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Value Convergence Holdings Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 821)

DISCLOSEABLE TRANSACTION IN RELATION TO FURTHER DISPOSALS OF LISTED SECURITIES

THE FURTHER DISPOSALS

Reference is made to the announcement of the Company dated 4 January 2024 in respect of the Previous Disposals.

The Board announces that during the period from 16 January 2023 to 15 January 2024 (both days inclusive), the Group, through VC Brokerage Limited (a wholly-owned subsidiary of the Company) and the Company, have further conducted a series of disposals on the open market and disposed of a total of 54,540,000 China Nuclear Energy Shares for an aggregate consideration of approximately HK\$22.79 million (excluding stamp duty and related expenses).

LISTING RULES IMPLICATIONS

Each of the Further Disposals does not individually constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As the series of Further Disposals are conducted within a period of 12 months, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Further Disposals when aggregated exceed(s) 5% but all are less than 25%, the Further Disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

THE FURTHER DISPOSALS

Reference is made to the announcement of the Company dated 4 January 2024 in respect of the Previous Disposals.

The Board announces that during the period from 16 January 2023 to 15 January 2024 (both days inclusive), the Group, through VC Brokerage Limited (a wholly-owned subsidiary of the Company) and the Company, have further conducted a series of disposals on the open market and disposed of a total of 54,540,000 China Nuclear Energy Shares for an aggregate consideration of approximately HK\$22.79 million (excluding stamp duty and related expenses), which is receivable in cash on settlement. The average price (excluding stamp duty and related expenses) for the Further Disposals of each Sale Share was approximately HK\$0.418. The Sale Shares represented approximately 2.94% of the total China Nuclear Energy Shares in issue as at the date of this announcement.

As the Further Disposals were conducted on the open market, the identities of the counterparties of the Sale Shares cannot be ascertained. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the counterparties of the Sale Shares and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

Upon the completion of the Further Disposals, the Group holds 42,442,000 China Nuclear Energy Shares. The Group may continue to dispose of the remaining China Nuclear Energy Shares held by the Group. The Company will comply with the applicable requirements of the Listings Rules in respect of any further disposal of it if and when required.

FINANCIAL EFFECT OF THE FURTHER DISPOSALS

Subject to audit, the Group expects to recognise an unaudited realised loss from the Further Disposals (excluding stamp duty and related expenses) of approximately HK\$23.06 million, which is calculated on the basis of (i) the aggregated cost of the Sale Shares of approximately HK\$45.85 million; and (ii) the consideration of HK\$22.79 million (excluding stamp duty and related expenses).

INFORMATION ON CHINA NUCLEAR ENERGY

China Nuclear Energy and its subsidiaries are principally engaged in new energy operations, including (a) the engineering, procurement and construction (“EPC”) and consultancy segment which comprises their group’s EPC and consulting services operations relating to construction of photovoltaic power plant and other general construction and engineering services; (b) the power generation segment which comprises their group’s power generation operations; (c) the financing segment which comprises their group’s financing operations and (d) the other segments which comprise their group’s corporate management, investment and treasury services.

The following information is extracted from the annual report of China Nuclear Energy for the two financial years ended 31 December:

	Year ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2,138,482	2,586,654
Profit before income tax expense	139,301	123,825
Profit for the year	98,354	105,674

As disclosed in the interim report of China Nuclear Energy for the six months ended 30 June 2023, the unaudited consolidated net asset value of China Nuclear Energy was approximately HK\$1,664,349,000 as at 30 June 2023.

REASONS FOR AND BENEFITS OF THE FURTHER DISPOSALS 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.

As at 30 June 2023, the Group held equity securities listed in Hong Kong of approximately HK\$219.7 million as financial assets held-for-trading, which was stated at market value. While the performance of different industries did vary, the Group has been cautiously monitoring the investment portfolio and shall be determined to make any strategic moves. The Group considers that the Further Disposals represent opportunities to allow the Group to reallocate the financial resources and investment portfolio. The Group will apply the net proceeds from the Further Disposals of approximately HK\$22.76 million for general working capital of the Group.

As the Further Disposals were made at the prevailing market prices in the open market, the Directors are of the view that the Further Disposals were fair and reasonable on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

“Board”	the board of Directors
“China Nuclear Energy”	China Nuclear Energy Technology Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 611)
“China Nuclear Energy Shares”	ordinary shares of HK\$0.1 each in the share capital of China Nuclear Energy
“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”	the directors of the Company
“Further Disposals”	the disposals of the Sale Shares for an aggregate consideration of HK\$22.79 million (excluding stamp duty and related expenses)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Parties”	person(s) which, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/ are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Disposals”	the disposals of an aggregate of 47,916,000 China Nuclear Energy Shares during the period from 10 January 2023 to 4 January 2024 (both days inclusive), details fo which are disclosed in the announcement of the Company dated 4 January 2024
“Sale Shares”	a total of 54,540,000 China Nuclear Energy Shares disposed of by the Group on the open market during the period from 16 January 2023 to 15 January 2024 (both days inclusive)
“Shareholders”	holders of the shares of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 15 January 2024

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.