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## **Value Convergence Holdings Limited**

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code: 821)

### **THE ENTERING INTO OF NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED TRANSACTION**

The Board announces that on 13 June 2018 (after trading hours), the Company and the Vendor entered into the non-legally binding MOU in relation to the Proposed Transaction. The exact amount of the consideration for the Proposed Transaction will be subject to further negotiation between the parties to the MOU and is expected to be satisfied by the Purchaser by procuring the Company to issue convertible bonds carrying rights to convert into new Shares at the conversion price of HK\$1.25 per Share.

**As the MOU is not legally binding, the terms of the MOU are subject to further negotiation between the parties to the MOU and the Proposed Transaction may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

**If the Proposed Transaction materialises, it will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules when the Formal Agreement is entered into.**

The Board announces that on 13 June 2018 (after trading hours), the Purchaser and the Vendor entered into the non-legally binding MOU with the Vendor in relation to the Proposed Transaction.

## **MOU**

Set out below are the principal terms of the MOU:

Date: 13 June 2018

Parties: VC Global Investments Limited, as purchaser; and

Mr. Ting Pang Wan Raymond, as vendor

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is indirectly interested in 48,536,000 Shares and the convertible bonds of the Company which can be converted into 123,076,923 Shares.

### **Asset to be acquired**

Pursuant to the terms of the MOU, the Purchaser intends to acquire and the Vendor intends to sell the entire issued share capital in the Target Company.

As at the date of this announcement, the PRC Project Company is the legal and beneficial owner of a commercial property situated in Shanghai, the PRC (the “**Property**”). Pursuant to the MOU, it is a condition precedent that the Target Company will undergo the Reorganisation which includes (i) the incorporation of relevant members of the Target Group; and (ii) the completion of acquisition of the PRC Project Company by the Target Group, so that the Target Company will become the ultimate holding company of the PRC Project Company. The steps and procedures of the Reorganisation shall be conducted to the satisfaction of the Purchaser and shall be in compliance with the PRC laws.

### **Consideration**

The exact amount of the consideration for the Proposed Transaction will be subject to further negotiation between the parties to the MOU and is expected to be satisfied by the Purchaser by procuring the Company to issue convertible bonds carrying rights to convert into new Shares at the conversion price of HK\$1.25 per Share.

### **Formal Agreement**

The parties to the MOU shall negotiate in good faith to enter into the Formal Agreement before the expiry of the exclusivity period as stated below.

### **Due diligence review**

The Purchaser shall be entitled to conduct the due diligence on the assets, liabilities, operations and affairs of the Target Group after entering into of the MOU. The Vendor shall use his best endeavours to provide and procure his representatives to assist the Purchaser in connection with the due diligence review on the Target Group.

### **Exclusivity**

In consideration of the Purchaser incurring the costs of engaging advisers and spending time and incurring expenses in considering the Proposed Transaction and in conducting the due diligence review, the Vendor grants the Purchaser an exclusivity period of 90 days from the date of the MOU (or such later date as the parties to the MOU may agree in writing), during which the Vendor will not (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the sale or other disposition of the Sale Share and the Property.

### **Non-legally binding effect**

Save for provisions relating to, among others, due diligence, exclusivity, right of access, confidentiality, notices, costs, legal effect, amendments, counterparts and the governing law and jurisdiction of the MOU, all other terms of the MOU are non-legally binding.

### **REASONS FOR THE PROPOSED TRANSACTION**

The Group is principally engaged in (i) the provision of financial services including securities, futures and options brokering and dealing, margin financing and money lending, and placing and underwriting services, corporate financial advisory services and asset management services; and (ii) proprietary trading including the trading of equity securities, debt securities and other financial products.

The Company has been actively seeking business opportunities from time to time in order to enhance the long-term growth potential of the Company and its shareholders' value. It is expected that the Group will be benefited from long term capital appreciation of the Property which is located at the prime commercial business district of Shanghai.

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**If the Proposed Transaction materialises, it will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules when the Formal Agreement is entered into.**

## DEFINITIONS

Unless the context requires otherwise, capitalised terms in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Formal Agreement”	the legally binding formal sale and purchase agreement which may or may not be entered into between the parties to the MOU in relation to the Proposed Transaction
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“MOU”	the non-legally binding MOU entered into between the Purchaser and the Vendor dated 13 June 2018 in relation to the Proposed Transaction
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Transaction”	the proposed acquisition by the Purchaser of the entire issued share capital in the Target Company
“Purchaser”	VC Global Investments Limited, an indirect wholly-owned subsidiary of the Company
“Reorganisation”	the reorganisation of the Target Group, upon completion of which the Target Company shall become the ultimate holding company of the PRC Project Company

“Sale Share”	1 share in the Target Company, being the entire issued share capital of the Target Company
“Share(s)”	the ordinary share(s) of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Bright Element Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the ultimate holding company of the PRC Project Company upon completion of the Reorganisation
“Target Group”	the Target Company and its subsidiaries, which shall include the PRC Project Company
“Vendor”	Mr. Ting Pang Wan Raymond
“%”	per cent.

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

Hong Kong, 13 June 2018

*As at the date of this announcement, the Board comprises five Executive Directors, namely, Mr. Fu Yiu Man (Chairman), Mr. Tin Ka Pak, Timmy (Chief Executive Officer), Mr. Lin Hoi Kwong, Aristo, Mr. Xie Jintai and Ms. Shen Li; and three Independent Non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Wong Kam Choi, Kerry, <sup>MH</sup> and Mr. Siu Miu Man, Simon.*