Value Convergence Holdings Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 821)

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors that based on a preliminary review of the Group's unaudited consolidated management accounts for the year ended 31 December 2018 and information currently available to the Board, the Group is expected to record a substantial increase in the unaudited consolidated loss attributable to shareholders for the year ended 31 December 2018 as compared to the same period 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Value Convergence Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on a preliminary review of the Group's unaudited consolidated management accounts for the year ended 31 December 2018 and information currently available to the Board, the Group is expected to record a substantial increase in the unaudited consolidated loss attributable to shareholders for the year ended 31 December 2018 as compared to the same period 2017. The increase was mainly attributable to (i) increase in recognition of net realised and unrealised loss on financial assets held for trading as compared to the same period last year;

(ii) share-based payment expense incurred pursuant share options by the Company granted in January 2018; (iii) increase in recognition of impairment loss on certain accounts receivable as compared to the same period last year; (iv) imputed interest in convertible bonds issued by the Company in January 2018 and June 2018; and (v) loss on acquisition of and unrealised loss on fair value change in convertible bonds issued by China Fortune Financial Group Limited acquired in January 2018.

The profit warning announcement is only a preliminary assessment by the Board based on the information currently available subject to finalization and necessary adjustments. The Company is in process of finalizing the Group's results for the year ended 31 December 2018. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be announced at the end of March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 4 February 2019

As at the date of this announcement, the Board comprises seven executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Tin Ka Pak, Timmy, Mr. Lin Hoi Kwong, Aristo, Mr. Xie Jintai, Mr. Zhang Min, Mr. Jiang Tian and Ms. Lu Mengjia; and four independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Wong Kam Choi, Kerry, $_{MH}$, Mr. Siu Miu Man, Simon and Mr. Chiang Ho Wai.