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Value Convergence Holdings Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 821)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE ON THE FORMATION OF THE JV COMPANY

References are made to (i) the announcements made by Value Convergence Holdings Limited (the “**Company**”) dated 24 July 2016 and 20 September 2016 and the circular of the Company dated 26 September 2016 in relation to, among other matters, the formation of the JV Company; (ii) the announcement of the Company dated 26 October 2016 in relation to the poll results of the extraordinary general meeting of the Company held on 26 October 2016; and (iii) the announcement of the Company dated 20 July 2018 in relation to the business update of the formation of the JV Company (the “**Announcements**”). Capitalised terms used herein shall have the same meaning as those defined in the Announcements unless the context requires otherwise.

With reference to the Announcements, the JV Company, when established, will be a limited liability company in the PRC with a registered capital of RMB1,000 million, which will be contributed as to 44.5% by VC Brokerage, 45.5% by Guangxi Jintou, 10% by Guangxi Railway. As advised by Guangxi Jintou, the respective capital contribution by Guangxi Railway will be contributed by Guangxi Communications Investment Group Co., Ltd. (廣西交通投資集團有限公司) (“**Guangxi Communications**”) instead. Guangxi Railway and Guangxi Communications are both wholly-owned subsidiaries of State-owned Assets Supervision and Administration Commission in Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會) (“**Guangxi SASAC**”). Therefore, the total investment amount for the formation of the JV Company, which remains as RMB1,000 million, shall now be contributed by VC Brokerage, Guangxi Jintou and Guangxi Communications in the amount of RMB445 million, RMB455 million and RMB100 million, representing 44.5%,

45.5% and 10% shareholding in the JV Company, respectively. The amount of capital contribution and the shareholding of VC Brokerage in the JV Company remain unchanged and the Directors consider there are no material changes on the interest of the Group in terms of the formation of the JV Company.

Guangxi Communications is a limited liability company which is solely incorporated by Guangxi SASAC in the PRC. It is principally engaged in the investment and financing of highway and infrastructure construction in Guangxi, the PRC. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, as at the date of this announcement, each of Guangxi Communication and its respective ultimate beneficial owner is third party independent of and not connected with the Company and its connected persons.

In this regard, VC Brokerage has executed the relevant documents for further submission to the CSRC on 6 September 2018. The Company shall make further announcement(s) concerning the status of the formation of the JV Company, in due course.

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

Hong Kong, 6 September 2018

As at the date of this announcement, the board of Directors 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