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 six months ended 30 June 2016 and information currently available to the Board, the Group is expected to record a slight decrease in the unaudited consolidated net loss attributable to shareholders for the six months ended 30 June 2016 as compared to the same period in 2015. However, if the net loss on the fair value change of the unlisted warrants issued by the Company for the six months ended 30 June 2015 was excluded, the Group's unaudited consolidated net loss attributable to shareholders for the six months ended 30 June 2016 is significantly more than that for the six months ended 30 June 2015.

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 six months ended 30 June 2016 and information currently available to the Board, the Group is expected to record a slight decrease in the unaudited consolidated net loss attributable to shareholders for the six months ended 30 June 2016 as compared to the same period in 2015.

However, if the net loss on the fair value change of the unlisted warrants issued by the Company for the six months ended 30 June 2015 was excluded, the Group's unaudited consolidated net loss attributable to shareholders for the six months ended 30 June 2016 is significantly more than that for the six months ended 30 June 2015. The increase was mainly attributable to (i) the Group's operating performance had been adversely affected by the deteriorated local stock market conditions in the first half of 2016; (ii) the increase in corporate expenses incurred for the Group's business development; and (iii) the increase in the net loss from the Group's investments held for trading due to the fluctuations of the local stock market in the first half of 2016.

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 six months ended 30 June 2016. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2016, which is expected to be announced at the end of August 2016.

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
Tin Ka Pak, Timmy
Chief Executive Officer & Executive Director

Hong Kong, 14 July 2016

As at the date of this announcement, the Board comprises six Executive Directors, namely, Mr. Tin Ka Pak, Timmy (Chief Executive Officer), Mr. Chau King Fai, Philip, Mr. Cheng Tze Kit, Larry (Chief Investment Officer), Ms. So Wai Yee, Betty (Chief Financial Officer), Mr. Lin Hoi Kwong, Aristo and Mr. Xie Jintai; one Non-executive Director, Mr. Chung Chi Shing, Eric; and three Independent Non-executive Directors, namely, Mr. Ip Chun Chung, Robert, Mr. Wong Chung Kin, Quentin and Mr. Wong Kam Choi, Kerry, MH.