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Value Convergence Holdings Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 821)

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Placing Agent



VC Brokerage Limited

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 25 September 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company proposed to offer for subscription, and the Placing Agent agreed to procure subscriptions for the Convertible Bonds on a best effort basis on the terms and subject to the conditions set out in the Placing Agreement. The Placing Agent shall procure not less than six (6) Placées to subscribe for the Convertible Bonds in the aggregate principal amount of up to HK\$81.6 million during the Placing Period.

In the case of the Conversion Rights having been exercised in full at the initial Conversion Price of HK\$0.17 (subject to adjustment), a maximum of 480 million Conversion Shares to be allotted and issued by the Company, representing (i) approximately 19.43% of the existing total number of issued Share as at the date of this announcement; and (ii) approximately 16.27% of the total number of issued Shares as enlarged by the allotment and issue of the 480 million Conversion Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The initial Conversion Price of HK\$0.17 (i) equals the closing price of HK\$0.17 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) represents a premium of approximately 1.43% over the average of the closing prices for the last five consecutive trading days immediately prior to the date of the Placing Agreement as quoted on the Stock Exchange of HK\$0.1676 per Share.

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing will be HK\$81.6 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$79.5 million which will be used for (i) general working capital including but not limited to rental expenses, salary expenses and other office overhead of approximately HK\$30 million; (ii) brokerage business of approximately HK\$20 million; and (iii) potential investment in the future when opportunities arise of approximately HK\$29.5 million.

The Placing is not subject to Shareholders' approval as the Conversion Shares will be allotted and issued under the General Mandate. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Shareholders and potential investors of the Company should note that the Closing is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

On 25 September 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company proposed to offer for subscription, and the Placing Agent agreed to procure subscriptions for the Convertible Bonds on a best effort basis on the terms and subject to the conditions set out in the Placing Agreement. The Placing Agent shall procure not less than six (6) Placees to subscribe for the Convertible Bonds in the aggregate principal amount of up to HK\$81.6 million during the Placing Period.

THE PLACING AGREEMENT

Date

25 September 2023 (after trading hours)

Issuer

The Company

Placing Agent

VC Brokerage Limited, a wholly-owned subsidiary of the Company

(each a “**Party**” and collectively, the “**Parties**”)

Placees

The Placing Agent will act as agent for the Company to procure not less than six (6) Placees to subscribe for the Convertible Bonds on terms and conditions set out in the Placing Agreement on a best effort basis. The Placee(s) shall be any investor who is either a professional or institutional investor or other investors selected and procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is independent as referred in the next paragraph below, procured by the Placing Agent to subscribe for any of the Convertible Bonds pursuant to the Placing Agent’s obligations under the Placing Agreement.

The Placing Agent shall, and shall procure its sub-placing agent (if applicable and any) to, use its reasonable endeavours to ensure that all the Placees and their ultimate beneficial owners (a) shall be independent of and not connected with the Company (and its subsidiaries), its connected person(s) and their respective associate(s); (b) shall be independent of and not be parties acting in concert with any persons, other Placee(s) or Shareholders to the effect that any Placing to such Placee(s) shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code; and (c) shall be regarded as public (within the meaning as defined under Rule 8.24 of the Listing Rules).

Conditions precedent to the Placing Agreement

Closing is conditional upon:

- (a) the Listing Committee having granted approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange and the approval not having been subsequently revoked or cancelled;
- (b) (if required) the Company having obtained the necessary consent, approval, authorisation, permission, or confirmation for the consummation of the transactions contemplated under the Placing Agreement from any third party to which the Company or its subsidiaries have entered into any agreement or arrangement; and

- (c) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date.

The conditions precedent (a) and (b) above cannot be waived by any Party. The Placing Agent may at any time unilaterally waive the condition precedent (c) above. The Company shall use all its reasonable endeavours to procure the satisfaction of the conditions precedent as set out above, but if the conditions precedent shall not have been so satisfied (or, where applicable, waived) by the Long Stop Date or any of the force majeure event set out in the section headed "**Force majeure to the Placing Agreement**" below shall have occurred, subject to terms in relation to failure to complete or lapse or termination of the Placing as set out in the Placing Agreement, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the Parties shall have any claim against the other in relation thereto save for any antecedent breach of any obligations under the Placing Agreement and without prejudice to the accrued rights and liabilities of the Parties.

Force majeure to the Placing Agreement

If at any time between the date of the Placing Agreement and the Closing Date, there occurs:

- (a) the introduction of any new legislations or regulation or any change in existing legislations or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Convertible Bonds to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Convertible Bonds to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (d) the Company commits any material breach of or omits to observe any of its obligations or undertakings under the Placing Agreement; or
- (e) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect. If the Placing Agreement shall be terminated pursuant to the abovementioned force majeure, the obligations of the Placing Agent shall cease and the Company shall not be liable to pay any commission under certain provisions of the Placing Agreement, and other provisions of the Placing Agreement (other than certain provisions as set out in the Placing Agreement and all other provisions necessary for the interpretation or enforcement of such provisions and without prejudice to the accrued rights and liabilities of the Parties) shall forthwith cease and determine and no Party shall, save as provided in the abovementioned force majeure, have any claim against the other Party for compensation, costs, damages or otherwise.

Closing

Subject to the fulfilment of the conditions precedent to the Placing Agreement, the Closing shall take place on the Closing Date in accordance with the completion mechanics as set out in the Placing Agreement.

Placing commission

Provided that the Closing occurs in accordance with the terms and conditions of the Placing Agreement, a commission, in Hong Kong dollars, of 2.5% of the amount equal to the principal amount of the Convertible Bonds which the Placing Agent has successfully procured subscribers for the Convertible Bonds.

General Mandate

The Conversion Shares will be allotted and issued under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised since it was granted and the maximum number of new Shares that could be issued by the Company under the General Mandate is 494,204,608 Shares. As such, the allotment and issue of the Conversion Shares is not subject to Shareholders' approval.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

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

Issuer:	The Company
Principal amount:	Up to HK\$81.6 million
Maturity date:	The date which falls on the second anniversary of the First Issue Date (the " Maturity Date ").
Interest:	<p>The Convertible Bonds bear interest on the principal amount (or such outstanding part thereof, whichever shall be appropriate) from (and including) the First Issue Date at the rate of 8% per annum on the basis of a 365-day year, payable in arrears such that the interest shall, subject to the next paragraph and the paragraph headed "Redemption prior to maturity" below, be paid on the first anniversary of the First Issue Date and on the Maturity Date ("Interest", and the date on which the Interest is paid, an "Interest Payment Date"). Nevertheless, in case the Company exercises the option to effectuate redemption of the entire principal amount (or such outstanding part thereof, whichever shall be appropriate) during such period commencing on the first anniversary of the First Issue Date and expiring on the Business Day immediately before the Maturity Date (both days inclusive) in accordance with the paragraph headed "Redemption prior to maturity" below, then the Interest Payment Date shall be the Redemption Date.</p>

All Interest shall be paid by the Company in cash, but without prejudice to the generality of the foregoing, no Interest shall be paid on such principal amount of the Convertible Bonds of which Conversion Rights have already been exercised or of which redemption has already been effectuated.

In case any Interest Payment Date is not a Business Day, Interest payment shall be made and effectuated on the immediately following Business Day, but no further Interest shall be paid for such delay in payment.

Conversion Price:

The initial Conversion Price shall be HK\$0.17 per Conversion Share, subject to adjustment(s) upon occurrence of certain events as summarised in the paragraph headed “**Adjustments to the Conversion Price**” below.

The initial Conversion Price:

- (i) equals the closing price of HK\$0.17 per Share as quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) represents a premium of approximately 1.43% over the average of the closing prices for the last five consecutive trading days immediately prior to the date of the Placing Agreement as quoted on the Stock Exchange of HK\$0.1676 per Share.

The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.166 per Conversion Share.

The initial Conversion Price was arrived at after arm’s length negotiations between the Parties with reference to, among others, the prevailing market price of the Shares.

Adjustments to the Conversion Price:

The Conversion Price shall from time to time be subject to adjustment in accordance with the CB Instrument if, whilst any of the Convertible Bonds remains outstanding, any of the following events or circumstances in relation to the Shares shall occur:

- (i) if and whenever there shall be an alteration to the value of the Shares as a result of consolidation or subdivision;

- (ii) if and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account and/or capital redemption reserve), other than Shares issued *in lieu* of the whole or a part of a cash dividend and other than an issue that would amount to capital distribution (as defined in the CB Instrument);
- (iii) if and whenever the Company shall pay or make any capital distribution (as defined in the CB Instrument) to the Shareholders;
- (iv) if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which such issue or grant to Shareholders is made;
- (v) if and whenever the Company shall (a) issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights; or (b) grant to all or substantially all Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares);

- (vi) if and whenever the Company shall wholly for cash (a) issue (otherwise than as mentioned in sub-paragraph (iv) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares); or (b) issues or grants (otherwise than as mentioned in sub-paragraph (iv) above) options, warrants or other rights to subscribe for or purchase Shares, in each case at a price per Share which is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such issue or grant;

- (vii) save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this sub-paragraph (vii), if and whenever the Company or any subsidiary of the Company (otherwise than as mentioned in sub-paragraphs (iv), (v) or (vi) above), or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary of the Company) any other company, person or entity, shall issue wholly for cash any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription, at a consideration per Share which is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of the issue of such securities;

- (viii) if and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in sub-paragraph (vii) above (other than in accordance with the terms applicable to such securities) so that the consideration per Share receivable by the Company is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such modification;
- (ix) if and whenever the Company or any subsidiary of the Company or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary of the Company) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which Shareholders generally (meaning for these purposes the holders of at least 60% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under sub-paragraphs (iv) to (vii) above).

In the event that when a Bondholder exercises his/her/its Conversion Rights, due to or as a result of adjustments to the Conversion Price made in accordance with the terms and conditions contained in the CB Instrument, the number of Conversion Shares which shall have to be issued and allotted by the Company to the Bondholder concerned for meeting the exercise of such Conversion Rights may exceed the authorisation under the General Mandate. Under such circumstance, the Company shall pay to the Bondholder concerned an amount of cash in Hong Kong dollars in lieu of allotment and/or issuance of excess Shares (the excess Shares shall be equivalent to the difference between the number of Conversion Shares to be issued and allotted by the Company to meet the conversion of the Convertible Bonds in entirety and the authorisation under the General Mandate) to the Bondholder concerned within thirty Business Days after the date of issuance of the relevant conversion notice.

Conversion Shares: In the case of the Conversion Rights having been exercised in full, a maximum of 480 million new Shares to be allotted and issued by the Company, representing:

- (i) approximately 19.43% of the existing total number of issued Share as at the date of this announcement; and
- (ii) approximately 16.27% of the total number of issued Shares as enlarged by the allotment and issue of the 480 million Conversion Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

Conversion period: The period commencing on the Business Day immediately after the First Issue Date and expiring on the date which falls on the fifth Business Day before the Maturity Date, both days inclusive, provided that if the Company fails to redeem the Convertible Bonds on the date of redemption in accordance with the terms of the CB Instrument the period shall continue until redemption in full occurs (the “**Conversion Period**”).

Conversion rights: Each Bondholder shall have the right, exercisable during the Conversion Period in the manner provided in the CB Instrument, to convert the whole or any part (subject to the CB Instrument, in multiples of HK\$340,000) of the outstanding principal amount of the Convertible Bonds held by such Bondholder into such number of Shares as will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the Conversion Date.

Conversion restrictions: A Bondholder shall not exercise any Conversion Rights if, as a result of such exercise, it will cause the public float of the Company to be unable to meet the relevant requirements under the Listing Rules.

A Bondholder shall not exercise any Conversion Rights, and the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, the Bondholder and/or parties acting in concert with it would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for the Shares held by the Company’s other Shareholders (collectively, the “**Conversion Restrictions**”).

Redemption at maturity: All Convertible Bonds which have not been redeemed or converted in accordance with the terms and conditions contained in the CB Instrument by the Maturity Date, shall be redeemed by the Company on the Maturity Date at a redemption amount equal to 100% of the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate).

Redemption prior to maturity: Without prejudice to any other conditions as contained in the CB Instrument, the Company (but not any Bondholder) shall have the option to effectuate redemption of the entire principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate), which option may be exercised during the period commencing on the first anniversary of the First Issue Date and expiring on the Business Day immediately before the Maturity Date (both days inclusive), and upon the Company's exercising the option, it shall pay to the Bondholder an amount equivalent to the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) together with all Interest accrued thereon up to and including the relevant Redemption Date.

Redemption on default: If any of the events ("**Events of Default**") specified in the CB Instrument occur, the Company shall forthwith give notice thereof to the Bondholders and each Bondholder may (without prejudice to any other rights and remedies available to the Bondholders), at its option, opt to convert their Convertible Bonds in its entirety or, alternatively, give a notice for redemption to the Company in respect of part or all of the Convertible Bonds held by it, whereupon such Convertible Bonds shall become immediately due and payable at a redemption amount equal to 100% of the principal amount of such Convertible Bonds. For any avoidance of doubt, there shall not be any redemption by any Bondholders prior to the Maturity Date unless an Event of Default occurs.

Ranking: Subject to the CB Instrument, the Shares issued upon exercise of Conversion Rights shall rank *pari passu* in all respects with all other existing Shares outstanding at the Conversion Date and all Conversion Shares shall include rights to participate in all dividends and other distributions the record date of which falls on or after the Conversion Date.

Transferability: Subject to compliance with the Listing Rules and regulatory requirements, the Convertible Bonds may (subject to the CB Instrument) be transferred to any person provided that where the Convertible Bond(s) is/are intended to be transferred to a connected person (other than the associates of the Bondholder), such transfer shall comply with the requirements under the Listing Rules and/or requirements imposed by the Stock Exchange, if any.

Any transfer of the Convertible Bonds shall be in respect of the whole or any part (subject to the CB Instrument, in multiples of HK\$340,000) of the outstanding principal amount of the Convertible Bonds.

Status: The obligations of the Company arising under the Convertible Bonds constitute general, unsecured and unsubordinated obligations of the Company and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

Application for listing: No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Group's expertise includes (i) provision of financial services comprising securities, options brokering and dealing, financing services, corporate finance and other advisory services, asset management and insurance brokerage; (ii) proprietary trading; and (iii) sale and marketing of digital assets.

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing will be HK\$81.6 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$79.5 million which will be used for (i) general working capital including but not limited to rental expenses, salary expenses and other office overhead of approximately HK\$30 million; (ii) brokerage business of approximately HK\$20 million; and (iii) potential investment in the future when opportunities arise of approximately HK\$29.5 million.

The Directors are of the view that (i) the Placing Agreement are entered into upon normal commercial terms following arm's length negotiations between the Parties; (ii) the Placing will enlarge the shareholder base and capital base of the Company if the Bondholders choose to convert the Convertible Bonds into the Conversion Shares; (iii) the net proceeds from the Placing will strengthen the cash position of the Company for its business operation and development; and (iv) the Placing will not have an immediate dilution effect on the shareholding of the existing Shareholders.

In view of the above, the Directors consider that the terms of the Placing Agreement (including the Conversion Price and placing commission) are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcements	Fund raising activity	Net proceeds	Intended use of the net proceeds	Actual use of the net proceeds
21 February 2023 and 14 March 2023	Placing of new Shares under general mandate	Approximately HK\$35.2 million	(i) general working capital including but not limited to rental and salary expenses of approximately HK\$20.2 million; and (ii) potential investments when opportunities arise of approximately HK\$15.0 million.	(i) used as intended (ii) used as intended.
20 December 2022 and 10 January 2023	Placing of new Shares under general mandate	Nil	General working capital or potential investment	The placing agreement was lapsed as announced by the Company on 10 January 2023

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the 12 months prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon full conversion of the Convertible Bonds after the Closing (assuming the Convertible Bonds were placed in full and there will be no change in the total number of issued Shares between the date of this announcement up to the date of full conversion of the Convertible Bonds):

	(i) As at the date of this announcement		(ii) immediately upon full conversion of the Convertible Bonds after the Closing (assuming the Convertible Bonds were placed in full and there will be no change in the total number of issued Shares between the date of this announcement up to the date of full conversion of the Convertible Bonds)	
	<i>Number of Shares</i>	<i>Approximate</i>	<i>Number of Shares</i>	<i>Approximate</i>
<i>Directors</i>				
Mr. Wong Chung Kin, Quentin	500,000	0.02%	500,000	0.02%
Mr. Fu Yiu Man, Peter	20,000,000	0.81%	20,000,000	0.68%
<i>Substantial Shareholder</i>				
Mr. Chung Chi Shing, Eric	368,352,000	14.91%	368,352,000	12.48%
The Places	-	-	480,000,000	16.27%
Public Shareholders	<u>2,082,171,040</u>	<u>84.26%</u>	<u>2,082,171,040</u>	<u>70.55%</u>
Total	<u><u>2,471,023,040</u></u>	<u><u>100.00%</u></u>	<u><u>2,951,023,040</u></u>	<u><u>100.00%</u></u>

Shareholders and potential investors of the Company should note that the Closing is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the person(s) who for the time being is the holder of the Convertible Bond(s) with the benefit of and subject to the provisions of the CB Instrument
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CB Instrument”	the instrument constituting the Convertible Bonds to be executed by the Company as a deed
“Closing”	the completion of the Placing
“Closing Date”	any Business Day within a period of five (5) Business Days following the date on which the conditions precedent are fulfilled or, if applicable, waived (or such later date as the Parties may agree in writing)
“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
“connected person(s)”	shall have the meaning ascribed thereto in the Listing Rules

“Conversion Date”	the date on which the Company receives or is deemed to have received a duly completed and executed conversion notice together with the bond certificate(s) to be issued by the Company pursuant to the CB Instrument for the Convertible Bond(s) being converted by a Bondholder pursuant to the CB Instrument or, insofar as is appropriate, the date on which it is automatically triggered under and pursuant to any agreement for or in relation to any subscription of the Convertible Bonds
“Conversion Price”	HK\$0.17 per Conversion Share, subject to adjustments as summarised in the paragraph headed “ Adjustments to the Conversion Price ” in this announcement
“Conversion Rights”	the rights pursuant to the CB Instrument attaching to each Convertible Bond to convert the principal amount or a part thereof into Shares
“Conversion Shares”	in the case of the Conversion Rights having been exercised in full, a maximum of 480,000,000 new Shares to be allotted and issued by the Company pursuant to the terms and conditions contained in the CB Instrument, which, upon conversion of the Convertible Bonds in their entirety, shall represent approximately 16.27% of the entire portfolio of issued shares in the Company as enlarged following conversion
“Convertible Bonds”	2-year 8% coupon unsecured non-redeemable convertible bonds in the principal amount of HK\$81.6 million to be issued by the Company in denomination of HK\$340,000 each with the benefit of and subject to the provisions of the CB Instrument
“Director(s)”	the director(s) of the Company
“Extreme Conditions”	the extreme conditions as announced by any Hong Kong Government department or body or otherwise, whether or not under or pursuant to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department in June 2019 in the event of serious disruption of public transport services or government services, extensive flooding, major landslides or large-scale power outage after typhoons or incidents similar in seriousness or nature

“First Issue Date”	the initial date of issue of the Convertible Bonds under and pursuant to the CB Instrument
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with not more than 494,204,608 new Shares at the annual general meeting of the Company held on 31 May 2023
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Long Stop Date”	20 October 2023 (or such later date as the Parties may agree in writing)
“Placee(s)”	any investor who is either a professional or institutional investor or other investors selected and procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is independent as referred to in the Placing Agreement, procured by the Placing Agent to subscribe for any of the Convertible Bonds pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the proposed placing of the Convertible Bonds on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a wholly-owned subsidiary of the Company and a licensed corporation by the SFC to carry out and conduct type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under and pursuant to the SFO
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 25 September 2023 in respect of the Placing

“Placing Period”	the period commencing on the date of the Placing Agreement and expiring on 13 October 2023 (both days inclusive) or such later date as the Parties may agree in writing, unless the Placing is terminated earlier pursuant to the terms of the Placing Agreement
“Redemption Date”	in respect of each Convertible Bond, the date (if any) on which the Convertible Bond shall be redeemed or become due for redemption in accordance with the CB Instrument, which date shall be a Business Day falling within the period commencing on the First Issue Date and expiring on the Maturity Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong. 25 September 2023

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Wong Kam Fat, Tony (Vice Chairman), Mr. Lin Hoi Kwong, Aristo, Ms. Li Cindy Chen and Mr. Zhang Nu; and three independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Siu Miu Man, Simon, MH and Mr. Au Tin Fung, Edmund.