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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 advances on normal commercial terms to various entities primarily to subscribe for shares in companies under an initial public offer (“**IPO**”) and/or to trade listed securities by way of securities margin financing on the Stock Exchange. All the advances were made in the ordinary and usual course of business of the Company.

The advances were 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 listed and/or to be listed and the relatively short term nature of such advances were further considered. The Company expects that the full value of the IPO shares when allotted and/or listed securities would be collateralised. Any collateral provided by the relevant entities for IPO financing and/or listed securities margin 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 entities 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 advances, the Company considers that the risks involved in each of the advances to the entities as set out below are relatively low. The applicable interest rates were equivalent to those charged to other borrowers of similar financial standing.

Advances to entities exceeding 8% under the Assets Ratio

As at 22 May 2015, VC Brokerage had made advance to the following entities, details of which are set out as below:

Client	Approximate amount of the advance as at 22 May 2015 (HK\$)	Approximate % of the advance to the published audited total assets of the Group as at 31 December 2014	Approximate % of the advance to the published audited net assets value of the Group as at 31 December 2014	Nature of advance
Entity CL	794.9 million	125.8%	158.6%	Margin financing; and IPO financing for HTSC (Stock code: 6886) (“ HTSC ”)
Entity CO	359.3 million	56.9%	71.7%	IPO financing for HTSC and Yunnan Water Investment Co., Limited (Stock code: 6839) (“ Yunnan Water ”)
Entity CP	157.8 million	25.0%	31.5%	IPO financing for HTSC
Entity CQ	90.2 million	14.3%	18.0%	IPO financing for HTSC

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”), having made all reasonable enquiries, each of Entity CL, Entity CO, Entity CP and Entity CQ is third party independent of the Company and its connected persons (as defined under the Listing Rules). Entity CL, Entity CO, Entity CP and Entity CQ are high net worth individuals who have more than 11 years, 17 years, 17 years and 16 years of business relationship with VC Brokerage, respectively. Each of Entity CL, Entity CO, Entity CP and Entity CQ has never defaulted in repayment of any advances previously made by VC Brokerage.

The aforementioned advances made to Entity CL, Entity CO, Entity CP and Entity CQ are repayable in full on demand and are 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\$303.7 million, HK\$0.6 million, HK\$2.0 million and HK\$103.3 million as at 22 May 2015 respectively. The advances of IPO financing are made at interest rates 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 advances of IPO financing for HTSC is 7 days from 22 May 2015, the closing date of the IPO of HTSC, to the allotment date, which is expected to be on 29 May 2015. The financing period in relation to the advance of IPO financing for Yunnan Water is 8 days from 18 May 2015, the closing date of the IPO of Yunnan Water, to the allotment date, which is expected to be on 26 May 2015. The advance of margin financing is made at an interest rate not less than the prevailing prime lending rate of 5% as quoted by The Hong Kong and Shanghai Banking Corporation Limited and is repayable on demand.

As each of the advances as stated above exceeds 8% of the Company's latest published audited consolidated total assets in the amount of approximately HK\$631.9 million as at 31 December 2014, the Company is under a general disclosure obligation under Rule 13.13 of the Listing Rules to disclose the same and certain particulars of each of such advances 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 each of the aforementioned advances, 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 identities of the relevant entities and the actual interest rates in relation to each of the aforementioned advances made.

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

Hong Kong, 26 May 2015

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.