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Value Convergence Holdings Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 821)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED EQUITY INTEREST IN AND THE SALE LOAN OF BRIGHT ELEMENT INVESTMENTS LIMITED

THE AGREEMENT

The Board announces that on 29 June 2018 (after trading hours), the Purchaser and the Vendor entered into the Agreement in relation to the Acquisition, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell (i) the Sale Share; and (ii) the Sale Loan for the total consideration of HK\$257,200,000, which shall be settled by the Purchaser by procuring the Company to issue the Convertible Bonds in the principal amount of HK\$257,200,000 to the Vendor on the Completion Date.

Upon Completion, the Target Group will become indirect wholly-owned subsidiaries of the Company and therefore, the financial information of the Target Group will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As some of the percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are greater than 25% but less than 100%, the Acquisition constitutes a major transaction on the part of the Company pursuant to Rule 14.06(3) of the Listing Rules. Accordingly, the Acquisition and the transactions contemplated respectively thereunder are subject to, among others, the approval of the Shareholders at the EGM.

EGM

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Bonds and the grant of the specific mandate for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds). To the best of the knowledge, information and belief of the Directors, other than the Vendor who is indirectly interested in 48,536,000 Shares, no Shareholder has a material interest in the transactions contemplated under the Agreement and is required to abstain from voting on the resolution to approve the Agreement. A circular containing, among other things, (i) further details of the Acquisition; (ii) the financial information of the Target Group; (iii) the valuation report on the Property; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 24 August 2018 as additional time will be required to finalise certain financial and general information of the Group to be included in the circular.

Shareholders and potential investors of the Company should be aware that the Acquisition and the transaction contemplated thereunder are subject to certain conditions being satisfied, and consequently the Acquisition may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 13 June 2018, in relation to, the entering into of the non-legally binding MOU in relation to the Acquisition.

The Board announces that on 29 June 2018 (after trading hours), the Purchaser and the Vendor entered into the Agreement in relation to the Acquisition, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell (i) the Sale Share; and (ii) the Sale Loan for the total consideration of HK\$257,200,000.

THE AGREEMENT

Set out below are the principal terms of the Agreement:

Date: 29 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, save and except that the Vendor is indirectly interested in 48,536,000 Shares, representing approximately 5.42% of the entire issued share capital of the Company as at the date of this announcement, and the convertible bonds in the principal amount of HK\$160,000,000 of the Company which can be converted into 123,076,923 Shares, representing approximately 13.75% of the entire issued share capital of the Company as at the date of this announcement, the Vendor is an independent third party not connected to the Company and its connected persons.

Asset to be acquired

Pursuant to the Agreement, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell (i) the Sale Share, representing the entire issued share capital in the Target Company as at the date of this announcement and upon Completion; and (ii) the Sale Loan, representing all obligations, liabilities and debts owing by the Target Company to the Vendor on or at any time prior to the Completion.

As at the date of this announcement, the PRC Project Company is the legal and beneficial owner of the Property. Pursuant to the Agreement, it is a condition that the Target Company shall undergo the Reorganisation which includes (i) the incorporation of relevant member(s) of the Target Group; and (ii) the completion of acquisition of the Target WFOE and the PRC Project Company by an indirect wholly-owned subsidiary of the Target Company, so that the Target Company will become the ultimate holding company of the Target WFOE and 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 total consideration for the Sale Share and the Sale Loan is HK\$257,200,000, and shall be settled by the Purchaser by procuring the Company to issue the Convertible Bonds in the principal amount of HK\$257,200,000 to the Vendor on the Completion Date.

The Consideration was determined after arm's length negotiations between the parties to the Agreement, after taking into account, among others, (i) the preliminary valuation of the Property of approximately RMB350,000,000 (equivalent to approximately HK\$416,500,000) prepared by an independent professional valuer; and (ii) the aggregate net assets value of the Target Group.

In view of the above, the Directors consider that the consideration is fair and reasonable and the Agreement is on normal commercial terms and is fair and reasonable, and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is subject to the following conditions having been fulfilled:

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group;
- (b) all necessary consents, licences and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Vendor and the Target Group in respect of the Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (c) all necessary consents, licences and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Purchaser in respect of the Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (d) the passing by the Shareholders at an extraordinary general meeting to be convened and held of an ordinary resolution, approving the Agreement and the transactions contemplated thereunder including but not limited to the issue of the Convertible Bonds and the issue of the Conversion Shares which may fall to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds;
- (e) the obtaining of a legal opinion (in form and substance satisfactory to the Purchaser) from a firm of PRC legal advisers appointed by the Purchaser covering such matters of the PRC laws relevant to the transactions contemplated from the Agreement, including but not limited to the following aspects: (i) the due and proper establishment and valid existence under the laws of the PRC of the PRC Project Company; (ii) the power and authority of the PRC Project Company to carry on its business as set forth in its constitutional documents; (iii) the ownership of the registered and paid-up capitals of the PRC Project Company; (iv) the title of the PRC Project Company to the Property; (v) the taxation payable by the Target Group and/or the Vendor relating to the Property; and (vi) any other matters as may be required by the Purchaser;
- (f) the obtaining of a valuation report (in form and substance satisfactory to the Purchaser) from a firm of independent professional valuers appointed by the Purchaser showing the valuation of the Property to be not less than the amount of RMB350,000,000;
- (g) the completion of the Reorganisation, which shall be conducted in such manner and on such terms and conditions as the Vendor and the Purchaser may agree;
- (h) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Conversion Shares;

- (i) the production by the Vendor to the Purchaser of evidence or documentary proof to the satisfaction of the Purchaser that:
 - (1) the certificate(s) in respect of the Property has/have been issued in the name of the PRC Project Company and remain in full force and effect on the Completion Date;
 - (2) the paid-up capital of the PRC Project Company has been contributed in full by the Vendor in RMB;
 - (3) all necessary consents, licences and approvals required to be obtained from the relevant PRC governmental and regulatory authorities or agencies in relation to the remittance of the capital contribution made by the Vendor to the Target WFOE and/or the PRC Project Company, have been obtained and remain in full force and effect on the Completion Date;
 - (4) all relevant tax and fees relating to the Property has been paid by the Target Group in full; and
- (j) all the warranties remaining true and accurate in all respects from the date of the Agreement up to and immediately before Completion.

Save for condition (j), all the conditions precedent above are incapable of being waived. The Purchaser may at its absolute discretion at any time waive in writing condition (j) and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. As at the date of this announcement, the Purchaser has no intention to waive such condition.

If any of the conditions has not been satisfied (or, as the case may be, waived by the Purchaser) on or before 5:00 p.m. on the Long Stop Date or such later date as the Vendor and the Purchaser may agree, the Agreement shall cease and determine and neither party shall have any obligations and liabilities under the Agreement save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the Completion Date, falling on the 5th Business Day after all the conditions of the Agreement have been fulfilled or waived or such later date as may be agreed between the Vendor and the Purchaser.

Upon Completion, the Target Group will become indirect wholly-owned subsidiaries of the Company and therefore, the financial information of the Target Group will be consolidated into the financial statements of the Group.

Principal terms of the Convertible Bonds

Set out below are the proposed principal terms of the Convertible Bonds:

- Issuer: the Company
- Principal amount: HK\$257,200,000
- Interest: the Convertible Bonds shall bear interest at a rate of 2% per annum, payable annually on the last Business Day of each 12 months, provided that interest for the last 12-month period shall be paid on the maturity date of the Convertible Bonds
- Maturity Date: the date falling on the 3rd anniversary of the date of issue of the Convertible Bonds (the “**Maturity Date**”)
- Conversion price: HK\$1.25 per Share, which represents:
- (i) a discount of approximately 6.72% to the closing price of HK\$1.34 per Share as quoted on the Stock Exchange on 29 June 2018, being the date of the Agreement; and
 - (ii) a discount of approximately 25.15% to the average of the closing price of approximately HK\$1.67 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreement.

The conversion price have been determined after arm’s length negotiations between the Vendor and the Purchaser with reference to various factors such as, the prevailing market price of the Shares. The Directors consider that the conversion price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Number of Conversion Shares:	<p>based on the conversion price of HK\$1.25, up to 205,760,000 Conversion Shares will be allotted and issued upon exercise in full of the conversion rights attaching to the Convertible Bonds, representing:</p> <ul style="list-style-type: none"> (i) approximately 22.99% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 18.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds at the conversion price, assuming that there would be no other Shares to be allotted and issued
Status of the Conversion Shares:	<p>the Conversion Shares, when issued and delivered in the manner contemplated by the Convertible Bonds, will rank pari passu and carry the same rights and privileges in all respects with the other Shares in issue and shall be entitled to all dividends and other distributions declared, paid or made thereon</p>
Adjustment events:	<p>the conversion price shall from time to time be subject to adjustment upon occurrence of consolidation or subdivision of the Shares</p>
Conversion period:	<p>the period commencing from the date of issue of the Convertible Bonds and up to and including the date which is 3 days prior to the Maturity Date</p>
Early redemption:	<p>neither the Company nor the holder(s) of the Convertible Bonds may redeem the Convertible Bonds before the Maturity Date</p>
Voting:	<p>the Convertible Bonds do not confer any voting right at any meetings of the Company</p>

Transferability:	the Convertible Bonds are transferable except that no Convertible Bonds shall be transferred to any person who is not independent of the Group or the connected persons of the Company (unless otherwise permitted with prior written consent of the Company)
Listing:	no application will be made by the Company for the listing of the Convertible Bonds on the Stock Exchange. The Company shall make an application to the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares
Conversion restriction:	no conversion of the Convertible Bonds would be permitted, if immediately after such conversion (a) the minimum public float requirement for the Shares as required under the Listing Rules could not be maintained; or (b) the holder of the Convertible Bonds whether alone or together with parties acting in concert with it will trigger a mandatory general offer obligations under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Bonds

Specific mandate

The Conversion Shares upon conversion of the Convertible Bonds will be allotted and issued under a specific mandate to be sought for approval from the Shareholders at the EGM.

The Directors consider that the entering into of the Agreement is on normal commercial terms, not in the ordinary course of business of the Group and the terms of the Agreement including the conversion price are fair and reasonable and is in the interests of the Group and its Shareholders as a whole.

Potential effects on the shareholding structure of the Company

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full conversion of Convertible Bonds at the conversion price, assuming that there is no change in the existing shareholding of the Company:

	As at the date of this announcement		Immediately after the full conversion of the Convertible Bonds at the conversion price (for illustration only)	
	Number of Shares	Approx.%	Number of Shares	Approx.%
Power Global Group Limited (<i>Note 1</i>)	75,000,000	8.38	75,000,000	6.81
Mr. Chung Chi Shing, Eric (<i>Note 1</i>)	117,352,000	13.11	117,352,000	10.66
Mr. Wong Chung Kin, Quentin (<i>Note 2</i>)	500,000	0.06	500,000	0.05
The Vendor (<i>Note 3</i>)	48,536,000	5.42	254,296,000	23.11
Public Shareholders	653,428,829	73.03	653,428,829	59.37
Total	894,816,829	100.00	1,100,576,829	100.00

Notes:

1. Power Global Group Limited is a company 100% owned by Mr. Chung Chi Shing, Eric, a former executive Director who resigned on 2 March 2018. Currently, Mr. Eric Chung is the Honorable Chairman and substantial shareholder of the Company.
2. Mr. Wong Chung Kin, Quentin is an independent non-executive Director.
3. The Vendor is indirectly interested in 48,536,000 Shares and the convertible bonds in the principal amount of HK\$160,000,000 of the Company which can be converted into 123,076,923 Shares.

INFORMATION OF THE TARGET GROUP

The Target Company is incorporated in the British Virgin Islands with limited liability on 6 June 2018 and the entire issued share capital of which is wholly and beneficially owned by the Vendor as at the date of this announcement. Each of the Target Company and its wholly-owned subsidiary incorporated in Hong Kong is an investment holding company.

The PRC Project Company has a registered capital of RMB50,500,000 which has been fully paid up, and is wholly-owned by the Target WFOE, a company established in the PRC in 2012 with the registered capital of HK\$10 million of which HK\$5,630,000 has been paid up. The Target WFOE was principally engaged in wine trading but has ceased to operate since January 2017. The PRC Project Company is principally engaged in property holding.

As at the date of this announcement, the PRC Project Company is the legal and beneficial owner of the Property which comprises the first 4 levels (G/F, 2/F, 3/F & 4/F) of a 6-storey complex situated in Sichuan North Road, Hongkou District, Shanghai, the PRC. The Property is currently fully leased and occupied by a bank, 5 restaurants and a serviced apartment of 120 units, with the total annual rental income of approximately RMB9.3 million.

Set out below is the financial information of (i) the Target Group (excluding the Target WFOE and the PRC Project Company) from the date of incorporation of the Target Company (being 6 June 2018) to 21 June 2018 based on the management accounts of the Target Group (excluding the Target WFOE and the PRC Project Company) for the same period and prepared in accordance with generally accepted accounting principles in Hong Kong, as provided by the Vendor; (ii) the Target WFOE, based on the audited financial statements of the Target WFOE for two years ended 31 December 2017 and prepared in accordance with generally accepted accounting principles in the PRC; (iii) the PRC Project Company, based on the audited financial statements of the PRC Project Company for two years ended 31 December 2017 and prepared in accordance with generally accepted accounting principals in the PRC, as provided by the Vendor:

(i) the Target Group (excluding the Target WFOE and the PRC Project Company)

	For the period from the date of incorporation to 21 June 2018
	<i>HK\$</i>
	<i>(unaudited)</i>
Turnover	–
Loss before taxation	7,332
Loss after taxation	<u>7,332</u>

The unaudited net liabilities of the Target Group (excluding the Target WFOE and the PRC Project Company) as at 21 June 2018 was approximately HK\$7,000. As at the date of the Agreement, the Sale Loan amounted to approximately HK\$59,494,000.

(ii) the Target WFOE

	For the year ended	
	31 December 2016	31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Turnover (<i>Note</i>)	73	(71)
Loss before taxation	157	130
Loss after taxation	157	130

Note: The Target WFOE was principally engaged in wine trading and it has ceased to operate since January 2017. The negative turnover for the year ended 31 December 2017 was caused by a refund to a customer for the return of wine products.

The unaudited net assets of the Target WFOE as at 31 May 2018 was approximately RMB3,633,000.

(iii) the PRC Project Company

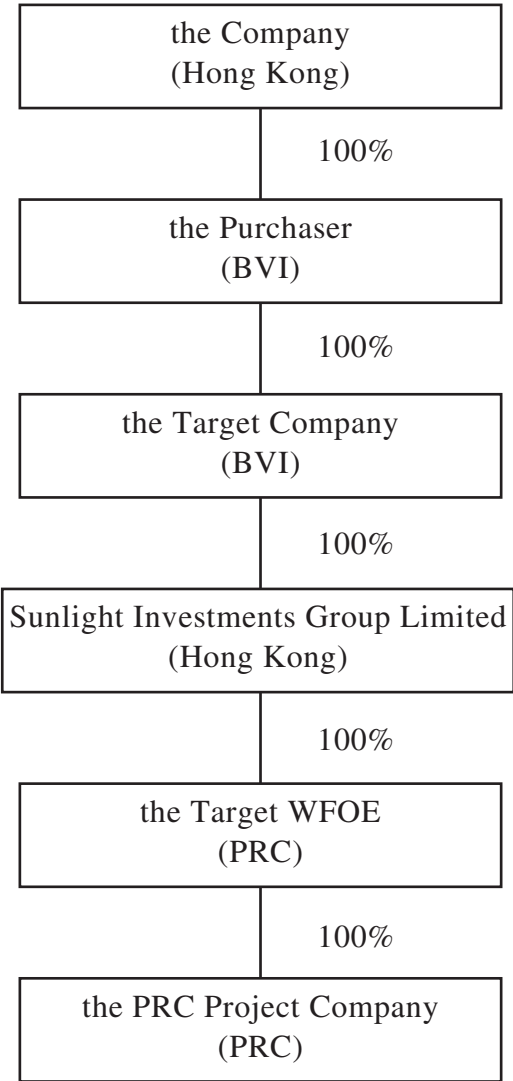
	For the year ended	
	31 December 2016	31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Turnover	5,077	8,496
Loss before taxation	7,911	3,474
Loss after taxation	7,911	3,474

The unaudited net liabilities of the PRC Project Company as at 31 May 2018 was approximately RMB43,337,000.

As at the date of this announcement, the PRC Project Company is the legal and beneficial owner of the Property which comprises the first 4 levels (G/F, 2/F, 3/F & 4/F) of a 6-storey complex situated in Sichuan North Road, Hongkou District, Shanghai, the PRC, and generates stable rental income to the PRC Project Company.

GROUP STRUCTURE

The following chart shows the group structure of the Company immediately upon the Completion:



REASONS FOR THE ACQUISITION

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. As the Property is currently leased out and have generated an aggregate annual rent of approximately RMB9.3 million, this will provide a stable income stream to the Company after the Completion. Further, the Directors noted that Shanghai remained the PRC's most active property investment market in the first quarter of 2018, with deals

totalling over US\$2 billion. From January to February 2018, Shanghai achieved a total retail sales of consumer goods of approximately RMB206.089 billion, an increase of 6.7% over the same period of 2017, resulting in the continuous increase in the ground floor prime retail rents in Shanghai's major retail areas. Considering that the Property is located in a district which is well established with a mix of commercial and residential developments and retail shopping facilities enjoying high volume of pedestrian flow, the Directors are positive with the long-term appreciation of the Property and consider that the terms of the Agreement are fair and reasonable, and that the investment in the Property through the acquisition of the Target Group is in the best interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As some of the percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are greater than 25% but less than 100%, the Acquisition constitutes a major transaction on the part of the Company pursuant to Rule 14.06(3) of the Listing Rules. Accordingly, the Acquisition and the transactions contemplated respectively thereunder are subject to, among others, the approval of the Shareholders at the EGM.

EGM

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Bonds and the grant of the specific mandate for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds).

To the best of the knowledge, information and belief of the Directors, other than the Vendor who is indirectly interested in 48,536,000 Shares, no Shareholder has a material interest in the transactions contemplated under the Agreement and is required to abstain from voting on the resolution to approve the Agreement and any vote exercised by the Shareholders taken at the EGM shall be taken by way of poll.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the financial information of the Target Group; (iii) the valuation report on the Property; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 24 August 2018 as additional time will be required to finalise certain financial and general information of the Group to be included in the circular.

Shareholders and potential investors of the Company should be aware that the Acquisition and the transaction contemplated thereunder are subject to certain conditions being satisfied, and consequently the Acquisition may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share and the Sale Loan pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement dated 29 June 2018 entered into between the Purchaser and the Vendor relating to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the date falling on the 5th Business Day after the fulfillment or waiver of the conditions precedent set out in the Agreement, or such later date as may be agreed between the Vendor and the Purchaser
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Shares”	the new Shares to be allotted and issued by the Company upon exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the convertible bonds to be issued by the Company to the Vendor as consideration pursuant to the Agreement

“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Bonds and the grant of the specific mandate for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds)
“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
“Long Stop Date”	31 October 2018, or such other dates the parties agreed in writing
“MOU”	the non-legally binding memorandum of understanding dated 13 June 2018 entered into between the Vendor and the Purchaser in relation to the acquisition of the entire issued share capital of the Target Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Project Company”	Shanghai Yuyang Trading Limited# (上海玉洋貿易有限公司), a company established in the PRC
“Property”	the first 4 levels of a 6-storey complex of a total gross floor area of approximately 5,443.32 square meters situated at Sichuan North Road, Hongkou District, Shanghai, the PRC
“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 Target WFOE and the PRC Project Company
“Sale Share”	1 share in the Target Company, being the entire issued share capital of the Target Company as at the date of the Agreement which is legally and beneficially owned by the Vendor
“Sale Loan”	all obligations, liabilities and debts owing by the Target Company to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion which as at the date of the Agreement, amounted to approximately HK\$59,494,000
“Share(s)”	the issued ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Bright Element Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the ultimate holding company of the Target WFOE and the PRC Project Company upon completion of the Reorganisation
“Target Group”	the Target Company and its subsidiaries, which shall include the Target WFOE and the PRC Project Company
“Target WFOE”	Madison International Trading (Tianjin) Co., Limited# (美迪森國際貿易(天津)有限公司), a company established in the PRC
“Vendor”	Mr. Ting Pang Wan Raymond, the sole shareholder of the Target Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

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

Hong Kong, 29 June 2018

In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail

In this announcement, translation of RMB into HK\$ is based on the exchange rate of RMB1: HK\$1.19. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the above exchange rate or any other rates.

As at the date of this announcement, the Board comprises seven Executive Directors, namely, Mr. Fu Yiu Man (Chairman), Mr. Tin Ka Pak, Timmy (Chief Executive Officer), Mr. Lin Hoi Kwong, Aristo, Mr. Xie Jintai, Ms. Shen Li, Mr. Zhang Min and Mr. Jiang Tian; and three Independent Non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Wong Kam Choi, Kerry, ^{MH} and Mr. Siu Miu Man, Simon.