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VESON HOLDINGS LIMITED
銳信控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01399)

CONTINUING CONNECTED TRANSACTION
RENEWAL OF LEASE TO SCUD STOCK

LEASE AGREEMENT

On 30 December 2022 (after trading hours), the Group entered into the Lease Agreement with Scud Stock to renew the existing lease of the Premises by Scud Battery to Scud Stock for the period commencing from 1 January 2023 and ending on 31 December 2023. The annual rental will be RMB4,689,005.76 (equivalent to approximately HK\$5,234,842.82).

LISTING RULE IMPLICATION

As at the date of this announcement, Scud Stock is owned as to 70% by Mr. Fang, the controlling Shareholder. Scud Stock is therefore a connected person of the Company under the Listing Rules and accordingly, the Lease under the Lease Agreement constitutes a continuing connected transaction of the Company and, in light of the size of the annual cap, is only subject to the reporting, announcement and annual review requirements under Chapter 14A of Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 30 December 2021 in relation to the lease agreement entered into by Scud Stock, a connected person of the Company, with Scud Battery, an indirect wholly-owned subsidiary of the Company, for the rental of the Premises for a period of one year. Such lease agreement will expire on 31 December 2022.

On 30 December 2022 (after trading hours), the Group entered into the Lease Agreement with Scud Stock to renew the existing lease of the Premises by Scud Battery to Scud Stock for the period commencing from 1 January 2023 and ending on 31 December 2023. The annual rental will be RMB4,689,005.76 (equivalent to approximately HK\$5,234,842.82).

A summary of the principal terms of the Lease Agreement is set out below.

LEASE AGREEMENT

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|------------------------|---|
| Date: | 30 December 2022 (after trading hours) |
| Parties: | (i) Scud Stock as lessee (ii) Scud Battery as lessor |
| Premises: | No. 135, Rujiangdong Road, Mawei District, Fuzhou, Fujian Province, PRC (中國福建省福州市馬尾區儒江東路135號) comprising: (i) rental area of approximately 17,193 square metres in 1 factory building with a total construction area of approximately 26,665 square metres; and (ii) rental area of approximately 8,450 square metres in 1 warehouse building with a total construction area of approximately 8,450 square metres |
| Total rental area: | approximately 25,643 square metres |
| Term of lease: | 1 January 2023 to 31 December 2023 |
| Rental: | RMB390,750.48 (equivalent to approximately HK\$436,236.90) per month, i.e. RMB4,689,005.76 (equivalent to approximately HK\$5,234,842.82) per year |
| Usage of the Premises: | Manufacturing facility |

The rental payable under the Lease Agreement is payable in cash on a monthly basis and was determined after arm's length negotiation between Scud Battery and Scud Stock with reference to the rental paid under the lease agreement dated 30 December 2021 entered into between Scud Battery and Scud Stock in respect of the Premises, the market rental for similar properties nearby in the PRC and having taken into account availability of similar premises nearby and the cost of relocation.

Based on the unaudited consolidated financial statements of the Company for the six months ended 30 June 2022, the unaudited net carrying value of the Premises was approximately RMB48,459,000 (equivalent to approximately HK\$56,664,600.85) as at 30 June 2022.

ANNUAL CAP

The annual cap for the rental payable by Scud Stock to Scud Battery under the Lease for the year ending 31 December 2023 is RMB4,689,005.76 (equivalent to approximately HK\$5,234,842.82), being the rental payable under the Lease for the year ending 31 December 2023.

The above annual cap was determined based on the rental payable under the Lease.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The Directors consider that the entering into of the Lease Agreement will allow the Group to lease out the Premises not being occupied by the Group, which will increase the non-operating income of the Group. The Directors (including the independent non-executive Directors) are of the view that whilst the Lease Agreement was not entered into in the ordinary and usual course of business of the Group, the terms of the Lease Agreement are on normal commercial terms arrived at after arm's length negotiation between the parties and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the Lease Agreement, and therefore none have abstained from voting on the Board resolution approving the Lease Agreement.

LISTING RULE IMPLICATIONS

As at the date of this announcement, Scud Stock is owned as to 70% by Mr. Fang, the controlling Shareholder. Scud Stock is therefore a connected person of the Company under the Listing Rules and accordingly, the Lease under the Lease Agreement constitutes a continuing connected transaction of the Company. Based on information available to the Company, Mr. Lin Chao ("**Mr. Lin**") and Ms. Bian Zhen ("**Ms. Bian**") hold the remaining equity interests of Scud Stock as to 25% and 5% respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Lin and Ms. Bian are third parties independent of the Company and its connected persons.

Based on the annual cap for the year ending 31 December 2023 as set out above, as one or more of the applicable percentage ratios in respect of the Lease are more than 0.1% and less than 5%, the Lease is only subject to the reporting, announcement and annual review requirements and exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION ON THE GROUP AND SCUD STOCK

The Group's principal business is its ODM business which mainly supplies lithium-ion battery modules to manufacturers of well-known telecommunication brands at home and abroad. For more information, please visit the Group's website at www.vesonhldg.com.

Scud Stock's principal business is property management.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “Company” | Veson Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange |
| “connected person” | has the meaning ascribed to it in the Listing Rules |
| “controlling shareholder” | has the meaning ascribed to it in the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Lease Agreement” | the lease agreement dated 30 December 2022 entered into between Scud Stock as lessee and Scud Battery as lessor in respect of the lease of the Premises |
| “Lease” | the lease under the Lease Agreement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Fang” | Mr. Fang Jin, the controlling Shareholder holding approximately 50.67% of the total issued share capital of the Company as at the date of this announcement |

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| “ODM” | original design manufacturing |
| “percentage ratios” | the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules |
| “PRC” | the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Premises” | a total rental area of approximately 25,643 square metres located at No. 135, Rujiangdong Road, Mawei District, Fuzhou, Fujian Province, PRC (中國福建省福州市馬尾區儒江東路135號) |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Scud Battery” | 飛毛腿電池有限公司 (Scud Battery Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company |
| “Scud Stock” | 福建飛毛腿股份有限公司 (Scud Stock (Fujian) Co., Ltd.*), a joint stock limited company established in the PRC, which is held as to 70%, 25% and 5% by Mr. Fang, Mr. Lin Chao and Ms. Bian Zhen respectively as at the date of this announcement and is not part of the Group |
| “Share(s)” | ordinary share(s) in the Company with a nominal value of HK\$0.10 each |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

* For identification purpose only

For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK\$1=RMB0.89573 has been used (and the exchange rate of HK\$1=RMB0.85519 has been used for the financial information of the Group for the six months period ended 30 June 2022), where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or at all.

By order of the Board
Veson Holdings Limited
Feng Ming Zhu
Chairman

Hong Kong, 30 December 2022

As at the date of this announcement, the Board comprises Mr. Feng Ming Zhu and Ms. Lian Xiu Qin being the executive Directors, Dr. Loke Yu being the non-executive Director, and Mr. Heng Ja Wei Victor, Mr. Lam Yau Yiu and Mr. Cheung Wai Kwok Gary being the independent non-executive Directors.