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DISCLOSEABLE TRANSACTION

ACQUISITION OF 4.5% EQUITY INTEREST IN CLAMAN GLOBAL LIMITED, INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER THE GENERAL MANDATE

THE ACQUISITION

The Board is pleased to announce that on 31 October 2022 (after trading hours), the Purchaser and the Vendor entered into the Share Purchase Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, approximately 4.5% equity interest in the Target Company at a consideration of HK\$5,627,097 which shall be satisfied by the allotment and issue of 23,252,466 Consideration Shares credited as fully paid, pursuant to the General Mandate.

The Company currently holds approximately 50.3% of the Target Company. Upon Completion, the Company will hold approximately 54.8% of the Target Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in relation to the Acquisition is more than 5% but less than 25%, and the Consideration for the Acquisition will be satisfied by the allotment and issue of Consideration Shares pursuant to the General Mandate, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements thereunder.

The allotment and issue of Consideration Shares pursuant to the General Mandate is not subject to approval of Shareholders.

Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Shareholders and potential investors should note that the Acquisition, which is subject to a number of conditions precedent, may or may not be completed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE SHARE PURCHASE AGREEMENT

Date: 31 October 2023 (after trading hours)

Parties:

Purchaser VG Investment Assets Holdings Inc, a wholly-owned subsidiary of the Company

Vendor Kingston Investment Assets Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

Assets to be acquired:

Pursuant to the Share Purchase Agreement, the Purchaser has conditionally agreed to acquire from the Vendor, and the Vendor has conditionally agreed to sell to the Purchaser, approximately 4.5% of equity interest in the Target Company.

Consideration:

Pursuant to the terms of the Share Purchase Agreement, the Consideration of HK\$5,627,097 shall be satisfied by way of allotment and issue of 23,252,466 Consideration Shares upon Completion, credited as fully paid.

The Consideration was arrived at based on normal commercial terms after arm's length negotiations between the Purchaser and the Vendor, taking into account, among other things, (a) increasing local and global market demands for event technology solutions and the use of digital platforms for event tickets, registrations and e-commerce, (b) the Target Company's group's market positioning in the industry as a leader and innovator, armed with strong technological, and research and development capabilities, (c) the Target Company's group's growth in financial performance, (d) the Target Company's group's successfully securing being appointed as exclusive registration and payments technology provider by major international marquee events, (e) the perceived growing business prospects of the Target Company's group in light of the foregoing, and (f) the Company's assessment of the synergistic benefits that are targeted to be created between the Target Company's group and the Company.

The Board considers that the Consideration is based on normal commercial terms, maximises Shareholders' benefit and is fair and reasonable for the Company and the Shareholders as a whole.

Consideration Shares

The Consideration Shares will be allotted and issued at the issue price of HK\$0.242 per Consideration Share, credited as fully paid, pursuant to the General Mandate, which represents:

- (i) a discount of approximately 13.57% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the date of the Share Purchase Agreement; and
- (ii) a discount of approximately 14.79% to the average closing price of HK\$0.284 per Share as quoted on the Stock Exchange for the 5 trading days immediately prior to the date of the Share Purchase Agreement.

Under the General Mandate, the Company may allot and issue up to 45,414,966 Shares. Accordingly, the issue of the Consideration Shares is not subject to any further approval by the Shareholders.

The Consideration Shares represent approximately 9.39% of the existing issued share capital of the Company as at the date of this announcement and represent approximately 8.6% of the Company's issued share capital as at the date of this announcement as enlarged by the issue of the Consideration Shares (assuming, for purposes of illustration, no change in the total number of issued Shares between the date of this announcement and the allotment and issue of the Consideration Shares).

The issue price per Consideration Share was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the prevailing market price of the Shares. The Board considers that the issue price per Consideration Share is fair and reasonable and in the interests of the Shareholders as a whole.

An application will be made to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued upon Completion, will rank *pari passu* in all respects with the existing Shares then in issue.

Completion

Completion shall take place on the Completion Date, on which all the conditions precedent of the Share Purchase Agreement have been fulfilled, or such later date as the Purchaser and the Vendor may agree in writing.

Conditions Precedent

Completion is subject to and conditional upon, amongst others:

- (i) the listing committee of the Stock Exchange having granted or agreed to grant the listing of, and permission to deal in, the Consideration Shares; and
- (ii) the representations and warranties contained in the Share Purchase Agreement remaining true and accurate in all material respects.

INFORMATION ON THE TARGET COMPANY AND THE VENDOR

The Target Company is a company incorporated in the BVI with limited liability. The Target Company is a subsidiary of the Company, and its group is a market leader in advanced technology innovation with strong technological, research and development capabilities. The Target Company's group's products and services include businesses that involve operating multi-function cloud platforms for digital management and payment processing for businesses, events, virtual events and ecommerce.

Based on information provided by the Vendor, its principal business activity is investment holding.

Based on the unaudited consolidated financial statements of the Target Company, the financial information of the Target Company for the two years ended 30 April 2023 are set out as follows:

	Year ended 30 April	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit before taxation	12,460	8,186
Profit after taxation	11,084	8,186

As at 30 April 2023, based on the unaudited consolidated financial statements of the Target Company, the Target Company had unaudited consolidated net assets of approximately HK\$51,145,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As previously disclosed to Shareholders, the Company pursues both organic growth and investment opportunities with a view to increasing returns, especially in the Group's core technology business focus that involves the combination of technologies with business processes. In particular, our on-going strategy is to develop and strengthen technology and product innovation in fintech, virtual technologies and distance-businesses.

In line with this strategy, the Acquisition will increase our equity interest in the Target Company, which is a market innovator and one of the fast-movers in Hong Kong providing event organisers and venues with event technology solutions. The online event ticketing market has benefited from the growth of internet and cloud-based technologies that break down many traditional travel, logistic and geographic boundaries, as well as the increasing use of increasingly smart digital devices, increased and faster internet access, and expanding urbanization in many economies globally.

Although broad global political/economic uncertainties and market instability have presented challenging macro-economic malaise, the Target Company has demonstrated growth in its financial performance.

The Company therefore believes that the Target Company's strong technological, research and development capabilities, brand strength, and the increasing demand and dependence on event technology solutions can be expected to drive the Target Company's further growth, and generate greater value for the Company and Shareholders, and we seek to enhance the Group's business prospects in the local and international markets.

The Directors therefore believe that the Acquisition presents an excellent opportunity for the Group to increase its holdings in this high-demand technology sector and capitalise on high-growth opportunities that lie ahead to accelerate the Group's performance in fast-growing fintech, virtual technology and distance businesses.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE TARGET COMPANY

Assuming there being no other changes in the issued share capital and the shareholding of the Target Company after the date of this announcement, the Company's shareholding in the Target Company will be increased from approximately 50.3% to approximately 54.8%.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a summary of the shareholding in the Company as at the date of this announcement and, for illustrative purposes only, upon Completion, assuming there being no other changes in the Company's issued share capital or in the shareholdings of the shareholders shown below, after the date of this announcement.

Shareholders	As at the date of this announcement		Immediately after Completion	
	No. of Shares	%	No. of Shares	%
Vongroup Holdings Limited*	137,184,436	55.4%	137,184,436	50.7%
Allyking International Limited**	34,885,000	14.1%	34,885,000	12.8%
Wun Kam Hoi	10,000,125	4.0%	10,000,125	3.7%
The Vendor and/or its nominee(s)	-	-	23,252,466	8.6%
Other public Shareholders	65,505,272	26.5%	65,505,272	24.2%
Total	247,574,833	100.0%	270,827,299	100.0%

Notes:

* Vongroup Holdings Limited is beneficially owned by Vong Tat leong David.

** Allyking International Limited is beneficially owned by Huang Rong.

LISTING RULES IMPLICATIONS

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The allotment and issue of Consideration Shares is not subject to approval of Shareholders.

Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Shareholders and potential investors should note that the Acquisition, which is subject to a number of conditions precedent, may or may not be completed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the sale and purchase of approximately 4.52% equity interest in the Target Company in accordance with the terms and conditions of the Share Purchase Agreement
“Board”	the Board of Directors of the Company
“BVI”	British Virgin Islands
“Company”	Vongroup Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Share Purchase Agreement
“Completion Date”	the day of the Completion, which shall be the date on which the last of the conditions precedent under the Share Purchase Agreement has been fulfilled or such other date as the Purchaser and the Vendor may agree in writing
“connected person”	the meaning ascribed thereto in the Listing Rules
“Consideration”	purchase price for the equity interest in the Target Company, that is the subject of the Acquisition
“Consideration Shares”	23,252,466 Shares to be issued by the Company, as the consideration for the Acquisition, to the Vendor in accordance with the terms and conditions of the Share Purchase Agreement
“Director”	a director of the Board of the Company
“General Mandate”	the general mandate granted at the annual general meeting of the Company held on 30 October 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share”	ordinary share of HK\$0.04 each in the share capital of the Company
“Shareholder”	holder of a Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Purchaser”	VG Investment Assets Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Share Purchase Agreement”	the Share Purchase Agreement dated as of 31 October 2023, entered into between the Purchaser and the Vendor in relation to the Acquisition
“Target Company”	Claman Global Limited, a company incorporated in the BVI with limited liability, and a subsidiary of the Company
“Vendor”	Kingston Investment Assets Limited, a company incorporated in the BVI with limited liability, whose ultimate controlling beneficial owner is Brian D. Nip.

By Order of the Board
Vongroup Limited
Po In San
Company Secretary

Hong Kong, 31 October 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Vong Tat Ieong David and Xu Siping and three independent non-executive Directors, namely Daphne Bontein da Rosa Gohel, Fung Ka Keung David and Lam Lee G.

* *For identification purpose only*