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VALUE CONVERGENCE HOLDINGS LIMITED

(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 “**Assets Ratio**”).

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

As more particularly set out below, VC Brokerage Limited (“**VC Brokerage**”), a subsidiary of the Company, has made an advance on normal commercial terms to an entity to subscribe for shares in a company under an initial public offer (“**IPO**”), which is made in the ordinary and usual course of business of the Company.

The advance was made on the basis of VC Brokerage’s credit assessments made on the client’s financial strength, repayment ability and securities collateral provided.

In respect of an advance made for the subscription for shares under an IPO, the likely popularity and liquidity of the relevant stock to be listed and the relatively short term nature of such advance were further considered. In respect of all advances in relation to IPO financing, the Company expects that the full value of the IPO stocks would be collateralised when the shares are allotted. Any collateral provided by the relevant entity for IPO will not be released by VC Brokerage unless and until all sums due and owing to VC Brokerage either have been fully repaid by the relevant entity or continue to be fully covered by the remaining collateral. As at the date of this announcement, the advance mentioned in this announcement in respect of IPO financing has been fully repaid by the relevant entity as set out below. After taking into the account the factors as disclosed above in assessing the risks of the relevant advance, the Company considered that the risks involved in the relevant advance to the entity set out below to be relatively low. The applicable interest rate was equivalent to those charged to other borrowers of similar financial standing.

3 October 2007

On 3 October 2007, VC Brokerage advanced approximately HK\$177 million to Entity AX which 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). Details of the account receivable to Entity AX are set out as follows:

Client	Approximate amount of account receivable as at 3 October 2007 (HK\$)	% of the published total assets of the Company as at 30 June 2007	% of advance to the published net assets value of the Company as of 30 June 2007	Collateral market value (excl. IPO stock) as at date of advance (HK\$)	IPO stock concerned and number of times of over-subscription
Entity AX	177 million	9.3%	84.9%	N/A	Xinjiang Xinxin Mining Industry Co., Ltd. (475 times)

In respect of the above advance made to Entity AX, the repayment was on demand. The advance was secured by the relevant securities to be listed under the relevant IPO, when allotted, and/or listed securities in the custody of VC Brokerage and was made at an interest rate of not more than 12.5%. The interest rate disclosed represents interest rate in respect of margin financing advances (if any) to Entity AX, and interest rate in respect of IPO advance was significantly lower than the aforementioned rate. The financing period to Entity AX in relation to the IPO of Xinjiang Xinxin Mining Industry Co., Ltd. was 8 days from the closing date of the relevant IPO.

Entity AX is an affiliated company of a listed company. Entity AX has been a client of VC Brokerage for more than 2 years and has never defaulted in the repayment in any advances made by VC Brokerage.

As the amount of the account receivable listed above exceeded 8% of the Company's then latest published total assets, the Company is under a general disclosure obligation to disclose certain particulars of the account receivable as prescribed under Rule 17.17 of the GEM Listing Rules.

In respect of the aforementioned advance, the Company has applied for and the Stock Exchange has granted waiver from the strict compliance of Rules 17.17(3) and (4) on the disclosure of the identity of the relevant entity as set out above and the actual interest rate in relation to the advance made.

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

Hong Kong, 23rd October 2007

As at the date hereof, the board comprises two Executive Directors, namely, Mr. Ho, Lawrence Yau Lung (President and Vice Chairman) and Mr. Patrick Sun (Chief Executive Officer); three Non-executive Directors, namely, Dr. Ho Hung Sun, Stanley (Chairman), Dr. Lee Jun Sing and Attorney Patajo-Kapunán, Lorna; and three Independent Non-executive Directors, namely, Mr. Sham Sui Leung, Daniel, Dr. Tyen Kanhee, Anthony and Mrs. Chu Ho Miu Hing.

This announcement, for which the directors of VALUE CONVERGENCE HOLDINGS LIMITED collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to VALUE CONVERGENCE HOLDINGS LIMITED. The directors of VALUE CONVERGENCE HOLDINGS LIMITED, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained 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 Announcement” page for at least 7 days from the date of its posting and on the website of the Company at www.valueconvergence.com.