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Vision Fame International Holding Limited

允升國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1315)

PROPOSED RIGHTS ISSUE OF RIGHTS SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) EXISTING SHARES AT HK\$0.02 PER RIGHTS SHARE

PROPOSED RIGHTS ISSUE

The Company proposes to raise not more than HK\$30 million before expenses by way of the Rights Issue to the Shareholders (on the basis that no Shares are issued or repurchased on or before the Record Date). The Rights Issue is not underwritten and involves the issue of up to 1,500,000,000 Rights Shares (on the basis that no Shares are issued or repurchased on or before the Record Date) at the Subscription Price of HK\$0.02 per Rights Share on the basis of one (1) Rights Share for every four (4) existing Shares in issue on the Record Date. Mega Start, as at the date of this announcement, is interested in an aggregate of 600,000,000 Shares, representing 10% of the total number of the existing issued Shares. Mega Start has irrevocably undertaken to the Company that, among others, it will accept or procure the acceptance of the Rights Shares to be provisionally allotted to it under the Rights Issue of 150,000,000 Rights Shares (being all of the assured entitlement of Mega Start under the Rights Issue based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the date of this announcement up to and including the Record Date).

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12 month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

The Rights Issue does not result in a Theoretical Dilution Effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

PROPOSED RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below:

Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every four (4) existing Shares held on the Record Date
Subscription Price:	HK\$0.02 per Rights Share
Number of the existing Shares in issue as at the date of this announcement:	6,000,000,000 Shares
Number of Rights Shares to be issued under the Rights Issue:	Up to 1,500,000,000 Rights Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Maximum enlarged issued share capital upon completion of the Rights Issue:	7,500,000,000 Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Number of Rights Shares undertaken to be taken up:	Mega Start has undertaken to take up 150,000,000 Rights Shares (representing approximately 10% of the total Rights Shares proposed to be provisionally allotted by the Company) pursuant to the Undertaking (assuming no Shares are issued or repurchased on or before the Record Date)

Maximum proceeds to be raised under the Rights Issue before expenses:	HK\$30 million (assuming no Shares are issued or repurchased on or before the Record Date)
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As at the date of this announcement, there are no outstanding share options, warrants or other convertible securities granted by the Company that are subsisting as at the date of this announcement.

Assuming no Shares are issued or repurchased on or before the Record Date, the maximum number of 1,500,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 25% of the total number of the existing issued Shares as at the date of this announcement and 20% of the total number of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders, which do not include any Rights Shares to be provisionally allotted to Mega Start for which subscription of Rights Shares will be subject to the Undertaking as set out in the section headed “Undertaking by Mega Start” in this announcement, and the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Qualifying Shareholder who applies to take up all or part of his/her/its entitlement under the Provisional Allotment Letter may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Qualifying Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Qualifying Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

Undertaking by Mega Start

As at the date of this announcement, Mega Start is interested in an aggregate of 600,000,000 Shares, representing 10% of the total number of the existing issued Shares. Mega Start has irrevocably undertaken to the Company that, among others, it will accept or procure the acceptance of the Rights Shares to be provisionally allotted to it under the Rights Issue of 150,000,000 Rights Shares (being all of the assured entitlement of Mega Start under the Rights Issue based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the date of this announcement up to and including the Record Date).

Subscription Price

The Subscription Price of HK\$0.02 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or when a transferee of Nil Paid Rights accepts the provisional allotment of the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 60.78% to the closing price of HK\$0.051 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 60.47% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0506;
- (iii) a discount of approximately 61.83% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0524;
- (iv) a discount of approximately 55.36% to the theoretical ex-rights price of approximately HK\$0.0448 per Share based on the closing price of HK\$0.051 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 15.25% to the unaudited consolidated net asset value attributable to the Shareholders as at 30 September 2020 as extracted from the interim report of the Company for the six months ended 30 September 2020 of approximately HK\$0.0236 per Share; and
- (vi) a dilution effect of approximately 11.81% to the existing Shareholders if they elect not to/cannot participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.0448 per Share (taking into account the closing price of the Last Trading Day of HK\$0.051 per Share) and the

average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and excluding the Last Trading Day of approximately HK\$0.0508 (the “**Theoretical Dilution Effect**”).

Under the Rights Issue, each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its existing shareholdings in the Company. The Board considers that the discount of the Subscription Price to the current market price will encourage them to participate in the Rights Issue. The Subscription Price and the Rights Issue ratio were determined by the Board based on the funding needs of the Group. The Board is of the view that the Rights Issue will provide the Group with sufficient funding to reduce the financial burden in the manner as set out under the section headed “Reasons for the Rights Issue” in this announcement. As such, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid with a record date falling after the date of allotment and issue of the Rights Shares in their fully-paid form.

Qualifying Shareholders

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date and not being a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by not later than 4:00 p.m. on Thursday, 24 June 2021. It is expected that the last day of dealings in the Shares on a cum-rights basis is Tuesday, 22 June 2021 and the Shares will be dealt with on an ex-rights basis from Wednesday, 23 June 2021.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Posting Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the Provisional Allotment Letter and lodging the same with a cheque or banker’s cashier order for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Latest Acceptance Date.

The Qualifying Shareholders who take up their provisional allotment in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the Provisional Allotment Letter to them. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will make enquiry regarding the legal restrictions under the laws of the relevant overseas places and the requirements of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiry and based on legal opinion provided by the legal advisers to the Company, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in the relevant place(s), no offer of the Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Non-Qualifying Shareholders.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) would not have any entitlement under the Rights Issue. However, arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, to be sold as soon as practicable after dealings in the Nil Paid Rights commence. The proceeds of such sale, less expenses and stamp duty, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders to their shareholdings held on the Record Date in Hong Kong Dollars. The Company will retain individual amounts of less than HK\$100 for its own benefit.

Any unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, will be placed by the Placing Agent under the Placing Arrangement together with the Unsubscribed Rights Shares. The proceeds of the sale as described above in the case of being sold by the Placing Agent, less the Subscription Price and expenses, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders to their shareholdings held on the Record Date in Hong Kong Dollars together with the No Action Shareholders on the basis of all NQS Unsold Rights Shares and Unsubscribed Rights

Shares. The Company will retain individual amounts of less than HK\$100 for its own benefit. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

For the Nil Paid Rights that were sold as described above and the buyer of such Nil Paid Rights who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Non-Qualifying Shareholders should exercise caution when dealing in the Shares.

Fractional entitlements

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Procedures in respect of Rights Shares not subscribed and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rule to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the latest time for acceptance of the Rights Shares to be allotted and issued under the Rights Issue to independent placees on a best effort basis. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders and the Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 6:00 p.m., on Thursday, 29 July 2021, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the

NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- A. where the Nil Paid Rights are, at the time they lapse, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter (unless that person is covered by (C) below);
- B. where the Nil Paid Rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those Nil Paid Rights in CCASS (unless that person is covered by (C) below); and
- C. if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

For Net Gain (if any) to Non-Qualifying Shareholders, please refer to the section headed “Non-Qualifying Shareholders” above.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in “A” to “C” of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares

On 1 June 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure independent placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date: 1 June 2021

Placing Agent: Alliance Capital Partners Limited was appointed as a Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis.

The Placing Agent confirmed that it is independent of and not connected with the Company and its connected person and not a connected person of the Company.

Fees and expenses: The higher of HK\$250,000 or 2% of the gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion. The Company will pay all the out-of-pocket expenses properly and reasonably incurred by the Placing Agent in connection with the Placing, except for fees of legal and other professional advisers incurred by the Placing Agent.

Placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe): The placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe) shall be at least equal to the Subscription Price.

The final price determination depends on the demand and market conditions of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the process of placement.

Placees: The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to placees, who and whose ultimate beneficial owners, shall be Independent Third Parties.

Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares: The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

Termination: The Placing Arrangement shall end on 4:00 p.m. on 30 July 2021 or any other date and time by mutual written agreement between the Placing Agent and the Company.

The engagement of the Placing Agent may also be terminated by the Placing Agent in its absolute opinion in case of any force majeure event (as defined in the Placing Agreement) resulting in the Company and the Placing Agent being unable to fulfill their respective duties and responsibilities under the engagement.

Besides, the Placing Agent shall be entitled by notice in writing to the Company to elect to treat the following matters or events as releasing and discharging it from its obligations under the Placing Agreement if at or prior to the Latest Time for Termination:

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement;
- (ii) there is any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement or circular relating to the Rights Issue; or

- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, in material respects, if repeated the Placing Agent(s) shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company. The Directors consider the fee charged by the Placing Agent is no less favourable to the Company than the commission in recent placing transactions and therefore the terms of the Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares are on normal commercial terms. The Directors believe the expenses as typical and ordinary in the marketing of securities.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders, the Company considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil Paid Rights are expected to be traded in board lots of 2,000. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

Stamp duty and other applicable fees

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Share certificates for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on Wednesday, 4 August 2021 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risks.

Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (i) The delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules.
- (ii) The despatch of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders, if any, for information purpose only.
- (iii) The Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares.
- (iv) The compliance with and performance of all the undertakings and obligations of Mega Start in accordance to the Undertaking.
- (v) All relevant consents and approvals being obtained from the regulatory authorities, including the Stock Exchange, as the case may require in connection with the Rights Issue by the relevant time that each consent and approval is required.

All of the conditions are incapable of being waived. If the conditions above are not satisfied on or before the Long Stop Date, the Rights Issue shall be terminated.

As at the date of this announcement, none of the conditions precedent has been fulfilled.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

SHAREHOLDINGS STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; (iii) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than Mega Start who will take up the Rights Shares in accordance with the terms of the Undertakings and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent; and (iv) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than Mega Start who will take up the Rights Shares in accordance with the terms of the Undertakings and none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent:

	As at the date of this announcement		Immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders		Immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than Mega Start who will take up the Rights Shares in accordance with the terms of the Undertaking and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent		Immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than Mega Start who will take up the Rights Shares in accordance with the terms of the Undertaking and none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent	
	Number of issued Shares	%	Number of issued Shares	%	Number of issued Shares	%	Number of issued Shares	%
Substantial Shareholders								
Mega Start ^(Note 1)	600,000,000	10.00	750,000,000	10.00	750,000,000	10.00	750,000,000	12.20
Million Creation Holdings Limited ^(Note 2)	715,274,000	11.92	894,092,500	11.92	715,274,000	9.54	715,274,000	11.63
Director								
Mr. WONG Wai Kwan ^(Note 3)	5,000,000	0.08	6,250,000	0.08	5,000,000	0.07	5,000,000	0.08
Public Shareholders	<u>4,679,726,000</u>	<u>78.00</u>	<u>5,849,657,500</u>	<u>78.00</u>	<u>6,029,726,000</u>	<u>80.40</u>	<u>4,679,726,000</u>	<u>76.09</u>
Total	<u><u>6,000,000,000</u></u>	<u><u>100.00</u></u>	<u><u>7,500,000,000</u></u>	<u><u>100.00</u></u>	<u><u>7,500,000,000</u></u>	<u><u>100.00</u></u>	<u><u>6,150,000,000</u></u>	<u><u>100.00</u></u>

Notes:

- (1) Mr. Chau is the ultimate beneficial owner of Mega Start. By virtue of the SFO, Mr. Chau is deemed to be interested in the 600,000,000 Shares held by Mega Start.

- (2) Based on the information available to the Company, Million Creation Holdings Limited is interested in 710,000,000 Shares and is directly wholly owned by SWH Investment Inc., which is directly wholly owned by Horizon Holding Inc., which is wholly owned by Mr. SUN William. By virtue of the SFO, Mr. SUN William is deemed to be interested in the 710,000,000 Shares held by Million Creation Holdings Limited. Mr. SUN William is also a beneficial owner of 5,274,000 Shares.
- (3) Mr. Wong Wai Kwan is an independent non-executive Director.
- (4) Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company had not raised any other funds by equity issue in the past 12 months immediately preceding the date of this announcement.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out in below.

Event	2021
Announcement of Rights Issue	Tuesday, 1 June
Last day of dealings in the Shares on a cum-rights basis.	Tuesday, 22 June
First day of dealings in the Shares on an ex-rights basis	Wednesday, 23 June
Latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue	4:00 p.m. on Thursday, 24 June
Register of members of the Company closes for determining entitlements under the Rights Issue (both days inclusive)	Friday, 25 June to Friday, 2 July
Record date for determining entitlements under the Rights Issue.	Friday, 2 July
Register of members of the Company reopens	Monday, 5 July
Despatch of Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only).	Wednesday, 7 July
First day of dealing in Nil Paid Rights	Friday, 9 July

Event	2021
Latest time for splitting Nil Paid Rights	4:00 p.m., on Tuesday, 13 July
Last day of dealing in Nil Paid Rights	Friday, 16 July
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain . . .	4:00 p.m., on Wednesday, 21 July
Latest time for acceptance of and payment for the Rights Shares.	4:00 p.m. on Wednesday, 21 July
Announcement of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements to be posted on the Stock Exchange's website and the Company's website on or before	Monday, 26 July
Commencement of placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent . .	Tuesday, 27 July
Latest time of placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	6:00 p.m. on Thursday, 29 July
Latest Time for Termination	4:00 p.m., on Friday, 30 July
Announcement of the results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and the NQS Unsold Rights Shares under the Compensatory Arrangements) to be posted on the Stock Exchange's website and the Company's website on or before	Tuesday, 3 August
Despatch of Refund cheques (if any)	Wednesday, 4 August
Despatch of certificates for fully-paid Rights Shares.	Wednesday, 4 August

Event**2021**

Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 5 August
Payment of the Net Gain (if any) to relevant No Action Shareholders and Non-Qualifying Shareholders (if any) . . .	Thursday, 26 August

Note: All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable for the Rights Issue as set out above, and in other parts of this announcement, are indicative only, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning and/or “extreme conditions caused by super typhoons” as announced by the Hong Kong Government:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same day; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.. If the latest time for acceptance of and payment for the Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected timetable for the Rights Issue” may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

INFORMATION ON MEGA START

Mega Start is an investment holding company incorporated in the BVI with limited liability and is legally and beneficially owned by Mr. Chau, the Chairman of the Company and an executive Director, and was a substantial shareholder interested in 10% of the issued share capital of the Company as at the date of this announcement.

REASONS FOR THE RIGHTS ISSUE

The principal activities of the Company are investment holding and the principal activities of the Group comprise (i) provision of building construction services, property maintenance services, alterations, renovation, upgrading and fitting-out works services, and (ii) trading of materials.

The Company intends to apply the net proceeds from the Rights Issue (i) as to approximately HK\$21.4 million for partial payment of the redemption amount of the Convertible Bond; and (ii) as to approximately HK\$7.1 million for working capital of the Group. For details, please see the section headed “Proposed Use of Proceeds” below.

As disclosed in the published interim report of the Company for the six months ended 30 September 2020, total interest-bearing loans amounted to approximately HK\$243.0 million and zero-coupon convertible bond amounted to approximately HK\$22.7 million as at 30 September 2020. The Group had obtained credit facilities from various banks and financial institutions up to a maximum amount of approximately HK\$154 million and approximately HK\$24.1 million of the credit facilities has been utilised as at 30 September 2020.

On 3 February 2016, the Company issued the Convertible Bond to Mega Start. The Convertible Bond was due on 3 February 2021. For details, please refer to the Company’s announcements dated 16 December 2015 and 3 February 2016. The Company has redeemed all outstanding principal amount of the Convertible Bond for the amount of HK\$24 million and the Company has been indebted to Mega Start for the said amount since 3 February 2021.

For the major indebtedness at the subsidiaries level, reference is also made to the Company’s announcement dated 9 March 2021 that the Company received a demand letter dated 3 March 2021 (the “**Demand Letter**”) from the legal adviser to Mr. Wong Law Fai, the managing director of Wan Chung Construction Company Limited (“**Wan Chung**”), an indirect wholly-owned subsidiary of the Company, in relation to two loan agreements both dated 1 December 2013 and an advance agreement dated 30 October 2016, all made between Mr. Wong Law Fai as lender and Wan Chung as borrower. Based on the Demand Letter, it is alleged that the total amount owed by Wan Chung to Mr. Wong Law Fai is in the sum of HK\$201,152,177 together with interest thereon and the latest loan maturity date is 30 September 2021. The Company has been in negotiation with Mr. Wong Law Fai as to such claim up to the date of the announcement.

The Board considers that the Rights Issue will provide a good opportunity for the Company to raise funds to strengthen its capital base, and improve its financial position, and also allow all outstanding Shareholders to maintain their proportional shareholdings in the Company.

The Board has considered other fund-raising methods including debt financing and equity placement. However, commercial debt financing (even if available) will put further pressure on the already weak financial position of the Group. Because of the weak financial performance of the Group and the market, an equity placement to Independent Third Parties may require a higher discount on issue price and result in more dilution for the Shareholders.

Having considered the above factors, the Board considers that the fund raising structure by way of the Rights Issue is a well-balanced option for the Company, improving the liquidity and capital base of the Group while mitigating dilution effect to the existing Shareholders. On this basis, the Directors are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole and the terms of the Rights Issue are fair and reasonable.

PROPOSED USE OF PROCEEDS

The estimated maximum net proceeds from the Rights Issue (after deducting the expenses) are approximately HK\$28.5 million. The Company intends to apply the net proceeds from the Rights Issue as to:

- (i) 75% of the net proceeds or approximately HK\$21.4 million for partial payment of the redemption amount of the Convertible Bond; and
- (ii) the remaining 25% of the net proceeds or approximately HK\$7.1 million for general working capital including but not limited to salaries and benefits, rental and utilities, other general and administrative expenses, for the Group in the 12 months following the completion of the Rights Issue.

The estimated expenses of the Rights Issue (including advisory fees for the professional parties, printing, registration, translation, legal, accounting and documentation charges) are estimated to be approximately HK\$1,500,000 and will be payable by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares are expected to be approximately HK\$0.019.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL PAID RIGHTS

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon certain conditions including, among others, the Listing Committee granting the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms). Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Wednesday, 23 June 2021. Any Shareholder or other person dealing in the Shares and/or Nil Paid Rights up to the date on which all conditions to which the Rights Issue is subject are fulfilled, will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating any dealings in the Shares and/or Nil Paid Rights, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12 month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

The Rights Issue does not result in a Theoretical Dilution Effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Board”	the board of Directors
“Business Day”	any day on which banks are generally open for business in Hong Kong (excluding Saturday and Sunday)
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Vision Fame International Holding Limited (Stock Code: 1315), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “Procedures in respect of Rights Shares not subscribed and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this announcement
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Convertible Bond”	the convertible bond in the principal amount of HK\$24,000,000 issued to Mega Start pursuant to the agreement dated 16 December 2015 entered into between the Company and Mega Start
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company
“Last Trading Day”	Tuesday, 1 June 2021, being the last full trading day for the Shares before the release of this announcement
“Latest Acceptance Date”	Wednesday, 21 July 2021, being the last day for acceptance and payment of the Rights Issue, or such other date as the Company may determine
“Latest Time for Termination”	the latest time to terminate the Placing Agreement
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	1 December 2021 (or such other date as the Company may determine)
“Main Board”	the Main Board of the Stock Exchange
“Mega Start”	Mega Start Limited, a company incorporated in the BVI with limited liability, which is legally and beneficially owned by Mr. Chau, and a substantial shareholder
“Mr. Chau”	Mr. Chau Chit, the Chairman and Chief Executive Officer of the Company and an executive Director

“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting (a) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements; and (b) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees)
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the provisional allotment letters or their renounees, or such persons who hold any Nil Paid Rights at the time such Nil Paid Rights are lapsed
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong

“Placing Agent”	Alliance Capital Partners Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the Placing Agent appointed by the Company to place any Unsubscribed Rights Shares and NQS Unsold Rights Shares for the Placing Arrangement
“Placing Agreement”	the placing agreement dated 1 June 2021 entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares as described in the section headed “Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares” in this announcement
“Posting Date”	Wednesday, 7 July 2021 or such other date as the Company may determine in writing for the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and the Provisional Allotment Letter
“Provisional Allotment Letter(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue in such form as the Company may approve
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date

“Record Date”	Friday, 2 July 2021, being the date by reference to which entitlements of the shareholders under the Rights Issue are expected to be determined
“Registrar”	the branch share registrar and transfer office of the Company, being Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed offer of the Rights Shares to the Qualifying Shareholders at the Subscription Price, on the basis of one (1) Rights Share for every four (4) existing Shares held by each Qualifying Shareholder on the Record Date
“Rights Shares”	the new Share(s) to be allotted and issued in respect of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.02 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Undertaking”	the undertaking provided by Mega Start to the Company dated 31 May 2021
“United States” or “US”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia)

“Unsubscribed Rights Shares”

the Rights Shares that are not subscribed by the Qualifying Shareholders, or holders of Nil Paid Rights, excluding those Rights Shares to be provisionally allotted to Mega Start for which subscription of Rights Shares will be subject to the Undertaking as set out in the section headed “Undertaking by Mega Start” in this announcement

“US person(s)”

any person(s) or entity(ies) deemed to be a US person for the purposes of Regulation S under the US Securities Act of 1933, as amended

“%”

per cent or percentage

By order of the Board
Vision Fame International Holding Limited
Chau Chit
Chairman and Chief Executive Officer

Hong Kong, 1 June 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chau Chit and Mr. Zhu Xiaodong; and three independent non-executive Directors, namely Mr. Tam Tak Kei Raymond, Dr. Wong Lee Ping and Mr. Wong Wai Kwan.