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## **Value Convergence Holdings Limited**

*(Incorporated in Hong Kong with limited liability)*

Website: <http://www.vcgroup.com.hk>

(Stock Code: 821)

### **SUPPLEMENTAL INFORMATION IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the annual report of Value Convergence Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020 published on 23 April 2021 (the “**Annual Report**”). Unless otherwise stated, capitalised terms herein shall bear the meanings as defined in the Annual Report. In addition to the information provided in the Annual Report, the board of directors would like to provide additional information as follows:

#### **Use of proceeds**

In relation to the Share Placing completed on 25 August 2020, the expected timeline for utilizing the unutilized proceeds of approximately HK\$5.4 million is on or before 30 June 2021. As the date of this announcement, this amount had been fully utilized as intended in business development in relation to the JV Agreement and the Licence Agreement.

In relation to the CB Placing completed on 6 November 2020, the expected timeline for utilizing the unutilized proceeds of approximately HK\$15 million is on or before 31 December 2021. As the date of this announcement, approximately HK\$5.1 million had been utilized as intended in business development in relation to the JV Agreement and the Licence Agreement.

#### **Share Option Scheme**

Among the 54,988,000 options granted to employees during the year, 1,228,000 options were granted to Mr. Chung Chi Shing, Eric (“**Mr. Chung**”), the substantial shareholder of the Company. Among in 8,932,000 options granted on 24 January 2018 and subsisted as at 31 December 2020, 792,000 options were granted to Mr. Chung. No movements during the year were noted for the aggregate of 2,020,000 options held by Mr. Chung.

For the options granted during the year, the weighted average closing price of the Company’s shares immediately before the dates on which the options were granted and exercises were HK\$0.209 and HK\$0.460, respectively.

The valuation of options granted to each of the Company's directors, substantial shareholder, the Group's employees and other eligible persons amounted to approximately HK\$2,508,000, HK\$98,000, HK\$4,261,000 and HK\$650,000, respectively.

The options granted to other eligible persons during the year represented of 7,700,000 options granted to Perfect Skyline Limited ("**Perfect Skyline**"). Perfect Skyline is a company incorporated in the British Virgin Islands and is beneficially wholly owned by Mr. So Chi Ming ("**Mr. So**"). Perfect Skyline entered into a consultancy agreement with Success Health Global Limited, a subsidiary of the Company dated 24 July 2020.

The Directors consider that the services of Perfect Skyline for business opportunities referral, promoting investors and public relations of the Company and enhancing effective communication with its shareholders and potential investors are beneficial to the Company.

In view of the above, considering (i) the consultancy fee payable under the consultancy agreement with Perfect Skyline is nominal; (ii) the options granted to Perfect Skyline was being valued at HK\$650,000; and (iii) number of options granted and the exercise price (including the consideration payable by Perfect Skyline to the Company upon exercise of the options), the Directors are of the view that the terms of the options were determined with reference to market value for equivalent services and current market price of the shares of the Company which are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

### **Significant Investments**

#### *18% interest in Hackett Enterprises Limited*

The fair value of the Group's 18% interest in Hackett Enterprises as the year end date relative to the Group's total assets amounted to approximately 3.2%. The unrealised loss represented by the fair value change amounted to approximately HK\$17.6 million and no dividend was received during the year. While the group is always looking for expanding business initiatives and exploring new business opportunities, given the uncertainty surrounding the PRC lending environment in future, the Group would not preclude the possibility of offloading the investment in Hackett Enterprises.

#### *8.95% interest in IBO Technology Company Limited (stock code: 2708)*

The unrealised loss represented by the fair value change of the Group's investment in IBO Technology Company Limited ("**IBO Technology**") during the year amounted to approximately HK\$7.6 million and no dividend was received during the year. Proprietary trading is one the Group's principal activities. Among the portfolio held, the Group is optimistic about the future prospect of IBO Technology's radio frequency identification equipment and smart terminal products, and intends to hold the investment with an aim for long term capital growth.

The Board confirmed that the supplementary information provided in this announcement do not affect any other information contained in the Annual Report and, save as disclosed above, the content of the Annual Report remains unchanged.

By order of the board of  
**Value Convergence Holdings Limited**  
**Fu Yiu Man, Peter**  
*Chairman & Executive Director*

Hong Kong, 30 September 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Lin Hoi Kwong, Aristo and Ms. Li Cindy Chen; and three independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Wong Kam Choi, Kerry, MH and Mr. Siu Miu Man, Simon, MH.*