



VALUE CONVERGENCE HOLDINGS LIMITED

滙盈控股有限公司

(A member of the Melco Group)

[For Immediate Release]

## Value Convergence Announces 2008 First Quarterly Results

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### Seeks To Grow Organically and Through Business Diversification

(Hong Kong, 8 May 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 first quarterly results for the three months ended 31 March 2008.

During the period under review, affected by the sub-prime crisis in the US and China delaying the launch of the individual investment scheme (IIS), the average daily turnover of the Hong Kong stock market was down by more than 25% to approximately HK\$98.7 billion. The Group’s businesses were affected by the weak market sentiment. For the three months ended 31 March 2008, unaudited consolidated revenue decreased by about 29.3% to approximately HK\$40.8 million when compared with the corresponding period last year. Profit before taxation decreased by about HK\$1.6 million to approximately HK\$7.9 million (2007: HK\$9.5 million). Consolidated net profit decreased by about HK\$1.2 million to approximately HK\$6.3 million. Basic earnings per share were HK1.71 cents (three months ended 31 March 2007: HK2.94 cents).

The Board of Directors does not recommend payment of dividend for the three months ended 31 March 2008.

**Mr. Patrick Sun, Chief Executive Officer of Value Convergence**, said, “After a bumper last year, we expect to face tougher market conditions this year especially as Beijing is taking steps to cool the economy and tame inflation. Nevertheless, the management remains optimistic about the long-term prospects of the Group’s financial services business. We will continue to adjust our focus to make sure we are able to take full advantage of our strong experience and management know-how in the financial services industry to explore potential strategic business opportunities in Macau and Asia.”

During the period under review, the **Brokerage division** recorded overall revenue and operating profit of approximately HK\$26.8 million and HK\$1.8 million respectively. With the highly volatile market dampening investment sentiment, gross brokerage commission income decreased by about HK\$9.3 million, approximately 25.8% less than that in the same period last year. Notwithstanding the decrease in commission income, net brokerage commission income

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increased by approximately 3.3% as a result of reduction in commission expenses. On the other hand, margin and other financing business recorded stable growth, registering operating profit of approximately HK\$7 million, up by about HK\$2.4 million against the corresponding period last year.

With the fund raising market diminishing in the first quarter of 2008, the **Corporate Finance division** recorded turnover of approximately HK\$1.9 million and operating loss of approximately HK2.8 million.

As for the **Asset Management division**, the Group is in the process of setting up a private equity property development fund that will focus on residential properties in Macau. The Group plans to partner with a leading international financial institution to co-manage the fund and take advantage of the substantial business opportunities in Macau real estate markets.

**Mr. Patrick Sun** concluded, "Diversifying into the management of private equity real estate fund will help expand the Group's product portfolio and enhance its fee-based revenue stream. We believe the residential property market of Macau has tremendous growth potential which is what a real estate fund looks for. Moreover, as a major financial services group that provides professional brokerage, corporate finance and asset management services, VC has always been keen to pursue strategic acquisitions that can allow us to expand market coverage in the Greater China region, broaden our customer and revenue base and enhance our profit fundamentals. Our ultimate aim is to deliver improved shareholder value."

#### **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. A subsidiary 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](http://www.vcgroup.com.hk).

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