



VALUE CONVERGENCE HOLDINGS LIMITED

滙盈控股有限公司

(A member of the Melco Group)

[For Immediate Release]

Value Convergence Announces 2007 Annual Results Profit Attributable to Shareholders Increased by 90% to HK\$50 Million

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Continue to Enhance Product and Service Offering Actively Seek Opportunities to Tap Greater China Market

(Hong Kong, 14 March 2008) **Value Convergence Holdings Limited** (“Value Convergence” or the Group, HKSE stock code: 8101), a renowned financial service group in the Greater China region, today announced its annual results for the year ended 31 December 2007.

Capitalizing on the buoyant stock market in Hong Kong in 2007, Value Convergence delivered encouraging results in all business divisions. For the year ended 31st December 2007, the Group’s consolidated revenue was approximately HK\$323.4 million, an increase of about 77% compared with 2006. Consolidated profit attributable to shareholders increased by about 90% to approximately HK\$50 million for the year under review. Basic earnings per share were HK16.97 cents (2006: HK10.45 cents). The Board of Directors doesn’t recommend an annual dividend for the year ended 31 December 2007.

Mr. Patrick Sun, Chief Executive Officer of Value Convergence, said, “We are glad to see Value Convergence recorded satisfying results in the past year. Besides having broking and margin finance businesses as our key profit contributor, we also participated in a major initial public offering as a joint sponsor, which verified our ability in deal execution and handling large fund raising exercises.”

Brokerage division recorded greater profits from its broking and margin-financing businesses in the past year. Gross commission income increased by about HK\$108 million, a 102.7% growth when compared with 2006, and net brokerage commission income increased by 99.3%. Revenue and operating profit from this business segment were approximately HK\$213.2 million (2006: HK\$105.2 million) and HK\$36.1 million (2006: HK\$ 6 million) respectively for the year under review. Margin and other financing business also reported satisfactory growth, with operating profit at approximately HK\$26.3 million, 75.3% more than the HK\$15 million last year.

Turnover and operating profits of the **Corporate Finance division** were HK\$32.9 million (2006: HK\$16.1 million) and HK\$7.8 million (2006: HK\$7.2 million) respectively. Included in the operating profits was a gain of HK\$2.3 million (2006: HK\$11.3 million) from the Group’s own investment trading portfolio. Seeing great success from jointly sponsoring the initial public offering of Hidili Industry International Limited, the Group will put more resources on IPO sponsorships in the future, capturing business opportunities in underwriting and placement.



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As for the **Asset Management division**, the Group is in the process of setting up a real estate private equity fund that will focus on the development of residential properties in Macau. It is intended that the Group, in partnership with a renowned international financial institution, will act as the manager of this fund. This initiative will diversify the Group's product portfolio and enhance its fee-based revenue stream, and in turn contribute to the overall financial performance of the Group in the next financial year.

On the corporate governance front, the Group has in place a Code on Corporate Governance Practices, which sets out the corporate standards and practices used by the Group in directing and managing business affairs. In recognition of its achievements and excellent corporate management, Economic Digest granted a "Hong Kong Outstanding Enterprises Award" to Value Convergence in 2007.

Mr. Sun added, "Satisfied with our achievements in the last year, we also recognise that our business performance is very much dependent on market conditions and how well we can cope with competition. Therefore, we will continue to focus on improving operational efficiency by investing in information technology and implementing strict cost control in the year to come. Moreover, heeding recent changes in the global financial and banking market, we see the need to more prudently evaluate the acquisition of Macau Chinese Bank and therefore, allowed the agreements relating to this acquisition to lapse at the end of February 2008. We are still interested in acquiring an interest in the bank and will reassess it very carefully with the best interest of our shareholders in mind. Meanwhile, we will continue to keep our eyes on other investment opportunities that can allow us to expand our revenue base."

Looking ahead, there are doubts that the US economy heading for recession may increase volatility of the stock market. Nevertheless, the management remains optimistic about the long-term prospects of the Group's financial service business. "With strong experience and managerial know-how in the financial service industry, we will continue to enhance our product and service offerings to cater for clients' diverse and growing needs. The Group will also actively pursue strategic acquisitions that can enable it to capture new business opportunities in the rapidly growing financial markets in the Greater China region and broaden our customer base, revenues and profit fundamentals, and ultimately improve shareholder value." **Mr. Sun** concluded.

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About Value Convergence

Value Convergence is a major financial services group that provides professional brokerage, corporate finance and asset management services to a broad base of clients in the Greater China region. Its holding company, Value Convergence Holdings Limited (stock code: 8101), is listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. An associate company of Melco International Development Limited (stock code: 200), Value Convergence combines the strength and experience of its professional management team with continuous support from its single largest shareholder for achieving steady growth. For more details, please visit www.vcgroup.com.hk.



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