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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 ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report of Value Convergence Holdings Limited (the “**Company**”) for the year ended 31 December 2022 published by the Company on 27 April 2023 (the “**Annual Report**”). This announcement is supplemental to, and should be read in conjunction with the Annual Report. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

MONEY LENDING BUSINESS

Loan by categories and their collaterals details were as below:

Category of borrowers	Loan products	Number of loans	Receivable gross carrying amount HK\$'million	Interest rate per annum	Collateral details
Corporate	Term loan	3	52.4	15.6%-18%	Shares of certain listed companies
	Term loan	1	5.8	18%	Shares of certain unlisted companies
	Term loan	5	76.7	8%-18%	Nil
		9	134.9		
Individual	Term loan	3	64.8	18%	Landed properties in Hong Kong
	Term loan	7	76.3	12%-18%	Shares of certain listed companies
	Term loan	5	25.4	12%-18%	Nil
		15	166.5		
		24	301.4		

Maturity profile of the loans were as below:

	Receivable gross carrying amount <i>HK\$'million</i>	No. of rollover times
Matured	172.7	0-4
To be matured in 6 months	128.2	1-7
To be matured in over 6 months but below 12 months	0.5	0
	<u>301.4</u>	

For those matured loans, the Company held negotiations with the borrowers in serious manner with an aim to agree settlement plans or obtain further collaterals to protect the Company's position. For those borrowers from whom satisfactory responses are unable to obtain, the Company shall take formal legal actions to recover the loans.

The Company has complied with requirements set out in Chapter 14 of the Listing Rules when it granted or renewed loans to each of the borrowers. Renewal agreements were entered into with the borrowers in all renewal cases. To the best of the Directors' knowledge, information and belief based on internal records, the Company does not have any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrowers whose loans were still outstanding as at 31 December 2022.

The credit risk assessment of the unsecured loans was performed by the Company using an internal process with holistic consideration on background, financial resources, source of repayment and repayment history of the relevant borrowers and purpose of the loans. The Company's directors consider the terms of each of the unsecured loans are fair and reasonable and in the interests of the Company and its shareholders.

SHARE AWARD SCHEME

The Share Award Scheme was approved and adopted on 31 March 2008 by the then board (the "**Board**") of directors of the Company. Since the Company has no intention to grant any award shares under the Share Award Scheme, the Board resolved on 7 September 2023 to terminate the Share Award Scheme which include both the Share Purchase Scheme and Share Subscription Scheme.

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

Hong Kong, 11 September 2023

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Wong Kam Fat, Tony (Vice chairman), Mr. Lin Hoi Kwong, Aristo, Ms. Li Cindy Chen and Mr. Zhang Nu; and three independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Siu Miu Man, Simon, MH and Mr. Au Tin Fung, Edmund.