursuant to the Karis II Annuity Trusts and the Family Trust II, Ms. Yang, as the powerholder, has the power to appoint additional trustees and remove and replace North Point Trust Company LLC as trustee of the Karis II Annuity Trusts and the Family Trust II, and as the sole manager of Karis II, has the authority to make all business decisions in relation to Karis II. Ms. Yang is deemed to be interested in Karis II, and is therefore deemed to be interested in any Shares in which Karis II is interested by virtue of Part XV of the SFO.

2. As at the date of this announcement, Arceus holds 8,067,200 Shares. Arceus is wholly owned by Mr. Yang Hai. Mr. Yang Hai is therefore deemed to be interested in any Shares in which Arceus is interested by virtue of Part XV of the SFO. As at the date of this announcement, Mr. Yang Hai is also interested in 1,150,000 Share Options.
3. As at the date of this announcement, Caerus holds 364,719,200 Shares. Caerus is wholly owned by Acevation Trust. Mr. Yang Yuzheng is the trustor of Acevation Trust, and retains the right to revoke and amend the trust agreement during his lifetime. Accordingly, Mr. Yang Yuzheng is deemed to be interested in both Acevation Trust and Caerus, and is therefore deemed to be interested in any Shares in which each of Acevation Trust and Caerus is interested by virtue of Part XV of the SFO. As at the date of this announcement, Mr. Yang Yuzheng is also interested in 200,000 Share Options.
4. Ms. Yang, Mr. Yang Hai and Mr. Yang Yuzheng are family members of each other (namely, (i) Ms. Yang and Mr. Yang Hai are siblings and (ii) Mr. Yang Yuzheng is the father of Ms. Yang and Mr. Yang Hai) and are therefore deemed to be interested in any Shares in which each other is interested by virtue of Part XV of the SFO. As at the date of this announcement, the total number of Shares collectively owned by Ms. Yang, Mr. Yang Hai and Mr. Yang Yuzheng is 786,760,200, representing approximately 69.04% of the issued share capital of the Company as at the date of this announcement.
5. As at the date of this announcement, HHLR Fund, L.P. is interested in 94,686,000 Shares and HHLR Advisors, Ltd. is interested in such 94,686,000 Shares in the capacity as an investment manager. HHLR Fund, L.P. is a limited partnership formed under the laws of the Cayman Islands. HHLR Advisors, Ltd. serves as the investment manager of HHLR Fund, L.P. and is deemed to be interested in the Shares held by HHLR Fund, L.P. and its other controlled corporations under Part XV of the SFO. The Investor is acting in concert with the Offeror due to its involvement in the discussions relating to the Proposal. The Shares held by the Investor will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
6. Mr. Chen is an executive Director, the chief financial officer and the vice president of the Company. As at the date of this announcement, Mr. Chen holds 3,681,667 Shares, 2,000,000 Share Options and 483,333 share awards granted under the Share Award Scheme. Mr. Chen is acting in concert with the Offeror due to his involvement in the discussions relating to the Proposal. The Shares held by Mr. Chen will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.

7. As at the date of this announcement, the Trustee holds 67,493,183 Shares, amongst which 5,426,183 Awarded Shares (all of which are Unvested Shares) are to be used to satisfy the share awards granted to employees of the Group and the remaining 62,067,000 Shares are to be used to satisfy future grants of share awards. Further details are set out in the section headed “*Share Award Scheme*” of the Joint Announcement. All of the Shares which are held by the Trustee as at the Record Date will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. Pursuant to the terms of the Share Award Scheme, the Trustee shall not exercise any voting rights in respect of any Shares held under the Share Award Scheme, and accordingly the Trustee will not be able to vote on the Scheme at the Court Meeting nor the EGM.
8. All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.

As at the date of this announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 1,139,492,800 Shares, the 5,100,000 Share Options and the share awards granted under the Share Award Scheme (i.e., the 5,426,183 share awards which are granted but will not vest by 28 February 2025).

## **DEALING DISCLOSURE**

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in any securities of the Company and TopCo under Rule 22 of the Takeovers Code during the offer period.

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:

*“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.”*

## WARNING

**Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived (including the approval of the Investor Arrangement as a special deal under Rule 25 of the Takeovers Code), as applicable, and therefore the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

By Order of the Board of  
**Victory III Co., Ltd**  
**Yang Lin**  
*Director*

By order of the board of  
**Vesync Co., Ltd**  
**Gu Jiong**  
*Independent Non-executive Director*

Hong Kong, 13 February 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the sole director of the Offeror in her capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the sole director of the Offeror is Ms. Yang Lin.*

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