## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

**If you are in any doubt** as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **V & V Technology Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "16. Documents Registered by the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Subject to the grant of the listing of, and permission to deal in the Rights Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares 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 HKSCC and HKSCC Operational Procedures in effect from time to time.

This Prospectus appears for information purposes only and does not constitute an invitation or offer to the Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States of America. This Prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The securities referred to herein have not been and will not be registered under the US Securities Act or the laws of any state or jurisdiction of the United States of America, and may not be offered or sold within the United States of America, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the rights issue or any securities described herein in the United States of America or to conduct a public offering of securities in the United States of America.

# 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)**

## 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**

**Sunny Fortune Capital Limited**

Capitalised terms used in this cover page have the same meanings as those defined in this Prospectus.

Shareholders and potential investors should note that the Rights Issue is conditional upon the fulfillment of the conditions referred to in the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

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. In the event that there is an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed. Pursuant to the Company's constitutional document, the Companies Act, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Wednesday, 16 October 2024. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 29 October 2024 to Tuesday, 5 November 2024 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers. The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 8 November 2024. The procedures for application and payment for the Rights Shares are set out in the paragraph headed "Procedures for acceptance and payment and/or transfer" of this Prospectus.

25 October 2024

# CHARACTERISTICS OF GEM

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

# CONTENTS

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

| | |
|---|---|
| "acting in concert" | has the same meaning ascribed thereto under the Takeovers Code |
| "Announcement" | the announcement of the Company dated 8 October 2024 in relation to the Rights Issue |
| "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 |
| "Companies Act" | the Companies Act (as revised) of the Cayman Islands, as amended, supplemented and otherwise modified from time to time |
| "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 |
| "Director(s)" | director(s) of the Company |
| "Dr. Yim" | Dr. Yim Yuk Lun, Stanley *SBS BBS JP*（嚴玉麟）, (i) an executive Director of the Company and (ii) an executive director and chairman of SAS Dragon |
| "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 |
| "IDH" | independent design house and an IDH service provider offers design service and technical support to original brand manufacturers and original design manufacturers as well as turnkey solution to electronics manufacturer |
| "Last Trading Day" | 8 October 2024, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement |
| "Latest Practicable Date" | 16 October 2024, being the latest practicable date prior to the publication of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus |
| "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 |
| "Ms. Carmen Yim" | Ms. Yim Kei Man, Carmen (嚴紀雯), being (i) non-executive Director of the Company and (ii) a non-executive director of SAS Dragon |
| "Mr. Jacky Yim" | Mr. Yim Tsz Kit, Jacky (嚴子杰), being (i) a non-executive Director and chairman of the Company and (ii) an executive director of SAS Dragon |
| "Mr. Jeffrey Yim" | Mr. Yim Tsz Yu, Jeffrey (嚴子諭), being an executive Director of the Company |
| "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" | Thursday, 24 October 2024, being the date for determining entitlements of Shareholders to participate in 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 |

*Set out below is the expected timetable for the Rights Issue. All times and dates stated in this Prospectus refer to Hong Kong local times and dates. The expected timetable below is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable:*

| **Event** | **Time and date (Hong Kong time)** |
|---|---|
| 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 |

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

The Latest Time for Acceptance of and payment for the Rights Shares and application for 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.

# 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)**

*Executive Directors:*
Dr. Yim Yuk Lun, Stanley *SBS BBS JP*
Mr. Yim Tsz Yu, Jeffrey
Mr. Chan Ka Ho

*Non-Executive Directors:*
Mr. Yim Tsz Kit, Jacky
Ms. Yim Kei Man, Carmen
Mr. Wong Wai Tai

*Independent non-executive Directors:*
Mr. Shea Chun Lok, Quadrant
Mr. Fung Cheuk Nang, Clement
Mr. Tsoi Chi Ho, Peter

*Registered Office:*
One Nexus Way
Camana Bay, Grand Cayman
KY1-9005, Cayman Islands

*Principal place of business in Hong Kong:*
15/F., S.A.S. Tower
55 Lei Muk Road, Kwai Chung
New Territories, Hong Kong

25 October 2024

*To the Qualifying Shareholders and for information only, the Non-Qualifying Shareholders*

Dear Sir or Madam,

## 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

### INTRODUCTION

Reference is made to the Announcement in relation to the Rights Issue.

On 8 October 2024, the Board announced that the Board proposed 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 purpose of this Prospectus is to provide you with, among others, further details on the Rights Issue, certain financial information and other general information on the Group.

## RIGHTS ISSUE

### Issue statistic

Details of the Rights Issue are set out as follows:

| | | |
|---|---|---|
| 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 Record Date | : | 969,082,074 Shares, assuming no further Shares will be issued or repurchased between the Record Date and the Latest Practicable Date |
| Total number of Rights Shares | : | Up to 484,541,037 Rights Shares |
| 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 |

The maximum number of 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 (based on the Company's issued share capital as at the Record Date), 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 (assuming that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue).

As at the Latest Practicable Date, 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.

As at the Latest Practicable Date, 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 and chairman of SAS Dragon. SAS Investment and Dr. Yim are parties acting in concert with each other. As at the Latest Practicable Date, 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 considering that SAS Investment and Dr. Yim in aggregate hold over 50% of the shareholding interest of the Company.

**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 12.28% to the closing price of HK$0.057 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) 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;

(iii) a discount of approximately 26.04% to the average closing price of approximately HK$0.0676 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 22.36% to the average closing price of approximately HK$0.0644 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day (excluding the Last Trading Day);

(v) a discount of approximately 18.30% to the average closing price of approximately HK$0.0612 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(vi) 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;

(vii) 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 the Announcement; and

(viii) 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 the Announcement of approximately HK$0.064 per Share).

*Note:* The Shares prices for the five-day average and ten-day average of the Company as quoted above have been rounded to the nearest three decimal places.

As detailed below, 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 Prospectus.

**1. Recent market prices of the Shares**

During the twelve months up to and including the Last Trading Day, the closing price of the Shares reached a high of HK$0.103 per Share on 10 October 2023 and decreased to a low of HK$0.073 per Share on the Last Trading Day. In order to enhance the attractiveness of the Rights Issue, the Directors set the Subscription Price at a discount to the then market prices of the Shares as mentioned above.

**2. Current market conditions**

During the three months up to and including the Last Trading Day, the Hang Seng Index fluctuated between a low of approximately 17,234 at closing on 10 September 2024 and a high of approximately 23,099 at closing on 7 October 2024 and closed at approximately 20,926 on the Last Trading Day. The Directors considered that such volatility may affect investors' confidence in the market and therefore set the Subscription Price at a discount to the then market prices of the Shares to encourage Shareholders to participate in the Rights Issue.

**3. Amount of funds the Company intends to raise under the Rights Issue**

Assuming that there is no change in the number of issued Shares between the Record Date and the Latest Practicable 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 apply the net proceeds from the Rights Issue for the purposes described in the section headed "Reasons for the Rights Issue and Use of Proceeds" below.

The Directors consider that setting the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

The Directors consider that, in view of the 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, a Shareholder must have lodged relevant transfer documents (together with the relevant share certificates) with the Registrar no later than 4:30 p.m. on Thursday, 17 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.

**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 register of members of the Company was closed from Friday, 18 October 2024 to Thursday, 24 October 2024 (both days inclusive). Based on the register of members of the Company as at the Record Date, the Company did not have any Overseas Shareholders. As a result, there are no Non-Qualifying Shareholders in the Right Issue.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) will not have any entitlement under the Rights Issue. However, 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. The Company reserves the right to treat as invalid any acceptance of Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.**

**The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.**

**Procedures for acceptance and payment and/or transfer**

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Secretaries Limited 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. All remittances (rounded down to the nearest cent) must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "V & V TECHNOLOGY HOLDINGS LIMITED – RIGHT ISSUE ACCOUNT" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by not later than 4:00 p.m. on Friday, 8 November 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PALis not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer a part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Thursday, 31 October 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly referred to as "splitting" of nil-paid Rights Shares. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights. The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/ or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferees, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. For avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

Save as described under the paragraph headed "Rights of Overseas Shareholders" above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this prospectus, a PAL or an EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares as to the full observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Shareholders should consult their own professional advisers if in doubt. For avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

No receipt will be given in respect of any application monies received.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not satisfied and/or waived (if applicable) by the Latest Time for Acceptance, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Monday, 18 November 2024.

**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. All remittances (rounded down to the nearest cent) must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "V & V TECHNOLOGY HOLDINGS LIMITED – EXCESS APPLICATION ACCOUNT" and crossed "Account Payee Only".

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%. As at the Latest Practicable Date, the Board has not received any information or undertaking from SAS Investment or Dr. Yim of their intention to make excess application for the excess Rights Shares under the EAF.

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.

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before Monday, 18 November 2024. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to such Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before Monday, 18 November 2024.

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. Other than HKSCC Nominees Limited, only one share certificate will be issued for all the Rights Shares allotted to an applicant.

**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 has applied 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 HKSCC and HKSCC 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.

Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

**The Undertakings**

As at the Latest Practicable Date, 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. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

**As the proposed Rights Issue is subject to the above conditions, it may or may 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 IDH services to original brand manufacturers and original design manufacturers.

Assuming that there is no change in the number of issued Shares between the Record Date and the Latest Practicable 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 sales and marketing team recruitment and initial buffer stock ordering for the development of IC and panel solutions for artificial intelligence (AI) mobile internet devices, micro controller unit (MCU) for new energy vehicles and high performance IC solutions for gaming PC and consoles; 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.

**Development of IC and panel solutions in new applications**

The Company is an independent design house (IDH), primarily engaged in procurement and distribution of electronic components, including IC and panels for consumer electronic products, together with the provision of IDH services (including customised reference designs, PCB designs, software and firmware design services) to original brand manufacturers and original design manufacturers. The development of IC and panel solutions for artificial intelligence (AI) mobile internet devices, micro controller unit (MCU) for new energy vehicles and high performance IC solutions for gaming PC and consoles is part of the existing business of the Group and represent the expansion of the current IDH solution offering to original brand manufacturers and original design manufacturers of the consumer electronic products with the above applications (i.e. AI mobile internet devices, new energy vehicle and gaming PC and consoles). It is not a new business segment of the Company. The Company has no plans to change its existing business model.

The performance of the Company was affected by the recent economy instability due to the unfavourable global business environment such as inflation worldwide and the interest rate hikes in the US and the slow recovery in China. To overcome the difficulties, the Company is planned to broaden its revenue sources, expand the product portfolio and hence to widen its customer base. The Company intends to expend the current product and solution offering to cover consumer electronic products of new applications including AI mobile internet devices, MCU for new energy vehicles and high-performance IC solutions for gaming PC and consoles.

There is a growing demand on the AI products, the Company expects the IC and panel solutions will bring stable growth to its AI mobile internet devices business in the future. Also, the Company is currently delivering MCUs of different applications for new energy vehicles, such as car door, car seat and window control. With the expansion of new applications for the new energy vehicle market, the Company will further seek opportunities in areas such as dashboard control, power systems and assisted driving.

Furthermore, the increasing popularity of 3A computer games created demand of high performance gaming PC and console products. The company will engage with current vendor to develop the new solution for the gaming consumer market which can support high computing performance, high resolution with low power consumption. Those ICs that are specifically optimized for the manufactures' hardware and gaming needs and also allows for better performance, power efficiency and integration of new features like ray tracing or AI-enhanced graphics (ie 8K resolution).

As of the Latest Practicable Date, the Group has started negotiations with several key partners to develop the above products. The Group will pay close attention to the development of the above sectors and believes that it will bring stable returns to the Group in the future. The Group will expand its sales and marketing teams and ordering initial stocks so as to cater its client needs.

For the development of IC and panel solutions for the abovementioned new applications, the Company is not expecting to change its existing sales model and are promoting those IC and panel solutions to original brand manufacturers and original design manufacturers in China.

The Company believe its management are experienced and with specialist knowledge and professional skills to deliver IDH services to its customers. The Company's CEO Mr. Chan Ka Ho, has over 17 years of experience in corporate management and business development in sales and marketing within electronics field. He has extensive experience and technical knowledge in different types of consumer electronic products and are keeping abreast with the latest trend in the consumer electronic industry.

The Company intended to apply the net proceeds of approximately HK$11.7 million for the development of IC and panel solutions in the abovementioned new applications, of which (i) approximately HK$2.3 million will be used for staff team recruitment for approximately 6 new headcounts for sales and engineering personnel; and (ii) approximately HK$9.4 million for the initial buffer stock ordering.

**Repayment of outstanding bank borrowings**

As at 31 August 2024, the Group has an outstanding amount of bank borrowing of approximately HK$170.3 million. These liabilities represent short-terms interest bearing borrowing from 6 licensed commercial banks in Hong Kong with loan agreement date between 30 May 2024 and 28 August 2024 and fall due between 9 September 2024 and 7 December 2024. The Company intends to apply the net proceeds of approximately HK$9.4 million for the repayment of the short-term interest bearing borrowing from the above licensed commercial banks.

**General working capital of the Group**

Relating to the net proceeds to be used as the general working capital of the Group of approximately HK$2.3 million, the Company intends to apply (i) approximately HK$1.6 million for the payment of monthly salaries of the Group's employees; and (ii) approximately HK$0.7 million for other general and miscellaneous expenses for supporting the Group's daily operations.

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 Latest Practicable Date. 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 prior to the Latest Practicable Date.

**RISK FACTORS**

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group, which includes but are not limited to, the following:

(i) the Group is principally engaged in the sale of electronic components for consumer electronic products. The consumer electronics market is characterised by its fast changing nature and the Group needs to be adaptive and quick to respond to such market changes. In the event the Group is unable to adapt to such changes and/or unable to respond to such changes by providing timely solutions to its customers, the business and financial results of the Group would be adversely affected;

(ii) the Group also provides IDH services to original brand manufacturers and original design manufacturers. The Group's IDH services are not separately charged but incorporated into the selling price of electronic components. However, the IDH value added services of the Group might not be needed once the size of some of its customers have grown to an extent that either they are in a position to establish their own in-house design and research team and/or that the Group's suppliers decide to work directly with its existing customers, which may have a material adverse impact on the Group's results of operations;

(iii) as more IDHs are being established in the PRC and some of the Group's major customers may want to engage in IDH business, the Group may face increasing market competition, as a result of which its business and financial conditions may be adversely affected;

(iv) the Group is planned to expand its product offering and solution offering to cover consumer electronic products of new applications including AI mobile internet devices, MCU for new energy vehicles and high performance IC solutions for gaming PC and consoles. As the Group is introducing these new products, it may find it challenging to fully follow the industry trends in these sectors. If the Group is unable to catch up the trend and cater its client needs, the Group might face challenges in selling the stock, potentially affecting inventory management and leading to idle stock, which will adversely affect the Group business and financial result.

(v) the Group's design house services are highly dependent on demands from its customers, who in turn are greatly dependent on consumers' preference and market demand. The electronics market changes and fluctuates, and the demands for the Group's current products and designs may drop vigorously when new products appear in the market and consumers' tastes and preferences change. Electronics products are volatile and often become obsolete whenever newer products push them out of the market. If the Group fails to keep up with the changes and transitions in technology, industry standards and customers' requirements and preference, its business, financial position and results of operation may be adversely affected;

(vi) the business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities;

(vii) the Group is dependent on the health of global economic conditions and the levels of global consumer consumption in general. A deterioration in global economic conditions could affect consumer confidence and spending. If the demand for the products provided by the Group declines as a result of changes in global economic conditions or does not grow at the pace it anticipates, its business, financial condition and results of operations could be adversely affected; and

(viii) the Group's continued success, growth and ability to expand its operations depend significantly upon the continued efforts, contribution and expertise of its key management team and technical employees. As competition for these key personnel in the industry is intense, any failure to retain or attract such skilled personnel may affect the business operations, financial performance and future prospects of the Group.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming no further Shares will be issued or repurchased from the Latest Practicable Date and up to and including the date of completion of the Rights Issue):

| | As at the Latest Practicable Date | | 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:** | | | | | | | | |
| 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. Jeffrey Yim and 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.

## 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 Latest Practicable Date, (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.

## 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 Prospectus. 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.**

**Shareholders should note that the Shares have been dealt in on an ex-rights basis from Wednesday, 16 October 2024. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 29 October 2024 to Tuesday, 5 November 2024 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

## ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

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

## 1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2021, 2022 and 2023 and six months ended 30 June 2024 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.vvtholdings.com):

(i) the audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 29 March 2022, from pages 30 to 105 (https://www1.hkexnews.hk/listedco/listconews/gem/2022/0329/2022032900573.pdf); and

(ii) the audited financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 29 March 2023, from pages 30 to 103 (https://www1.hkexnews.hk/listedco/listconews/gem/2023/0329/2023032900731.pdf);

(iii) the audited financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 17 April 2024, from pages 32 to 99 (https://www1.hkexnews.hk/listedco/listconews/gem/2024/0417/2024041701060.pdf);

(iv) the unaudited financial information of the Group for the six months ended 30 June 2024 is disclosed in the 2024 interim report of the Company for the six months ended 30 June 2024 published on 2 September 2024, from pages 3 to 13 (https://www1.hkexnews.hk/listedco/listconews/gem/2024/0902/2024090201949.pdf);

## 2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 August 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had the following indebtedness:

| | *HK$'000* |
|---|---|
| Bank Borrowing | |
| – Unsecured bank borrowings: Invoice financing, export loan and import loan | 103,002 |
| – Secured bank borrowings: Invoice financing and import loan *(Note a)* | 67,312 |
| Total Bank Borrowing | 170,314 |
| Amount due to a related company | 651 |
| | 170,965 |

*Note:*

(a) Bank borrowings are secured by a short-term bank deposit with carrying amount of HK$15,000,000

Save as disclosed above, the Group did not have any outstanding bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees, debt securities, term loans, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, other borrowings or indebtedness in the nature of borrowings or other material contingent liabilities as at the close of business on 31 August 2024.

## 3. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiries, are of the opinion that, after taking into account the financial resources presently available to the Group including internally generated funds, the currently available banking facilities and other borrowings and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of the publication of this Prospectus.

## 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

## 5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

The Group is primarily engaged in the sale of electronic components (mainly 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 IDH services to original brand manufacturers and original design manufacturers.

For the six months ended 30 June 2024, the Group achieved sales revenue of HK$482.7 million, decreased by 25.6% from HK$648.4 million recorded in the corresponding period of 2023. The Group's gross profit was HK$14.9 million for the six months ended 30 June 2024, decreased by 53.1% from HK$31.7 million recorded in the corresponding period of 2023. The gross profit margin was 3.08%, slightly lower than 4.89% for the six months ended 30 June 2023. According to the Company's annual report for the year ended 31 December 2023, the total assets and liabilities of the Group amounted to approximately HK$316.1 million and HK$246.8 million, respectively. Due to a weak demand in the consumer electronic market and unfavourable global business environment, such as interest rate hikes and geopolitical instability, the Group's financial performance was adversely affect compared to the same period of 2023.

Despite the consumer electronics market remains challenging, the Group will continue to maintain close relationship with the long-term customers and at the same time expand the product offering to cater the clients' needs as the Group believes that it is positioned on the right track for sustainable development. Looking forward, the Group will promote the artificial intelligence tablets, MCU IC solutions for the new energy vehicles sector and high-performance IC solutions to game console customers. The Group will continue to keep alert and exercise caution on the global economic trend and market situations to capture potential opportunities in order to achieve growth and better operating results.

## A. INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The accompanying unaudited pro forma statement of adjusted consolidated net tangible assets (collectively the "**Unaudited Pro Forma Financial Information**") of the Group has been prepared in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company on 30 June 2024 as if it had taken place on 30 June 2024.

Capitalised terms used herein shall have the same meanings as those defined in this Prospectus unless the context otherwise requires. The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the actual consolidated net tangible assets of the Group had the Rights Issue been completed as at 30 June 2024 or at any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2024, as extracted from the published interim report of the Group for the six months ended 30 June 2024, with adjustments described below.

## B. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

| | Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 | Estimated net proceeds from the Right Issue | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 after completion of the Right Issue | Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 per Share | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 after completion of the Right Issue per Share |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$* | *HK$* |
| | *(Note 1)* | *(Note 2a)* | | *(Note 3)* | *(Note 4a)* |
| Right issue of 484,541,037 Right Shares to be issued at the subscription price of HK$0.05 per Rights Share | 71,503 | 23,427 | 94,930 | 0.074 | 0.065 |
| Scenario for illustrative purpose | *(Note 1)* | *(Note 2b)* | | *(Note 3)* | *(Note 4b)* |
| Right issue of 267,545,861 Right Shares to be issued at the subscription price of HK$0.05 per Rights Share | 71,503 | 12,577 | 84,080 | 0.074 | 0.068 |

*Note:*

1. The unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 of approximately HK$71,503,000 represents the net assets of the Group attributable to the equity holders of the Company, as extracted from the published interim report of the Company for the six months ended 30 June 2024.

2a. The estimated net proceeds from the Rights Issue of approximately HK$23,427,000, which are calculated based on the 484,541,037 Rights Shares to be issued at the subscription price of HK$0.05 per Rights Share and after deduction of estimated professional fees and other related expenses which are directly attributable to the Rights Issue of approximately HK$800,000, assuming that all Rights Shares have been fully subscribed by the Qualifying Shareholders.

2b. For illustrative purpose. The estimated net proceeds from the Rights Issue of approximately HK$12,577,000, which are calculated based on the 267,545,861 Rights Shares to be issued at the subscription price of HK$0.05 per Rights Share and after deduction of estimated professional fees and other related expenses which are directly attributable to the Rights Issue of approximately HK$800,000, assuming that save for the Rights Shares under the SAS Investment Undertaking and Dr. Yim Undertaking, no Rights Shares have been subscribed by other Qualifying Shareholders.

3. The unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 per Share of HK$0.074 was based on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 approximately HK$71,503,000 and 969,082,074 Shares in issue as at 30 June 2024.

| | |
|---|---|
| Unaudited consolidated net tangible assets to the Group attributable to the equity holders of the Company as at 30 June 2024 *(HK$'000)* | 71,503 |
| Number of Shares in issue as at 30 June 2024 | 969,082,074 |
| Unaudited consolidated net tangible assets to the Group attributable to the equity holders of the Company as at 30 June 2024 per Share *(HK$)* | 0.074 |

4a. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 after completion of the Rights Issue per Share is arrived after aggregating the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 of HK$71,503,000 (Note 1) and the estimated net proceeds of HK$23,427,000 from the Rights Issue (Note 2a) and on the basis that 969,082,074 Shares were in issue as at 30 June 2024 and 484,541,037 Rights Shares were issued under the Rights Issue as if the Rights Issue has been completed on 30 June 2024, assuming that all Rights Shares have been fully subscribed by the Qualifying Shareholders.

| | |
|---|---|
| Unaudited pro forma adjusted consolidated net tangible assets to the Group attributable to the equity holders of the Company as at 30 June 2024 *(HK$'000)* | 94,930 |
| Number of Shares in issue as at 30 June 2024 and Rights Shares to be issued pursuant to the Rights Issue as if the Rights Issue had been completed on 30 June 2024 | 1,453,623,111 |
| Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 after the completion of the Rights Issue per Share *(HK$)* | 0.065 |

4b. For illustrative purpose, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 after completion of the Rights Issue per Share is arrived after aggregating the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2024 of HK$71,503,000 (Note 1) and the estimated net proceeds of HK$12,577,000 from the Rights Issue (Note 2b) and on the basis that 969,082,074 Shares were in issue as at 30 June 2024 and 267,545,861 Rights were issued under the Right Issue as if the Rights Issue has been completed on 30 June 2024, assuming that save for the Rights Shares under the SAS Investment Undertaking and Dr. Yim Undertaking, no Rights Shares have been subscribed by other Qualifying Shareholders.

| | |
|---|---|
| Unaudited pro forma adjusted consolidated net tangible assets to the Group attributable to the equity holders of the Company as at 30 June 2024 *(HK$'000)* | 84,080 |
| Number of Shares in issue as at 30 June 2024 and Rights Shares to be issued pursuant to the Rights Issue as if the Rights Issue had been completed on 30 June 2024 | 1,236,627,935 |
| Unaudited pro forma adjusted consolidated net tangible assets to the Group attributable to the equity holders of the Company as at 30 June 2024 after the completion of the Rights Issue per Share *(HK$)* | 0.068 |

5. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2024, and because of its nature, it may not give a true picture of the Group's financial position or results.

*The following is the text of a report, prepared for the purpose of incorporation in this Prospectus and received from the independent reporting accountants, JFY CPA Limited, Certified Public Accountants, in respect of the Unaudited Pro Forma Financial Information of the Group.*

## C. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

JFY CPA Limited
Certified Public Accountants
灼見會計師事務所有限公司

**To the directors of V & V Technology Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of V & V Technology Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2024 and related notes as set out in Section B of Appendix II of the prospectus issued by the Company dated 25 October 2024 (the "Prospectus") in connection with the proposed rights issue on the basis of one rights share for every two existing shares at the subscription price of HK$0.05 per rights share (the "Rights Issue"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Sections A and B of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Rights Issue on the Group's consolidated financial position as at 30 June 2024 as if the Rights Issue had taken place on 30 June 2024. As part of this process, information about the Group's net tangible assets as at 30 June 2024 has been extracted by the directors of the Company from the Group's consolidated statement of financial position as at 30 June 2024, included in the results announcement of the Group for the six months ended 30 June 2024.

### DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

## OUR INDEPENDENCE AND QUALITY CONTROL MANAGEMENT

We have complied with the independence and other ethical requirement of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

– The related unaudited pro forma adjustments give appropriate effect to those criteria; and

– The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**OPINION**

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

**JFY CPA Limited**
*Certified Public Accountants*

Lam Sau Fung
Audit Engagement Director
Practising Certificate Number: P05147
Hong Kong, 25 October 2024

## 1. RESPONSIBILITY STATEMENT

This Prospectus for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 Prospectus 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 herein or this Prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming there is no change in the number of issued Shares and that all Shareholders have taken up all their entitled Rights Shares) will be as follows:

### (a) As at the Latest Practicable Date

| | | |
|---|---|---|
| *Authorised share capital* | | *HK$* |
| 2,000,000,000 | Shares of par value HK$0.01 each | 20,000,000 |
| *Issued and fully paid:* | | |
| 969,082,074 | Shares of par value HK$0.01 each | 9,690,820.74 |

### (b) Immediately following the completion of the Rights Issue (assuming there is no change in the number of issued Shares and that all Shareholders have taken up all their entitled Rights Shares)

| | | |
|---|---|---|
| *Authorised share capital* | | *HK$* |
| 2,000,000,000 | Shares of par value HK$0.01 each | 20,000,000 |
| *Issued and fully paid:* | | |
| 969,082,074 | Shares as at the Latest Practicable Date | 9,690,820.74 |
| 484,541,037 | Rights Shares to be issued pursuant to the Rights Issue | 4,845,410.37 |
| 1,453,623,111 | Shares in issue immediately upon completion of the Rights Issue | 14,536,231.11 |

All Shares rank *pari passu* with each other in all respects including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects including rights to dividends, voting and return of capital. 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 fully-paid Rights Shares.

The Company has applied 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 share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, no capital of any member of the Group was under option or agreed conditionally or unconditionally to be put under option.

## 3. DISCLOSURE OF INTERESTS

### (A) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

***Long Positions in Shares***

*(a) Interest in the Shares*

| Name of Directors or chief executives | Capacity/Nature of Interest | Number of Shares | Approximate percentage of the issued shares |
|---|---|---|---|
| **Directors:** | | | |
| Dr. Yim *(Note 1)* | Beneficial owner and interest in controlled corporation | 535,091,722 | 55.22% |
| Wong Wai Tai | Beneficial owner | 5,000,000 | 0.52% |
| Fung Cheuk Nang, Clement | Beneficial owner | 600,000 | 0.06% |
| Tsoi Chi Ho, Peter | Beneficial owner | 600,000 | 0.06% |
| Mr. Jacky Yim | Beneficial owner | 300,000 | 0.03% |
| **Chief executive:** | | | |
| Chan Ka Ho, Ken | Beneficial owner | 1,150,000 | 0.12% |

*Note:*

1. Dr. Yim beneficially owns 86,245,722 Shares and is the controlling shareholder of SAS Dragon, being interested in approximately 54.7% of the issued shares of SAS Dragon; Dr. Yim, being a controlling shareholder of SAS Dragon, is therefore deemed to be interested in 448,846,000 Shares held by SAS Investment under the SFO, which is a wholly-owned subsidiary of SAS Dragon.

*(b) Interest in the shares of as associated corporation*

| Director | Name of associated corporation | Capacity/ Nature of Interest | Number of shares | Approximate percentage of the issued shares |
|---|---|---|---|---|
| Dr. Yim *(Note 1)* | SAS Dragon | Interest in a controlled corporation | 227,542,800 | 36.4% |
| | | Beneficial owner | 114,800,000 | 18.3% |

*Note:*

1. As at the Latest Practicable Date, Dr. Yim directly holds 114,800,000 shares in SAS Dragon and is interested in 100% interest in Unimicro Limited and is therefore deemed to be interested in 227,542,800 shares in SAS Dragon held by Unimicro Limited under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company were interested in or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have such provisions of the SFO); or (ii) were required, pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

**(B) Interests of substantial Shareholders**

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following person, other than a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

***Long Positions in the Shares and underlying Shares***

| **Name of Shareholders** | **Capacity/Nature of Interest** | **Number of Shares** *(Note 1)* | **Approximate percentage of the issued shares** |
|---|---|---|---|
| SAS Dragon *(Note 2)* | Interest in a controlled corporation | 448,846,000 (L) | 46.32% |
| SAS Investment *(Note 2)* | Beneficial owner | 448,846,000 (L) | 46.32% |
| Vertex Value Limited | Beneficial owner | 76,247,000 (L) | 7.86% |
| Victory Echo Holdings Limited | Beneficial owner | 76,247,000 (L) | 7.86% |

*Notes:*

1. The letter "**L**" denotes the person/corporation's long position in the Shares.

2. SAS Dragon is deemed to be interested in the 448,846,000 Shares held by SAS Investment, a wholly-owned subsidiary of SAS Dragon, under the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

## 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had any service contracts with the Group other than those which were expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

## 5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors, controlling shareholders, substantial shareholders or their respective close associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group or have or may have any other conflict of interest with the Group pursuant to the GEM Listing Rules.

## 6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up, had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save for the Undertakings, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

## 7. MATERIAL CONTRACTS

No material contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) has been entered into by any member of the Group within the two years immediately preceding the date of this Prospectus.

## 8. LITIGATION

As at the Latest Practicable Date, no member of the Group was involved in any litigation, claims or arbitration of material importance and no litigation, claims or arbitration of material importance were known to the Directors to be pending or threatened against any member of the Group.

## 9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion, letter or advice contained in this Prospectus:

| Name | Qualification |
|---|---|
| JFY CPA Limited | Certified public accountants |

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter or report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

## 10. EXPENSES

The expenses payable by the Company in connection with the Rights Issue, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be up to approximately HK$800,000.

## 11. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Biographies of the existing Directors are set out below:

**Executive Directors**

**Dr. Yim**, aged 65, is appointed as an executive Director of the Company in 2015. Dr. Yim is the founder, executive director, chairman and managing director of SAS Dragon, a company listed on the Main Board of the Stock Exchange, in 1993. Dr. Yim is appointed as an independent non-executive director of Asia Allied Infrastructure Holdings Limited (stock code: 711), a company listed on the Main Board of the Stock Exchange in 2020 and has been re-designated from independent non-executive director to a non-executive director in 2021 and remain as a member of the audit committee and the nomination committee.

Dr. Yim is currently the president of the Hong Kong Justice of the Peace Association, a member of HKSAR Fight Crime Committee, a non-official member of Correctional Services Department Complaints Appeal Board, a member of Development Bureau Appeal Tribunal Panel, the honorary vice chairman of the Hong Kong Electronic Industries Association, a member of Yan Chai Hospital Advisory Board, the vice chairman of Federation of Hong Kong-Shanghai Associations, the vice chairman of Tsuen Wan District JPC Honorary President Council, the honorary permanent president of Hong Kong Baptist University Foundation and the co-chairman of Entrepreneur Committee of Hong Kong Baptist University. Dr. Yim is the father of Mr. Jacky Yim, Mr. Jeffrey Yim and Ms. Carmen Yim.

**Mr. Jeffrey Yim**, aged 30, is appointed as an executive Director of the Company on 1 February 2024. He holds a Bachelor's degree from Cass Business School, City University of London in the United Kingdom and a Master's degree in China Business Studies from Hong Kong Polytechnic University. He has over 5 years of experience in the display and lighting product industry. Before joining the Company, he was the business development manager of S.A.S. Lighting Company Limited since 2019, a wholly-owned subsidiary of SAS Dragon. Mr. Jeffrey Yim is currently a member of Hong Kong CPPCC Youth Association, a member of Area Committee (Kwai Chung North East), a member of Hong Kong Electrical Appliance Industries Association, a member of Rehabilitation Committee on Community Support for Rehabilitated Offenders, a committee member of Tsuen Wan Lightings Festival and the president of Kwai Tsing District JPC Honorary President Council. He is a son of Dr. Yim and sibling of Mr. Jacky Yim and Ms. Carmen Yim.

**Mr. Chan Ka Ho (陳家豪)**, aged 42, holds a Master's degree in Corporate Governance from the Open University of Hong Kong. He is also a member of Hong Kong Institute of Certified Public Accountants since 2017. He has over 10 years of experience in accounting, tax, financial, treasury, internal control and risk assessment. He served SMartech Electronic Company Limited since 2007, a non-wholly-owned subsidiary of SAS Dragon (stock code: 1184) (SAS Dragon, together with its subsidiaries, the "**SAS Dragon Group**"), a company listed on the Main Board of the Stock Exchange and has been transferred to S.A.S. Lighting Company Limited since 2017, a wholly-owned subsidiary of SAS Dragon. His last position was Deputy Chief Operating Officer in SAS Dragon Group.

Before joining the SAS Dragon Group, he worked in the account department of UDL Employment Services Limited, a subsidiary of DTXS Silk Road Investment Holdings Company Limited (formerly known as UDL Holdings Limited) (stock code: 620), a company listed on the Main Board of the Stock Exchange) from 2004 to 2007 where he was primarily responsible for accounting and company secretary duties.

**Non-Executive Directors**

**Mr. Jacky Yim**, aged 39, is appointed as the Chairman and a nonexecutive Director of the Company on 4 September 2023. He is responsible for the formulation of corporate strategies and the overall direction of the Group. He holds a Bachelor's degree from Central Saint Martins in United Kingdom and a Master's degree in Business Administration from the University of Wales. He is appointed as an executive director of SAS Dragon in 2013. He is the founder and chief executive officer of S.A.S. Lighting Company Limited since 2009, a wholly-owned subsidiary of SAS Dragon and leads a working team to develop the LED lighting business in the SAS Dragon Group.

He received the Young Industrialist Awards of Hong Kong from The Federation of Hong Kong Industries in 2017, the Directors of the Year Awards from The Hong Kong Institute of Directors in 2019 and the Young Entrepreneur Award of the Guangdong-HK-Macao Greater Bay Area in 2020.

Mr. Jacky Yim is currently a member of the Chinese People's Political Consultative Conference Shanghai Committee, the vice chairman of Shenzhen Association of Enterprises with Foreign Investment (深圳市外商投資企業協會), a member of Yau Tsim Mong South Area Committee, a member of the executive committee of Hong Kong Electronic Industries Association, a member of the Hong Kong Trade Development Council (HKTDC) Electronics/Electrical Appliances Industries Advisory Committee, a member of the Hong Kong Electrical Appliance Industries Association and vice president of Hong Kong Young Industrialists Association Foundation. He is a son of Dr. Yim and the sibling of Mr. Jeffrey Yim and Ms. Carmen Yim.

**Ms. Carmen Yim**, aged 36, holds a Bachelor's degree in Sociology from the London School of Economics. She has over 9 years' experience in property investment industry. She has appointed as non-executive director of SAS Dragon since 2022. She has been acting as vice-chairman of Yan Chai Hospital since April 2024. She is currently the manager of Yan Chai Hospital Yim Tsui Yuk Shan Kindergarten, Yan Chai Hospital Chan Iu Seng Primary School as well as Yan Chai Hospital Lan Chi Pat Memorial Secondary School. She is also the honorary career advisor of Hong Kong Baptist University and a member of Young Entrepreneur Committee of Hong Kong Baptist University Foundation. She is an observer of the Independent Police Complaints Council since November 2023. She is the daughter of Dr. Yim, an executive Director of the Company and sibling of Mr. Jacky Yim, the Chairman and a non-executive Director of the Company and Mr. Jeffrey Yim, an executive Director of the Company.

**Mr. Wong Wai Tai,（黃維泰）("Mr. Wong")**, aged 53, is appointed as a non-executive Director of the Company in 2016. He holds a Bachelor's degree of Business Administration from Hong Kong Baptist University and a Master of Laws from Renmin University of China. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants. He has over twenty years' experience in accounting, auditing, taxation and financial management.

Mr. Wong is appointed as an executive director of SAS Dragon in 2016.

**Independent non-executive Directors**

**Mr. Shea Chun Lok, Quadrant（佘俊樂）("Mr. Shea")** (alias Martin, former name, Shea Chi Lap, Quadrant), aged 57, is appointed as an independent non-executive Director of the Company in 2015. He is a chairman of our Audit Committee, Nomination Committee and Remuneration Committee. Mr. Shea graduated from Monash University of Australia with a Bachelor's degree in Business and later completed a postgraduate program of Public Finance (Taxation) and obtained a Master's degree in Economics from Jinan University, China and a Master of Laws degree from Renmin University of China. He is also a fellow member of CPA Australia, a member of Hong Kong Institute of Certified Public Accountants, The Taxation Institute of Hong Kong, The Chartered Institute of Management Accountants of the United Kingdom and Institute of Singapore Chartered Accountants and a Chartered Global Management Accountant. Mr. Shea is a Chartered Tax Adviser of Hong Kong and has obtained a Certificate of Pass in Practice Training Examination for Hong Kong Certified Tax Advisers Serving in Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Qianhai, Shenzhen jointly issued by Shenzhen Municipal Office of the State Administration of Taxation and Shenzhen Local Taxation Bureau. He has been awarded the Certified ESG Planner with the focus on sustainable banking and finance issued by the International Chamber of Sustainable Development.

Mr. Shea has substantial experience in accounting and finance in listed companies and worked as a qualified accountant and company secretary in various companies listed on the Main Board of the Stock Exchange over the years. He was the group financial controller of SAS Dragon from 1999 to 2005. Mr. Shea has been appointed as the chief financial officer and company secretary of Asia Allied Infrastructure Holdings Limited (stock code: 711) ("**AAI**"), a company listed on the Main Board of the Stock Exchange since 2015. He has further been appointed as an executive director of AAI since 2017 and is also currently a member of the management committee and executive committee of the board and the member of the property development executive board of AAI. Mr. Shea has been appointed as an independent non-executive director of Beijing Enterprises Water Group Limited (stock code: 371) since 2002, a company listed on the Main Board of the Stock Exchange, and is also the chairman of the audit committee of the company. Mr. Shea has also been appointed as an executive director of Modern Living Investments Holdings Limited (stock code: 8426) since 2024, a company listed on the GEM of the Stock Exchange.

**Mr. Fung Cheuk Nang, Clement（馮卓能）("Mr. Fung")**, aged 47, is appointed as an independent non-executive Director of the Company in 2015. He is a member of Audit Committee, Remuneration Committee and Nomination Committee. He has extensive management experience in development and manufacturing of consumer products.

Mr. Fung is also a director of Smarthome Technology Limited and Smarthome Products Limited, both of which are privately-owned consumer electronics companies in Hong Kong. Mr. Fung has been appointed as an independent non-executive director of Crocodile Garments Limited (stock code: 122), a company listed on the Main Board of the Stock Exchange since 2021. Mr. Fung holds positions in various charitable and social organisations. He is a member of the advisory board of Yan Chai Hospital, of which he was the chairman of the board of directors during the term of year 2018-2019.

**Mr. Tsoi Chi Ho, Peter（蔡子豪）("Mr. Tsoi")**, aged 37, is appointed as an independent non-executive Director of the Company in 2015. He is a member of the Audit Committee. Mr. Tsoi graduated from the York University of Canada with a Bachelor's degree in Business Administration Studies and obtained his Master's degree in E-Commerce from the Hong Kong Polytechnic University.

Mr. Tsoi has been the marketing director of an international trading company in South Africa since 2010 and is mainly responsible for coordinating sales and sourcing electronic products from China to South Africa. He has substantial experience in marketing and trading of electronic products as well as extensive knowledge on the electronic industry of South Africa.

**Senior management**

**Mr. Li Xiao Ming (李曉鳴)**, aged 59, is appointed as a director of Shenzhen Hi-Level Technology Development Limited in 2003 and Video Innovation Tech Limited in 2011, both of which are subsidiaries of Hi-Level Technology Limited. He joined Hi-Level Technology Limited in 2002 and is currently as the marketing director. He graduated from Chongqing University in 1984 with a Bachelor's degree in Electronics Engineering. He has more than 30 years of management experience within the electronics field in product development. Mr. Li Xiao Ming is also an indirect shareholder of the Company.

**Mr. Huang Yung Hsing (黃永興)**, aged 58, was appointed as a supervisor of Hi-Level (Shanghai) Technology Limited in 2007 and is appointed as a director of Hi-Level (Shanghai) Technology Limited in 2015. He joined Hi-Level Technology Limited as the engineering director in 2002. He graduated from Tungnan University in 1985 with a Bachelor's degree in Electronics Engineering. He has more than 20 years of experience within the electronics fields of engineering and R & D projects development. Mr. Huang Yung Hsing is also a shareholder of the Company.

**Company secretary**

**Mr. Tong Sze Chung (唐思聰) ("Mr. Tong")**, aged 55, is a financial controller, company secretary and compliance officer of the Company. Mr. Tong joined Hi-Level Technology Limited as the financial controller in 2013. He obtained a Bachelor's degree of Business Administration from the Open University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Tong has been appointed as an independent non-executive director of Kong Shum Union Property Management (Holding) Limited (stock code: 8181), a company listed on the GEM of the Stock Exchange, from 2013 to 2015. He was previously an executive Director of the Company between 2015 and July 2024.

Mr. Tong is responsible for the accounting and financial management of the Group's operations. He has over 20 years' experience in accounting and financial management.

**Business address of the Directors, the senior management and authorised representatives**

The business address of the Directors, the senior management and authorised representatives is the same as the Company's head office and principal place of business in Hong Kong located at 15/F., S.A.S. Tower, 55 Lei Muk Road, Kwai Chung New Territories, Hong Kong.

## 12. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Tsoi Chi Ho, Peter. The Audit Committee is chaired by Mr. Shea Chun Lok, Quadrant. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed "11. Particulars of the Directors and Senior Management" in this appendix. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process, risk management and internal control system of the Company, the effectiveness of the Group's internal audit function, nominate and monitor external auditors, meet with external auditor regularly and provide advice and comments to the Board.

## 13. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

| | |
|---|---|
| **Registered office** | One Nexus Way<br>Camana Bay, Grand Cayman<br>KY1-9005, Cayman Islands |
| **Head office and principal place of business in Hong Kong** | 15/F., S.A.S. Tower<br>55 Lei Muk Road, Kwai Chung<br>New Territories, Hong Kong |
| **Principal share registrar and transfer office in the Cayman Islands** | Intertrust Corporate Services (Cayman) Limited<br>One Nexus Way<br>Camana Bay, Grand Cayman<br>KY1-9005, Cayman Islands |
| **Hong Kong branch share registrar and transfer office** | Tricor Secretaries Limited<br>17/F, Far East Finance Centre<br>16 Harcourt Road<br>Hong Kong |
| **Company secretary** | Mr. Tong Sze Chung |
| **Compliance officer** | Mr. Tong Sze Chung |

| | |
|---|---|
| **Authorised representatives** | Mr. Jacky Yim<br>15/F., S.A.S. Tower<br>55 Lei Muk Road, Kwai Chung<br>New Territories, Hong Kong |
| | Mr. Tong Sze Chung<br>15/F., S.A.S. Tower<br>55 Lei Muk Road, Kwai Chung<br>New Territories, Hong Kong |
| **Principal banker** | Bank of China (Hong Kong) Limited<br>Bank of China Tower, 1 Garden Road, Hong Kong |
| | Hang Seng Bank Limited<br>83 Des Voeux Road, Central, Hong Kong |
| | Standard Chartered Bank (Hong Kong) Limited<br>Standard Chartered Bank Building, 4-4A Des Voeux Road, Central, Hong Kong |
| **Reporting accountants** | JFY CPA Limited<br>*Certified public accountants*<br>Unit 709, 7/F, Ocean Centre<br>5 Canton Road<br>Tsim Sha Tsui<br>Kowloon, Hong Kong |
| **Legal adviser to the Company as to Hong Kong laws** | TC & Co.<br>Units 2201-2203<br>22/F, Tai Tung Building<br>8 Fleming Road<br>Wanchai<br>Hong Kong |
| **Legal adviser to the Company as to Cayman Islands laws** | Appleby<br>Suites 4201-03 & 12,<br>42/F, One Island East,<br>Taikoo Place, 18 Westlands Road,<br>Quarry Bay, Hong Kong |
| **Financial adviser to the Company** | Sunny Fortune Capital Limited<br>2101, Chinachem Century Tower<br>178 Gloucester Road<br>Wanchai, Hong Kong |

## 14. GENERAL

(i) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(ii) As at the Latest Practicable Date, there is no material foreign exchange exposure to the Company.

(iii) In the event of inconsistency, the English text of this Prospectus shall prevail over the Chinese text.

(iv) Translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purpose only and should not be regarded as the official English translation of the Chinese names.

## 15. BINDING EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the Laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

## 16. DOCUMENTS REGISTERED BY THE REGISTRAR OF COMPANIES IN HONG KONG

Copies of the Prospectus Documents and the written consent by JFY CPA Limited have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

## 17. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.vvtholdings.com) for the period of 14 days from the date of this Prospectus:

(a) the report issued by the reporting accountants regarding the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;

(b) the written consent referred to in the paragraph headed "9. Expert and Consent" in this appendix; and

(c) the Prospectus Documents.