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## **Value Convergence Holdings Limited**

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code: 821)

### **DISCLOSURE PURSUANT TO RULES 13.13 AND 13.15 OF THE LISTING RULES**

This announcement is made pursuant to Rules 13.13 and 13.15 of the Listing Rules.

Under Rule 13.13 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), a general disclosure obligation arises where the relevant advance to an entity (as defined under Rule 13.11(2) of the Listing Rules) by Value Convergence Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) and its subsidiaries exceeds 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules (the “**Assets Ratio**”).

VC Brokerage Limited (“**VC Brokerage**”), a wholly-owned subsidiary of the Company, has made an advance on normal commercial terms to an entity primarily to subscribe for shares in a company under an initial public offer (“**IPO**”) on the Stock Exchange. The advance was made in the ordinary and usual course of business of the Company.

The advance was made on the basis of VC Brokerage’s credit assessments made on the respective clients’ financial strength, repayment ability and securities collateral provided. The likely popularity and liquidity of the relevant stock to be listed and the relatively short term nature of such advance were further considered. The Company expects that the full value of the IPO shares when allotted would be collateralised. Any collateral provided by the relevant entity for IPO financing will not be released by VC Brokerage unless and until all sums due and owing to VC Brokerage either have been fully repaid by the relevant entity or continue to be fully covered by the remaining collateral. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, the Company considers that the risks involved in the advance to the entity as set out below are relatively low. The applicable interest rates were equivalent to those charged to other borrowers of similar financial standing.

## Advance to an entity exceeding 8% under the Assets Ratio

As at 24 May 2016, VC Brokerage had made an advance to the following entity, details of which are set out as below:

| Client    | Approximate amount of the advance as at 24 May 2016 (HK\$) | Approximate % of the advance to the published audited total assets of the Group as at 31 December 2015 | Approximate % of the advance to the published audited net assets value of the Group as at 31 December 2015 | Nature of advance  |
|-----------|--|--|--|--|
| Entity CR | 114.5 million  | 15.6%  | 17.9%  | IPO financing for BOC Aviation Limited (Stock code: 2588) (“BOC AVIATION”) |

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”), having made all reasonable enquiries, Entity CR is a third party independent of the Company and its connected persons (as defined under the Listing Rules). Entity CR is a high net worth individual who has more than 12 years of business relationship with VC Brokerage. Entity CR has never defaulted in repayment of any advances previously made by VC Brokerage.

The aforementioned advance made to Entity CR is repayable in full on demand and is secured by the full value of the relevant IPO securities when allotted together with other listed securities and cash in the custody of VC Brokerage with collateral value of approximately HK\$227.6 million as at 24 May 2016; and are made at an interest rate lower than the prevailing prime lending rate of 5% as quoted by The Hong Kong and Shanghai Banking Corporation Limited. The financing period in relation to the aforementioned advance is 7 days from 24 May 2016, the closing date of the IPO of BOC AVIATION, to the allotment date, which is expected to be on 31 May 2016.

As the advance as stated above exceeds 8% of the Company’s latest published audited consolidated total assets in the amount of approximately HK\$734.5 million as at 31 December 2015, the Company is under a general disclosure obligation under Rule 13.13 of the Listing Rules to disclose the same and certain particulars of such advance shall be disclosed under Rule 13.15 of the Listing Rules, unless a waiver from strict compliance with the same has been granted by the Stock Exchange (please refer to the section headed “Waiver from strict compliance with Rule 13.15 of the Listing Rules” below).

## **Waiver from strict compliance with Rule 13.15 of the Listing Rules**

In respect of the aforementioned advance, the Company has applied for a waiver from strict compliance with Rule 13.15 of the Listing Rules in respect of the disclosure of the identity of the relevant entity and the actual interest rate in relation to the aforementioned advance made.

By order of the board of  
**Value Convergence Holdings Limited**  
Wong Yee Wah  
*Company Secretary*

Hong Kong, 25 May 2016

*As at the date of this announcement, the board of Directors comprises five Executive Directors, namely, Mr. Tin Ka Pak, Timmy (Chief Executive Officer), Mr. Chau King Fai, Philip, Mr. Cheng Tze Kit, Larry (Chief Investment Officer), Ms. So Wai Yee, Betty (Chief Financial Officer) and Mr. Lin Hoi Kwong, Aristo; one Non-executive Director, Mr. Chung Chi Shing, Eric; and three Independent Non-executive Directors, namely, Mr. Ip Chun Chung, Robert, Mr. Wong Chung Kin, Quentin and Mr. Wong Kam Choi, Kerry, MH.*