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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)

**PLACING OF EXISTING SHARES AND
TOP-UP SUBSCRIPTION OF NEW SHARES
AND
RESUMPTION OF TRADING**

On 6 September 2007, the Vendor entered into the Placing and Subscription Agreement with the Placing Agent, pursuant to which (i) the Vendor agreed to place, through the Placing Agent, up to 61,000,000 Placing Shares at a price of HK\$4.20 per Share, on a best efforts basis, to not less than six Placées; and (ii) the Vendor conditionally agreed to subscribe for up to 61,000,000 Subscription Shares at a price of HK\$4.20 per Share. The maximum Placing Shares (or the maximum Subscription Shares) of 61,000,000 Shares represent (i) approximately 19.78% of the existing issued share capital of the Company of 308,357,451 Shares; and (ii) approximately 16.52% of the issued share capital of the Company of 369,357,451 Shares as enlarged by the Top-Up Subscription (assuming the maximum Subscription Shares are issued).

The Placing Price (or the Subscription Price) of HK\$4.20 represents (i) a discount of approximately 10.26% to HK\$4.68 per share as quoted on the Stock Exchange on 6 September 2007, being the last trading price of the Shares immediately before the trading in shares was suspended at 10:25 a.m. on 6 September 2007; (ii) a discount of approximately 15.83% to the closing price of HK\$4.99 per Share as quoted on the Stock Exchange on 5 September 2007, being the last full trading day immediately prior to the date of the Placing and Subscription Agreement; and (iii) a discount of approximately 2.78% to the average closing price per Share of HK\$4.32 as quoted on the Stock Exchange for the last five full trading days up to the date of the Placing and Subscription Agreement.

The Placing is unconditional while the Top-Up Subscription is subject to the conditions set out in the paragraph headed “Conditions of the Top-Up Subscription” below. An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

The Company is currently held as to 52.19% by Melco, through the Vendor and is a subsidiary of Melco. Immediately after completion of the Placing and the Top-Up Subscription, the shareholding interests of Melco in the Company will be reduced to approximately 43.57% of the then issued share capital of the Company as enlarged by the Subscription Shares (assuming the maximum number of Placing Shares and Subscription Shares are placed and issued, respectively) and the Company will cease to be a subsidiary of Melco and will become an associate of Melco.

The net proceeds from the Top-Up Subscription of approximately HK\$247.8 million will be utilized as general working capital of the Group or applied to the possible acquisition of The Macau Chinese Bank Limited, as referred to in the announcement of the Company dated 9 July 2007, if and when it materializes or to other investment opportunities as and when they arise.

At the request of the Company, trading in Shares on the Stock Exchange was suspended from 10:25 a.m. on Thursday, 6 September 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 7 September 2007.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date: 6 September 2007

Parties Involved:

- (1) Melco Financial, as the Vendor, which held approximately 52.19% of the issued share capital of the Company before entering into the Placing and Subscription Agreement;
- (2) the Company; and
- (3) JPMorgan, as the Placing Agent.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s), are independent of and not connected with any of the Directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries or any of their respective associates and are not connected persons of the Company.

(A) The Placing

Number of Placing Shares

The maximum Placing Shares (or the Top-Up Subscription Shares) of 61,000,000 Shares represent:

- (i) approximately 19.78% of the issued share capital of the Company of 308,357,451 Shares as at the date of this announcement; and
- (ii) approximately 16.52% of the issued share capital of the Company of 369,357,451 Shares as enlarged by the Top-Up Subscription (assuming the maximum Subscription Shares are issued).

Placing Price

The Placing Price (or the Top-Up Subscription Price) of HK\$4.20 represents:

- (i) a discount of approximately 10.26% to HK\$4.68 per share as quoted on the Stock Exchange on 6 September 2007, being the last trading price of the Shares immediately before the trading in shares was suspended at 10:25 a.m. on 6 September 2007;
- (ii) a discount of approximately 15.83% to the closing price of HK\$4.99 per Share as quoted on the Stock Exchange on 5 September 2007, being the last full trading day before the date of the Placing and Subscription Agreement; and
- (iii) a discount of approximately 2.78% to the average closing price per Share of HK\$4.32 as quoted on the Stock Exchange for the last five full trading days up to the date of the Placing and Subscription Agreement.

The net Placing Price, after taken into account the estimated expenses for the Placing and the Top-Up Subscription of approximately HK\$8.4 million (equivalent to approximately HK\$0.14 per Placing Share), would be approximately HK\$4.06 per each Placing Share.

The Placing Price is negotiated and determined after arm's length negotiations between the Vendor, the Company and the Placing Agent with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price and the terms of the Placing and Subscription Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Independence of the Placees

The Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and other investors, and who and whose ultimate beneficial owners, are (i) not connected person(s) (as defined in the GEM Listing Rules) of the Company and its subsidiaries; and (ii) not parties acting in concert with the Vendor and its associates.

It is expected that none of the Placees will become substantial Shareholders immediately after the Placing, as prescribed under the Listing Rules.

Condition and completion of the Placing

The Placing is unconditional and it is expected that the Placing will be completed by 20 September 2007.

Rights of the Placing Shares

The Placing Shares will be placed by the Vendor free from all liens, charges, encumbrances and any third party rights and together with all rights attaching thereto at the date of completion of the Placing.

Placing commission payable to the Placing Agent:

The Placing commission is calculated as 3% of the amount equal to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent under the Placing.

(B) The Top-Up Subscription

Subscription Price

The Subscription Price is HK\$4.20 per Share, which is the same as the Placing Price and is arrived at after arm's length negotiations between the Company, the Vendor and the Placing Agent with reference to the Placing Price of the Placing Shares.

Number of Subscription Shares

The number of Subscription Shares is equivalent to the number of Placing Shares, being a maximum of 61,000,000 Shares.

Ranking of Top-Up Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* amongst themselves and with all the existing Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions of the Top-Up Subscription

The Top-Up Subscription is conditional upon:

1. completion of the Placing; and
2. the GEM Listing Committee granting the listing of, and permission to deal in, all of the Subscription Shares;

The Placing and Subscription Agreement does not provide either party the rights to waive the above conditions.

Completion of the Top-Up Subscription

Under the GEM Listing Rules, the Top-Up Subscription must be completed within 14 days after the date of the Placing and Subscription Agreement, that is, on or before Thursday, 20 September 2007.

Subject to fulfillment of the above conditions, completion of the Top-Up Subscription will take place on the second business days following the day upon which all of the conditions set out above are satisfied, provided that completion will not be later than 14 days after the date of the Placing and Subscription Agreement or such later date as the Company and the Vendor may agree in writing.

If the conditions are not fulfilled by 20 September 2007, the Top-Up Subscription will lapse if not otherwise extended. If the date of completion of the Subscription is by mutual agreement extended beyond 20 September 2007, the Top-Up Subscription will constitute a connected transaction under Chapter 20 of the GEM Listing Rules which will require the approval of the independent Shareholders and the Company will take steps to ensure compliance with the GEM Listing Rules. Further announcement in this regard will be made by the Company as and when applicable.

Application for listing

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

General Mandate

The Subscription Shares will be issued under the general mandate (“General Mandate”) granted to the Directors at the extraordinary general meeting (the “EGM”) of the Company held on 17 August 2007. The General Mandate provides that the Directors may allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at the date of which the relevant resolution was passed at the EGM (i.e. 61,671,490 Shares). As at the date of this announcement, the Company has not issued any new Shares that may be issued under the General Mandate.

EFFECTS ON SHAREHOLDING

The following table shows the shareholding structure of the Company (1) as at the date of this announcement; (2) immediately after completion of the Placing but before the Top-Up Subscription; and (3) immediately after completion of the Placing and the Top-Up Subscription (assuming the maximum number of Placing Shares and Subscription Shares are placed and issued, respectively).

Name of Shareholder	As at the date of this announcement		Immediately after completion of the Placing but before the Top-Up Subscription		Immediately after completion of the Placing and the Top-Up Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Vendor	160,930,381	52.19	99,930,381	32.41	160,930,381	43.57
Mr. Ho, Lawrence Yau Lung (Note 1)	4,232,627	1.37	4,232,627	1.37	4,232,627	1.15
Dr. Ho Hung Sun, Stanley (Note 2)	7,384,651	2.39	7,384,651	2.39	7,384,651	2.00
Dr. Lee Jun Sing (Note 3)	6,299,702	2.04	6,299,702	2.04	6,299,702	1.71
Public Shareholders						
The Placee(s)	–	–	61,000,000	19.78	61,000,000	16.52
Other public Shareholders	129,510,090	42.00	129,510,090	42.00	129,510,090	35.06
	<u>308,357,451</u>	<u>100.00</u>	<u>308,357,451</u>	<u>100.00</u>	<u>369,357,451</u>	<u>100.00</u>

Notes:

1. Mr. Ho, Lawrence Yau Lung is taken to be interested in 4,232,627 Shares as a result of him being beneficially interested in the entire issued share capital of Golden Mate Co., Ltd. which in turn holds approximately 1.37% of the existing issued share capital of the Company as at the date of this announcement.
2. Dr. Ho Hung Sun, Stanley is taken to be interested in 7,384,651 Shares as a result of him being beneficially interested in 65% of the issued share capital of Bailey Development Limited which in turn holds approximately 2.39% of the existing issued share capital of the Company as at the date of this announcement.

3. Dr. Lee Jun Sing is taken to be interested in 6,299,702 Shares as a result of him being beneficially interested in the entire issued share capital of Best Summit International Limited which in turn holds approximately 2.04% of the existing issued share capital of the Company as at the date of this announcement.

The Company is currently held as to 52.19% by Melco, through the Vendor and is a subsidiary of Melco. Immediately after completion of the Placing and the Top-Up Subscription, the shareholding interests of Melco in the Company will be reduced to approximately 43.57% of the then issued share capital of the Company as enlarged by the Subscription Shares (assuming the maximum number of Placing Shares and Subscription Shares are placed and issued, respectively) and the Company will cease to be a subsidiary of Melco and will become an associate of Melco.

CAPITAL RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The following table summarised the capital raising activities of the Group during the past 12 months immediately before the date of this announcement:

Date of announcement	Event	Approximate net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
10 July 2007	Placing of 50,680,000 existing Shares and Top-Up Subscription of 50,680,000 new Shares	Approximately HK\$109.5 million	As general working capital of the Group or applied to the possible acquisition of The Macau Chinese Bank Limited, if and when it materializes, as referred to in the announcement of the Company dated 9 July 2007 or to other investment opportunities as and when they arise.	As general working capital of the Group

REASONS FOR THE PLACING AND TOP-UP SUBSCRIPTION AND USE OF PROCEEDS

The Directors considered various ways of raising funds and are of the view that the Placing and Top-Up Subscription represent opportunities to raise capital for the Company while broadening the shareholder base and the capital base of the Company. The gross proceeds from the Top-Up Subscription is approximately HK\$256.2 million. The Company will bear the costs and expenses in connection with the Placing and Top-Up Subscription incurred by the Vendor, the Placing Agent and itself. The net proceeds from the Top-Up Subscription (after deducting the commission for the Placing and other expenses which will be paid by the Company) of approximately HK\$247.8 million will be utilized as general working capital or applied to the possible acquisition of The Macau Chinese Bank Limited, if and when it materializes, as referred to in the announcement of the Company dated 9 July 2007 or to other investment opportunities as and when they arise.

INFORMATION ON THE GROUP

The Group is engaged in securities, futures and option contracts brokerage mainly on the Stock Exchange and the provision of other related financial services including margin financing, securities underwriting, placing arrangement, assets management and corporate finance advisory services focusing on the markets in Hong Kong, Macau and the People's Republic of China.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was suspended from 10:25 a.m. on Thursday, 6 September 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 7 September 2007.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, terms used herein shall have the following meaning:

“Board”	the board of directors of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 32) of the Laws of Hong Kong
“Company”	Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance whose shares are listed on GEM
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“GEM Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Melco”	Melco International Development Limited, a company incorporated under the laws of Hong Kong, the shares of which are listed on the Stock Exchange
“Placing”	the placing of 61,000,000 existing Shares beneficially owned by the Vendor pursuant to the terms of the Placing and Subscription Agreement
“Placee”	any professional, institutional or other investors procured by or on behalf of the Placing Agent to purchase any of the Placing Shares by or on behalf of the Placing Agent to selected investors pursuant to the terms of the Placing and Subscription Agreement
“Placing Agent” or “JPMorgan”	J.P. Morgan Securities (Asia Pacific) Limited
“Placing and Subscription Agreement”	the Placing and Subscription Agreement entered into between the Vendor, the Company and the Placing Agent dated 6 September 2007 in relation to the Placing and Top-Up Subscription
“Placing Price”	HK\$4.20 per Share
“Placing Shares”	61,000,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Placing and Subscription Agreement
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Subscription”	the subscription of 61,000,000 new Shares pursuant to the term of the Placing and Subscription Agreement

“Subscription Price”	HK\$4.20 per Share
“Subscription Shares”	61,000,000 new Shares to be subscribed for by the Vendor pursuant to the Placing and Subscription Agreement
“Vendor” or “Melco Financial”	Melco Financial Group Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of Melco
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of
Value Convergence Holdings Limited
Patrick Sun
Chief Executive Officer

Hong Kong, 6 September 2007

As at the date of this announcement, the Board of the Company 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-Kapunan, 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 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.