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V & V TECHNOLOGY HOLDINGS LIMITED

時騰科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8113)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial Adviser to the Company



PROPOSED RIGHTS ISSUE OF THE COMPANY

The Board proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.05 per Rights Share, to raise gross proceeds up to approximately HK\$24.2 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date) by way of issuing up to 484,541,037 Rights Shares.

The Company will provisionally allot to the Qualifying Shareholders one (1) Rights Share in nil-paid form for every two (2) Shares in issue and held on the Record Date. The Rights Issue will not be available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue after deducting all necessary expenses, if fully subscribed, will be up to approximately HK\$23.4 million.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

As at the date of this announcement, SAS Investment and Dr. Yim are in aggregate interested in 535,091,722 Shares, representing approximately 55.22% of the issued share capital of the Company. Pursuant to the Undertakings, each of SAS Investment and Dr. Yim have provided undertakings to the Company respectively that, among other things, (i) they will subscribe in full the Rights Shares proposed to be provisionally allotted to them pursuant to the Rights Issue; and (ii) they will not dispose of or transfer any interests in the Company (including Shares) from the date of the Undertakings up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

IMPLICATIONS UNDER THE GEM LISTING RULES

As (i) the Company has not conducted any rights issue or open offer within the twelve month period immediately prior to the date of this announcement, (ii) the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and (iii) the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates), the Rights Issue is not subject to Shareholders' approval under the GEM 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 10.44A of the GEM Listing Rules.

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will make available the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders.

The Company will make available the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL and EAFs to the Non-Qualifying Shareholders.

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

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

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

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Rights Issue is proposed to take place on the following terms:

Issue statistic

Basis of the Rights Issue	: One (1) Rights Share for every two (2) Shares held at the close of business on the Record Date
Subscription Price	: HK\$0.05 per Rights Share
Number of Shares in issue as at the date of this announcement	: 969,082,074 Shares
Total number of Rights Shares	: Up to 484,541,037 Rights Shares (assuming no further Shares will be issued or repurchased on or before the Record Date)
Aggregate nominal value of the Rights Shares	: Up to approximately HK\$4.8 million
Number of Rights Shares being undertaken by SAS Investment and Dr. Yim	: 267,545,861 Rights Shares, of which 224,423,000 Rights Shares are undertaken by SAS Investment and 43,122,861 Rights Shares are undertaken by Dr. Yim
Gross proceeds to be raised from the Rights Issue	: From approximately HK\$13.4 million to approximately HK\$24.2 million
Right of excess applications	: There will be excess application arrangements in relation to the Rights Issues pursuant to Rule 10.31(1)(a) of the GEM Listing Rules

Assuming there is no change to the total issued Shares of the Company on or before the Record Date, 484,541,037 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 50% of the total issued Shares of the Company as at the date of this announcement, and (ii) approximately 33.3% of the total issued Shares of the Company as enlarged by the allotment and issuance of the Rights Shares in full immediately upon completion of the Rights Issue.

As at the date of this announcement, the Company does not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares. The Company also has no intention to issue or grant any convertible securities, options and/or warrants on or before the Record Date.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

The legal adviser of the Company has confirmed that there are no applicable statutory requirements under the Companies Act (as revised) of the Cayman Islands regarding minimum subscription level of the Rights Shares pursuant to the Rights Issue.

Any Shareholder who applies to take up all or part of his entitlement under the PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, all applications for the Rights Shares whether under the PAL(s) or the EAF(s) will be made on the basis that the applications are to be scaled-down by the Company 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 with the note to Rule 10.26(2) of the GEM Listing Rules. Shares subject to scale down will be available for application as excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilized due to the scaled-down application of entitled Rights Shares or excess Rights Shares will be refunded to the affected applicants.

SAS Investment and Dr. Yim are parties acting in concert with each other. As at the date of this announcement, SAS Investment and Dr. Yim were together interested in 535,091,722 Shares, representing approximately 55.22% of the issued share capital of the Company. Assuming none of the Qualifying Shareholders other than SAS Investment and Dr. Yim have taken up their respective entitlement of the Rights Shares pursuant to the Undertakings, the aggregate shareholding interest of SAS Investment and Dr. Yim will increase from approximately 55.22% to 64.91% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares upon completion of the Rights Issue. The Company is not aware of any consequences which would arise under the Takeovers Code as a result of SAS Investment and Dr. Yim taking up all or part of their entitlement under the PAL and/or excess Rights Shares under the Rights Issue.

Subscription Price

The Subscription Price is HK\$0.05 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 31.51% to the closing price of HK\$0.073 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 26.04% to the average closing price of approximately HK\$0.068 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 18.30% to the average closing price of approximately HK\$0.061 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 23.47% to the theoretical ex-rights price of approximately HK\$0.065 per Share based on the closing price of HK\$0.073 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 32.23% to the net asset value of approximately HK\$0.074 per Share based on the unaudited total equity attributable to owners of the Company of approximately HK71.5 million as at 30 June 2024 as disclosed in the interim report of the Company for the six months ended 30 June 2024 and 969,082,074 Shares in issue as at the date of this announcement; and

- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 10.50%, represented by a nominal discount of the theoretical diluted price of approximately HK\$0.065 per Share to the theoretical benchmarked price of HK\$0.073 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.073 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement of approximately HK\$0.064 per Share).

The Subscription Price was determined with reference to the recent closing price of the Share, the financial conditions of the Company, the current market conditions and the reasons and benefits of the Rights Issue as discussed in the paragraphs headed “Reasons for the Rights Issue and use of proceeds” in this announcement.

The Directors consider that, in view of the prevailing market conditions and the factors as described above, the terms of the Rights Issue (including the Subscription Price) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment shall be made by completing a PAL and lodging the same with remittance for the Rights Shares accepted with the Registrar by 4:00 p.m. on Friday, 8 November 2024.

Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed “Fractional entitlements” below.

Fractional entitlements

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil paid Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

Status of the Rights Shares

The Rights Shares, when issued and fully paid, will rank pari passu in all respects with the Shares then 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 on or after the date of issue of the Rights Shares.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and be a Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company, and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company at the close of business on the Record Date, transfer documents (together with the relevant share certificates) must be lodged with the Registrar no later than 4:30 p.m. on Thursday, 17 October 2024.

The last day for dealing in the Shares on a cum-rights basis is on Tuesday, 15 October 2024. The Shares will be dealt with on an ex-rights basis from Wednesday, 16 October 2024. The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is expected to be at 4:00 p.m. on Friday, 8 November 2024.

If a Qualifying Shareholder does not take up any of his entitlement in full under the Rights Issue, his proportionate shareholding in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed from Friday, 18 October 2024 to Thursday, 24 October 2024 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders, if any, under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on the legal advices to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the 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(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The Company will make available the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but will not send any PAL and EAFs to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Non-Qualifying Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold nil-paid Rights Shares of the Non-Qualifying Shareholders will be made available for excess application by the Qualifying Shareholders.

Overseas Shareholders should note that he/she/it/they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Non-Qualifying Shareholders, (ii) any Rights Shares provisionally allotted but not accepted, (iii) any unsold Rights Shares arising out of the aggregation of fractional entitlements; and (iv) any Rights Shares which would otherwise be allotted but subject to scale down (as described below).

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:00 p.m. on Friday, 8 November 2024.

Any Shareholder who applies to take up all or part of his entitlement under the PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code. Accordingly, all applications for the Rights Shares whether under the PAL(s) or the EAF(s) will be made on the basis that the applications are to be scaled-down by the Company 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 with the note to Rule 10.26(2) of the GEM Listing Rules. Shares subject to scale down will be available for application as excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilized due to scaled-down application of entitled Rights Shares or excess Rights Shares will be refunded to the affected applicants.

Subject to any scaling down of subscriptions, the Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAF(s). In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Assuming none of the Qualifying Shareholders other than SAS Investment and Dr. Yim have taken up their respective entitlement of the Rights Shares pursuant to the Undertakings and the maximum number of excess Rights Shares under the EAF, this would not result in the public float of the Company to decrease to below 25%.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Odd Lot Arrangement

No odd lot matching services will be provided by the Company in respect of the Rights Shares.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Monday, 18 November 2024. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares, or for refunds if the Rights Issue does not proceed, are expected to be despatched on or before Monday, 18 November 2024 to the applicants without interest to their registered addresses by ordinary post at their own risks.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Application for listing of the Rights Shares

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges. Nil-paid Rights Shares are expected to be traded in board lots of 10,000 as the Shares are currently traded on the Stock Exchange in board lots of 10,000.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, 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 respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange or such other dates 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 trading 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 stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

The Undertakings

As at the date of this announcement, SAS Investment and Dr. Yim are in aggregate interested in 535,091,722 Shares, representing approximately 55.22% of the issued share capital of the Company. Pursuant to the Undertakings, each of SAS Investment and Dr. Yim have provided undertakings to the Company respectively that, among other things, (i) they will subscribe in full the Rights Shares proposed to be provisionally allotted to them pursuant to the Rights Issue; and (ii) they will not dispose of or transfer any interests in the Company (including Shares) from the date of the Undertakings up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

Save for the Undertakings, the Board has not received any information or undertaking from any Shareholders of their intention to take up or not to take up the securities of the Company to be provisionally allotted to them under the Rights Issue and/or the excess Rights Shares under the EAF.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue will be conditional upon:

- (a) the electronic submission of the Prospectus Documents for authorisation by the Stock Exchange and registration by the Companies Registry of Hong Kong not later than the Posting Date;
- (b) the Prospectus Documents be made available and/or sent (as the case may be) to the Qualifying Shareholders on the Posting Date;
- (c) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal, in the Rights Shares in nil-paid and fully-paid forms by no later than the Business Day prior to the first day of their dealings; and
- (d) there being no material breach of the obligations of SAS Investment and Dr. Yim under the Undertakings.

The conditions are incapable of being waived. If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group is primarily engaged in the sale of electronic components (mainly integrated circuit (“IC”) and panels) for consumer electronic products such as mobile internet devices, network communication system, multi-media player (car infotainment system), smartphone panel modules, set-top boxes, and video image device together with the provision of independent design house (IDH) services to original brand manufacturers and original design manufacturers.

Assuming that there is no change in the number of issued Shares on or before the Record Date and full subscription under the Rights Shares, the gross proceeds from the Rights Issue will be approximately HK\$24.2 million and the net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$23.4 million. The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is estimated to be approximately HK\$0.048.

The Company intends to use the net proceeds from the Rights Issue as follows:

- (a) approximately 50% of net proceeds (approximately HK\$11.7 million) for the development of IC and panel solutions for artificial intelligence tablets, micro controller unit for new energy vehicles and high performance IC solutions for gaming console including sales and marketing team recruitment and initial buffer stock ordering; and
- (b) approximately 40% of net proceeds (approximately HK\$9.4 million) for the repayment of outstanding bank borrowings;
- (c) the remaining balance 10% of net proceeds (approximately HK\$2.3 million) for the general working capital of the Group.

As the Rights Issue will proceed on a non-underwritten basis, the actual amount of the net proceeds from the Rights Issue cannot be ascertained as at the date of this announcement. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilized in proportion to the above uses.

The Board considers that the Rights Issue will enable the Company to raise capital for backing up its investment opportunities in the future whilst increasing the working capital and enhancing its financial position of the Company. The Board has considered other fundraising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Company and subject the Company to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner as collateral may be required. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately before the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full; (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders other than SAS Investment and Dr. Yim have taken up their respective entitlement of the Rights Shares pursuant to the Undertakings; and (iv) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders other than SAS Investment and Dr. Yim have taken up their respective entitlement of the Rights Shares pursuant to the Undertakings and the maximum number of excess Rights Shares under the EAF, and assuming no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, are expected to be as follows:

	As at the date of this announcement		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders other than SAS Investment and Dr. Yim have taken up their respective entitlement of the Rights Shares pursuant to the Undertakings		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders other than SAS Investment and Dr. Yim have taken up their respective entitlement of the Rights Shares pursuant to the Undertakings and the maximum number of excess Rights Shares under the EAF	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Controlling shareholders of the Company:								
SAS Investment (Note 1)	448,846,000	46.32	673,269,000	46.32	673,269,000	54.45	855,289,040	58.84
Dr. Yim (Note 1)	86,245,722	8.90	129,368,583	8.90	129,368,583	10.46	164,343,719	11.31
Sub-total of the controlling shareholders	535,091,722	55.22	802,637,583	55.22	802,637,583	64.91	1,019,632,759	70.14
Directors and chief executive officer of the Company:								
Yim Tsz Kit, Jacky ("Mr. Jacky Yim") (Note 2)	300,000	0.03	450,000	0.03	300,000	0.02	300,000	0.02
Wong Wai Tai (Note 3)	5,000,000	0.52	7,500,000	0.52	5,000,000	0.41	5,000,000	0.34
Tsoi Chi Ho, Peter (Note 4)	600,000	0.06	900,000	0.06	600,000	0.05	600,000	0.04
Fung Cheuk Nang, Clement (Note 5)	600,000	0.06	900,000	0.06	600,000	0.05	600,000	0.04
Chan Ka Ho, Ken (Note 6)	1,150,000	0.12	1,725,000	0.12	1,150,000	0.09	1,150,000	0.08
Sub-total of the Directors and chief executive officer of the Company	7,650,000	0.79	11,475,000	0.79	7,650,000	0.62	7,650,000	0.53
Directors of SAS Dragon:								
Tsui Chi Wing, Eric ("Mr. Eric Tsui") (Note 7)	3,233,753	0.33	4,850,630	0.33	3,233,753	0.27	3,233,753	0.22
Wong Sui Chuen (Note 8)	2,531,328	0.26	3,796,992	0.26	2,531,328	0.20	2,531,328	0.17
Sub-total of the directors of SAS Dragon	5,765,081	0.59	8,647,622	0.59	5,765,081	0.47	5,765,081	0.40
Public Shareholders	420,575,271	43.40	630,862,906	43.40	420,575,271	34.00	420,575,271	28.93
Total	969,082,074	100	1,453,623,111	100	1,236,627,935	100	1,453,623,111	100

* Figures may not add up due to rounding

Notes:

- (1) Dr. Yim is the controlling shareholder of SAS Dragon and is interested in approximately 54.7% of the issued shares of SAS Dragon, which in turn owns 100% of the shareholding of SAS Investment. Dr. Yim is an executive Director of the Company and an executive director and chairman of SAS Dragon. He is the father of Mr. Jacky Yim, Mr. Yim Tsz Yu, Jeffrey (“**Mr. Jeffrey Yim**”) and Ms. Yim Kei Man, Carmen (“**Ms. Carmen Yim**”), and is the brother-in-law of Mr. Eric Tsui.
- (2) Mr. Jacky Yim is a non-executive Director and chairman of the Company and an executive director of SAS Dragon. He is the son of Dr. Yim, the sibling of Mr. Jeffrey Yim and Ms. Carmen Yim, and the nephew of Mr. Eric Tsui.
- (3) Mr. Wong Wai Tai is a non-executive Director and an executive director of SAS Dragon.
- (4) Mr. Tsoi Chi Ho, Peter is an independent non-executive Director.
- (5) Mr. Fung Cheuk Nang, Clement is an independent non-executive Director.
- (6) Mr. Chan Ka Ho, Ken is the chief executive officer of the Company.
- (7) Mr. Eric Tsui is an executive director of SAS Dragon. He is the brother-in-law of Dr. Yim and is the uncle of Mr. Jacky Yim, Mr. Jeffrey Yim and Ms. Carmen Yim.
- (8) Mr. Wong Sui Chuen is an executive director of SAS Dragon.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

Event	Time and date (Hong Kong time)
Publication of this announcement on the websites of the Stock Exchange and the Company	Tuesday, 8 October 2024
Last day of dealings in Shares on a cum-rights basis	Tuesday, 15 October 2024
First day of dealings in Shares on an ex-rights basis	Wednesday, 16 October 2024
Latest time for the Shareholders to lodge Shares transfer documents in order to qualify for the Rights Issue	4:30 p.m. on Thursday, 17 October 2024
Closure of register of members of the Company for the Rights Issue (both days inclusive)	Friday, 18 October 2024 to Thursday, 24 October 2024

Event	Time and date (Hong Kong time)
Record Date for determining entitlements to the Rights Issue	Thursday, 24 October 2024
Register of members of the Company re-opens	Friday, 25 October 2024
Prospectus Documents are made available and/or sent (as the case maybe) to the Qualifying Shareholders, and in case of the Non-Qualifying Shareholders, the Prospectus only	Friday, 25 October 2024
First day of dealings in nil-paid Rights Shares	Tuesday, 29 October 2024
Latest time for splitting the PAL	4:30 p.m. on Thursday, 31 October 2024
Last day of dealings in nil-paid Rights Shares	Tuesday, 5 November 2024
Latest time for acceptance of and payment for the Rights Shares and for the application and payment for excess Rights Shares	4:00 p.m. on Friday, 8 November 2024
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 12 November 2024
Announcement of results of the Rights Issue	Friday, 15 November 2024
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any	Monday, 18 November 2024
Commencement of dealings in the fully-paid Rights Shares	Tuesday, 19 November 2024

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will not take place if:

1. typhoon signal No. 8 (or above);
2. “extreme conditions” as announced by the Government of Hong Kong; or
3. a “black” rainstorm warning
 - (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in paragraph headed “Expected Timetable” above may be affected. Announcement will be made by the Company in such event.

IMPLICATIONS UNDER THE GEM LISTING RULES

As (i) the Company has not conducted any rights issue or open offer within the twelve month period immediately prior to the date of this announcement, (ii) the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and (iii) the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates), the Rights Issue is not subject to Shareholders’ approval under the GEM 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 10.44A of the GEM Listing Rules.

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will make available the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders.

The Company will make available the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL and EAFs to the Non-Qualifying Shareholders.

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

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

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

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	V & V Technology Holdings Limited 時騰科技控股有限公司, an exempted company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8113)
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Dr. Yim”	Dr. Yim Yuk Lun, Stanley <i>SBS BBS JP</i> (嚴玉麟), (i) an executive Director of the Company and (ii) an executive director and chairman of SAS Dragon
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess of their entitlements under the Rights Issue
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	Tuesday, 8 October 2024, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 8 November 2024 (or such other time and date as may be determined by the Company), being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Friday, 25 October 2024 (or such other date as may be determined by the Company), being the date of the Prospectus Documents to be made available and/or sent (as the case maybe) to the Qualifying Shareholders, and the Prospectus for information only to the Non-Qualifying Shareholders
“Prospectus”	the prospectus to be made available to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) on the Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	the record date to determine the provisional entitlements to the Rights Issue
“Registrar”	Tricor Secretaries Limited 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, the Company’s branch share registrar and transfer office in Hong Kong

“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) Shares in issue held on the Record Date
“Rights Share(s)”	up to 484,541,037 new Shares proposed to be allotted and issued under the Rights Issue
“SAS Dragon”	S.A.S. Dragon Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1184)
“SAS Investment”	S.A.S. Investment Company Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of SAS Dragon
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.05 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Undertakings”	the undertakings given by each of SAS Investment and Dr. Yim in favour of the Company in relation to the Rights Issue
“%”	per cent

By Order of the Board
V & V Technology Holdings Limited
Mr. Yim Tsz Kit, Jacky
Chairman

Hong Kong, 8 October 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Dr. Yim Yuk Lun, Stanley SBS BBS JP, Mr. Yim Tsz Yu, Jeffrey and Mr. Chan Ka Ho; three non-executive Directors, namely Mr. Yim Tsz Kit, Jacky, Ms. Yim Kei Man, Carmen and Mr. Wong Wai Tai and three independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Tsoi Chi Ho, Peter.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.vvtholdings.com.