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VALUE CONVERGENCE HOLDINGS LIMITED

滙盈控股有限公司

(Incorporated in Hong Kong with limited liability)

website: <http://www.valueconvergence.com>

(Stock Code: 8101)

ANNOUNCEMENT PURSUANT TO RULES 17.15 TO 17.17 OF THE GEM LISTING RULES

This announcement is made pursuant to Rules 17.15 to 17.17 of the GEM Listing Rules.

Under Rules 17.15 to 17.17 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), a company listed on GEM is required to disclose certain details of relevant advances to an entity and its subsidiaries and associated companies if such advances exceed 8% of its assets ratio as defined under rule 19.07(1) (the “**Asset Ratio**”). A disclosure obligation also arises where the relevant advance to an entity increases from that previously disclosed and the amount of the increase since is 3% or more under the Assets Ratio.

Accordingly, Value Convergence Holdings Limited (the “**Company**”) makes this announcement to disclose as follows:

On 20 April 2006, VC Brokerage Limited, a subsidiary of the Company (“**VC Brokerage**”) advanced an amount of approximately HK\$57.3 million to a new entity who is independent of and not connected with the Company, its directors, chief executive and the substantial shareholders and any of their respective associates (as defined in the GEM Listing Rules) of the Company. Details of the account receivables to such new entity are set out in the table as follows:

Client	Approximate outstanding balance as at 20 April 2006 (HK\$)	% of total assets of the Company	Repayment terms	Type of collateral
Entity J	57.3 million	12.1%	On demand	Listed securities

Entity J is a subsidiary of a company listed on the main board of the Stock Exchange of Hong Kong. The listed group is mainly engaged in the manufacturing and marketing of electrical appliances and property investment and development. The principal activity of Entity J is investment and trading of securities.

Entity J has been a client of VC Brokerage since year 2003 and has never defaulted in repayment in respect of advances made by VC Brokerage.

As at the date of this announcement, Entity J has fully repaid the amount owed to VC Brokerage.

The accounts receivables listed above resulted from an extension of funds to the entity referred above to subscribe for shares in a company under an initial public offer, which was made in the ordinary and usual course of business of the Company and on normal commercial terms. The advance was provided on the basis of VC Brokerage's credit assessments made on the client's financial strength, repayment ability and the provision of collateral which VC Brokerage considered to be adequate in the circumstances. The applicable interest rate was equivalent to that charged to other borrowers of similar financial standing.

Pursuant to Rule 17.15, as the amount of the accounts receivable as at the date of the advance exceeded 8% of the Company's latest published audited total assets, the Company is under a general disclosure obligation to disclose certain particulars of the accounts receivable as prescribed under Rule 17.17 of the GEM Listing Rules.

The Company has applied for and the Stock Exchange has granted a waiver against the strict compliance of Rules 17.17 (3) and (4) in not disclosing the identity of the debtor group and the interest rate in relation to the aforementioned advance.

Save as disclosed above, the directors of the Company confirm that the Company does not have other disclosure obligation in respect of Entity J under Rules 17.15 to 17.17 of the GEM Listing Rules as at the date of this announcement.

By order of the Board of
Value Convergence Holdings Limited
Samuel Tsang
Company Secretary

Hong Kong, 16 August 2006

As at the date hereof, the board of directors of the Company comprises three executive directors, namely, Dr. Ho Hung Sun, Stanley (Chairman), Mr. Ho, Lawrence Yau Lung (President and Vice Chairman) and Dr. Lee Jun Sing and three independent non-executive directors, namely, Attorney Patajo-Kapunan, Lorna, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kanhee, Anthony.

This announcement, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.valueconvergence.com.