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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 2016 and information currently available to the Board, the Group is expected to record a significant increase in the unaudited consolidated loss attributable to shareholders for the year ended 31 December 2016 as compared to the same period in 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 year ended 31 December 2016 and information currently available to the Board, the Group is expected to record a significant increase in the unaudited consolidated loss attributable to shareholders for the year ended 31 December 2016 as compared to the same period in 2015. The significant increase was mainly attributable to (i) the Group's operating performance from the financial related businesses had been adversely affected by the deteriorated local stock market conditions throughout 2016; (ii) the increase in corporate operating expenses incurred for the Group's business development; (iii) the immediate recognition of the fair value on the 41 million share options granted in September 2016; and (iv) the possibility for recognition of impairment loss on accounts receivable from the Group's money lending services, which had been partially set-off by the increase in the net gain from the Group's listed investments held for trading and the fair value change from the Group's unlisted equity investment in 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 year ended 31 December 2016. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2016, which is expected to be announced at the end of March 2017.

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, 22 February 2017

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Tin Ka Pak, Timmy (Chief Executive Officer), Mr. Chau King Fai, Philip, 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. Wong Chung Kin, Quentin, Mr. Wong Kam Choi, Kerry, $_{MH}$ and Mr. Siu Miu Man, Simon.