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VICTORY III CO., LTD

Vesync Co., Ltd

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

(Stock Code: 2148)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF VESYNC CO., LTD BY
THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER
SECTION 86 OF THE COMPANIES ACT**

**(2) PROPOSED WITHDRAWAL OF LISTING
AND**

**(3) SPECIAL DEAL RELATING TO THE INVESTOR ARRANGEMENT
DESPATCH OF THE SCHEME DOCUMENT**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



SOMERLEY CAPITAL HOLDINGS LIMITED

INTRODUCTION

References are made to (i) the joint announcement issued by Victory III Co., Ltd (the “**Offeror**”) and the Company dated 27 December 2024 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; (ii) the joint announcement issued by the Offeror and the Company dated 17 January 2025 in relation to the delay in despatch of the Scheme Document; and (iii) the scheme

document jointly issued by the Offeror and the Company dated 31 March 2025 in relation to, among other things, the Proposal, the Scheme and the Investor Arrangement (the “**Scheme Document**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Scheme Document.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document, together with the notices of the Court Meeting and the EGM to be held on Wednesday, 23 April 2025, the related forms of proxy and the Election Form will be despatched to the Shareholders on Monday, 31 March 2025.

The Scheme Document contains, among other things, further details of the Proposal, the Scheme and the Investor Arrangement, the expected timetable, an explanatory memorandum as required under the Companies Act and the rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Investor Arrangement, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting, a notice of the EGM and other particulars required by the Takeovers Code, together with forms of proxy and the Election Form in relation thereto.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, which comprises all of the independent non-executive Directors, Mr. Fong Wo, Felix, Mr. Gu Jiong and Mr. Tan Wen who are not interested in the Proposal, has been established by the Board to make a recommendation to the Disinterested Shareholders as to whether the Proposal, the Scheme and the Investor Arrangement are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

The Board, with the approval of the Independent Board Committee, has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Investor Arrangement pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal, the Scheme and the Investor Arrangement are fair and reasonable as far as the Disinterested Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal, the Scheme and the Investor Arrangement.

The Independent Board Committee, having considered the Proposal, the Scheme and the Investor Arrangement, and having taken into account the advice of the Independent Financial Adviser, particularly, the reasons and recommendations set out in the IFA Letter, considers that the Proposal, the Scheme and the Investor Arrangement are fair and reasonable.

Accordingly, the Independent Board Committee recommends:

- (1) at the Court Meeting, the Disinterested Shareholders to vote in favour of the resolution to approve the Scheme;
- (2) at the EGM,
 - (i) the Shareholders to vote in favour of the special resolution to (i) approve and give effect to any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme for issuance to the Offeror; and
 - (ii) the Disinterested Shareholders to vote in favour of the ordinary resolution to approve the Investor Arrangement which constitutes a special deal under Rule 25 of the Takeovers Code;
- (3) the Disinterested Shareholders to elect the Cash Alternative, and not to elect the Share Alternative.

Shareholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal, the Scheme and the Investor Arrangement as set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser as contained in the Scheme Document.

COURT MEETING AND EGM

The Grand Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

The Court Meeting and the EGM are scheduled to be held at 10:00 a.m. and 10:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting), respectively, on Wednesday, 23 April 2025 at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong.

The EGM will be held for the purpose of considering and, if thought fit, passing (a) a special resolution to: (i) approve and give effect to any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith the maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme for issuance to the Offeror; and (b) an ordinary resolution to approve the Investor Arrangement.

Notices of the Court Meeting and the EGM are contained in the Scheme Document. The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the EGM on Wednesday, 23 April 2025 by no later than 7:00 p.m.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

For the purpose of determining the entitlements of Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 16 April 2025 to Wednesday, 23 April 2025 (both days inclusive), and during such period, no transfer of Shares will be effected. In order to qualify for the entitlement to attend and vote at the Court Meeting and/or the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong before 4:30 p.m. on Tuesday, 15 April 2025.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions set out in the section headed “*Conditions to the Proposal and the Scheme*” in Part VII — Explanatory Memorandum of the Scheme Document. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. When all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Company and all Scheme Shareholders.

If all the resolutions are passed at the Court Meeting and the EGM, further announcements will be made in relation to, among other things, the results of the Grand Court Hearing, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local times and dates.

**Hong Kong time
(unless otherwise specified)**

Despatch of the Scheme Document..... Monday, 31 March 2025

Latest time for lodging transfers of Shares in order to become
entitled to attend and vote at the Court Meeting and
the EGM..... 4:30 p.m. on Tuesday, 15 April 2025

Register of members of the Company closed for determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and entitlements of the Shareholders to attend and vote at the EGM (<i>Note 1</i>).....	Wednesday, 16 April 2025 to Wednesday, 23 April 2025 (both days inclusive)
Latest time for lodging PINK forms of proxy in respect of Court Meeting (<i>Note 2</i>).....	10:00 a.m. on Monday, 21 April 2025
Latest time for lodging WHITE forms of proxy in respect of EGM (<i>Note 2</i>)	10:30 a.m. on Monday, 21 April 2025
Meeting Record Date.....	Wednesday, 23 April 2025
Court Meeting (<i>Note 3</i>).....	10:00 a.m. on Wednesday, 23 April 2025
EGM (<i>Note 3</i>)	10:30 a.m. on Wednesday, 23 April 2025 (or immediately after the conclusion or adjournment of the Court Meeting)
Announcement of the results of the Court Meeting and the EGM posted on the website of the Stock Exchange and the website of the Company.....	no later than 7:00 p.m. on Wednesday, 23 April 2025
Expected last time for trading in the Shares on the Stock Exchange	4:10 p.m. on Thursday, 24 April 2025
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Tuesday, 29 April 2025
Register of members of the Company closed for determining entitlements of the Scheme Shareholders under the Scheme (<i>Note 4</i>).....	From Wednesday, 30 April 2025
Grand Court Hearing	Thursday, 1 May 2025 (Cayman Islands time)
Announcement of the results of the Grand Court Hearing, the expected Effective Date, and the expected date of withdrawal of the listing of the Shares on the Stock Exchange	no later than 8:30 a.m. on Friday, 2 May 2025
Scheme Record Date	Tuesday, 6 May 2025

Latest time for lodging the Election Form for election of
the Cash Alternative or the Share Alternative (*Note 5*) 4:30 p.m. on Tuesday, 6 May 2025

Effective Date (*Note 6*)..... Tuesday, 6 May 2025
(Cayman Islands time)

Announcement of the Effective Date and the withdrawal of
the listing of the Shares on the Stock Exchange no later than 8:30 a.m. on
Wednesday, 7 May 2025

Withdrawal of the listing of the Shares on
the Stock Exchange becomes effective (*Note 7*)..... 4:00 p.m. on Wednesday, 7 May 2025

Latest time to despatch cheques for cash payment or
physical share certificates for the TopCo Shares under
the Scheme (*Note 8*)..... on or before Thursday, 15 May 2025

Notes:

1. The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged at the Share Registrar at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong by the times and dates stated above. The **pink** form of proxy for use at the Court Meeting should be lodged no later than 48 hours before the time appointed for holding the Court Meeting or any adjournment hereof although it may be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it). The **white** form of proxy for use at the EGM must be lodged no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof in order to be valid. The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude a Scheme Shareholder or Shareholder (as the case may be) from attending and voting in person at the relevant meetings or any adjournment thereof if he/she so wishes. In the event that the Scheme Shareholder or Shareholder (as the case may be) attends and votes at the relevant meeting or any adjournment thereof after having lodged his form of proxy, the returned form of proxy will be revoked by operation of law.
3. For further details relating to the Court Meeting and the EGM, please see the notice of the Court Meeting set out in Appendix VII to the Scheme Document and the notice of the EGM set out in Appendix VIII to the Scheme Document. If a typhoon signal no. 8 or above is hoisted, or “extreme conditions” caused by a super typhoon or a black rainstorm warning signal is in force at or at any time after 7:00 a.m. on the date of the Court Meeting and the EGM, the Court Meeting and the EGM will be postponed or adjourned in accordance with the articles of association of the Company. The Company will post an announcement on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.vesync.com) to notify the Shareholders of the date, time and place of the rescheduled meetings.
4. The register of members of the Company will be closed as from such time and on such date for the purpose of determining the entitlements under the Scheme.

5. The Election Form, duly completed in accordance with the instructions thereon, must be lodged with the Share Registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than the time and date stated above (or such later time and/or date as may be notified through announcement(s)), failing which the Election Form shall not be treated as valid and such Scheme Shareholders purporting to make the election shall not, for any purpose, be entitled to receive the Share Alternative but shall instead receive the Cash Alternative if the Scheme becomes effective. Any election of the Share Alternative by a Scheme Shareholder should also be accompanied by such KYC Documents as set out in the Scheme Document or such additional evidence or documents as may be required by TopCo, failing which such election shall not be valid and the Scheme Shareholder will instead receive the Cash Alternative if the Scheme becomes effective.
6. When all the Conditions set out in the paragraph headed “*Conditions to the Proposal and the Scheme*” in Part VII — Explanatory Memorandum of the Scheme Document have been fulfilled or (to the extent permitted) waived (as the case may be), the Court Order may be delivered to the Registrar of Companies in the Cayman Islands for registration at which point the Scheme will become effective and binding on the Company and all of the Scheme Shareholders.
7. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Wednesday, 7 May 2025.
8. Cheques for the cash entitlement in respect of the Cash Alternative or physical share certificates for the TopCo Shares in respect of the Share Alternative will be sent within seven (7) Business Days of the Effective Date by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first in such registers in respect of the joint holding. All such cheques or share certificates will be posted at the risk of the person(s) entitled thereto and none of TopCo, HoldCo, the Offeror, the Company, DBSAC, the Independent Financial Adviser, the Share Registrar, the TopCo Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch.
9. If any severe weather condition is in effect at 12:00 noon and/or thereafter on Thursday, 15 May 2025, the latest time to despatch cheques for the cash entitlement in respect of the Cash Alternative or physical share certificates for the TopCo Shares in respect of the Share Alternative, such despatch may be postponed to the next business day that does not have any severe weather condition at 12:00 noon or thereafter, i.e. Friday, 16 May 2025 (or a later date that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of the Scheme Document, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, or “extreme conditions” announced by the Hong Kong Government or a black rainstorm warning is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.

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, 31 March 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.