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VALUE CONVERGENCE HOLDINGS LIMITED  
匯 盈 控 股 有 限 公 司

*(Incorporated in Hong Kong with limited liability)*

*website: <http://www.valueconvergence.com>*

*(Stock Code: 8101)*

## ANNOUNCEMENT HIGH CONCENTRATION OF SHAREHOLDINGS

This announcement is made at the request of the Stock Exchange.

On 10th May, 2005, the Board of the Company was informed by the Stock Exchange that, on the basis of the information provided to the Stock Exchange by the Securities and Futures Commission, as at 14th April, 2005, nine shareholders of the Company held an aggregate of 37,115,553 Shares, representing approximately 15.58% of the issued share capital of the Company on 14th April, 2005. The Board has no further knowledge of the identities of the nine shareholders referred to above other than the information provided to it by the Stock Exchange.

The aggregate shareholdings of Melco Financial Group Limited, Dr. Stanley Ho (the Company's Chairman), Mr. Lawrence Ho (the Company's Vice Chairman and an Executive Director) and Dr. Lee Jun Sing (an Executive Director of the Company) as at 14th April, 2005 represented approximately 75% of the issued share capital of the Company in aggregate.

According to the information provided to the Board of the Company by the Stock Exchange on 10th May 2005, the remaining public shareholders hold 8.6% of the issued share capital of the Company on 14th April, 2005. The Board has taken steps to verify the information provided to it by the Stock Exchange but is unable to do so without further details in respect of the nine shareholders mentioned in the Stock Exchange's letter of 10th May 2005.

Given the Stock Exchange's indication that there was a large proportion of the issued Shares in the hands of a relatively small number of shareholders, the share price might be volatile and subject to large increases and decreases as a result of the trading of even a relatively small number of Shares. **In view of the high concentration of Shares in the hands of a small number of shareholders, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") under Rule 17.10 of the GEM Listing Rules.

On 10th May, 2005, the board of directors (the "Board") of Value Convergence Holdings Limited (the "Company") was informed by the Stock Exchange that, on the basis of the information provided to the Stock Exchange by the Securities and Futures Commission, as at

14th April, 2005, nine shareholders of the Company held an aggregate of 37,115,553 shares of the Company (“Shares”), representing approximately 15.58% of the issued share capital of the Company. The Board has no further knowledge of the identities of the nine shareholders referred to above other than the information provided to it by the Stock Exchange.

The aggregate shareholdings of Melco Financial Group Limited, Dr. Stanley Ho (the Company’s Chairman), Mr. Lawrence Ho (the Company’s Vice Chairman and an Executive Director) and Dr. Lee Jun Sing (an Executive Director of the Company) as at 14th April, 2005 represented approximately 75% of the issued share capital of the Company in aggregate.

According to the information provided to the Board of the Company by the Stock Exchange on 10th May 2005, the remaining public shareholders held 8.6% of the issued share capital of the Company on 14th April, 2005. The Board has taken steps to verify the information provided to it by the Stock Exchange but is unable to do so without further details in respect of the nine shareholders mentioned in the Stock Exchange’s letter of 10th May 2005.

The Company has also reviewed the list of the shareholders of the Company provided by the Company’s registrar, Abacus Share Registrars Limited, and the CCASS Participants Shareholding Report generated by Hong Kong Securities Clearing Company Limited. The following table shows the shareholding structure of the Company as at 14th April, 2005:

|                         |   | Number of<br>Shares | Approximate<br>percentage of<br>the issued<br>share capital<br>of the Company |
|-------------------------|---|---------------------|---|
| Controlling shareholder | Melco Financial Group Limited ( <i>Note 1</i> )     | 160,930,381         | 67.57%  |
| Other shareholders      | Bailey Development Limited ( <i>Note 2</i> )        | 7,384,651           | 3.10%   |
|                         | Golden Mate Co., Ltd. ( <i>Note 3</i> )             | 4,232,627           | 1.78%   |
|                         | Best Summit International Limited ( <i>Note 4</i> ) | 6,299,702           | 2.65%   |
|                         | HKSCC Nominees Limited ( <i>Note 5</i> )            | 46,309,432          | 19.45%  |
|                         | 47 shareholders ( <i>Note 6</i> )                   | 12,998,206          | 5.45%   |
|                         | Total   | <u>238,154,999</u>  | <u>100.00%</u>  |

Notes:–

- Melco Financial Group Limited was wholly owned by Melco International Development Limited. Accordingly, Melco International Development Limited is deemed to be interested in the 160,930,381 Shares held by Melco Financial Group Limited under the SFO.

2. Dr. Stanley Ho was beneficially interested in 65% of the issued share capital of Bailey Development Limited. Accordingly, Dr. Stanley Ho was deemed to be interested in the 7,384,651 Shares held by Bailey Development Limited under the SFO.
3. Golden Mate Co., Ltd. was wholly owned by Mr. Lawrence Ho. Accordingly, Mr. Lawrence Ho was deemed to be interested in the 4,232,627 Shares held by Golden Mate Co., Ltd. under the SFO.
4. Best Summit International Limited was wholly owned by Dr. Lee Jun Sing. Accordingly, Dr. Lee Jun Sing was deemed to be interested in the 6,299,702 Shares held by Best Summit International Limited under the SFO.
5. According to the CCASS Participants Shareholding Report generated by Hong Kong Securities Clearing Company Limited dated 11th May, 2005, as at 14th April, 2005, an aggregate of 46,157,443 Shares were held by 86 CCASS participants. The difference of 151,989 Shares between the list of shareholders of the Company provided by the branch registrar of the Company in Hong Kong, Abacus Share Registrars Limited, and the CCASS Participants Shareholding Report generated by Hong Kong Securities Clearing Company Limited is due to the different updating process handled by these two organizations.
6. Based on the information contained in the shareholders' register as at 14th April, 2005 provided by the Company's share registrar, 5.45% of the issued share capital of the Company was held by 47 shareholders, the majority of whom held a small number of shares in the issued share capital of the Company.

The percentage shareholdings of the persons listed below in the Company as at 13th May 2005 differ from the percentage shareholdings of such persons as at 14th April 2005 as a result of the allotment and issue of shares in the Company to employees of the Company on the exercise of options granted to such employees under the Company's employee share option scheme during the period 14th April to 13th May 2005. As at 13th May 2005, the number of issued shares of the Company was 248,821,226.

According to the last notifications received by the Company in respect of the disclosure of interests in Shares required under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), as at 13th May, 2005:

- (i) Melco Financial Group Limited (formerly known as "Melco Finance and Technology Limited), a wholly-owned subsidiary of Melco International Development Limited, the shares of which are listed on the Main Board of the Stock Exchange, is interested in 160,930,381 Shares, representing approximately 64.68% of the issued share capital of the Company;
- (ii) Bailey Development Limited, is interested in approximately 2.97% of the issued share capital of the Company. Accordingly, Dr. Stanley Ho, (the Chairman and an executive director of the Company) is taken to be interested in 7,384,651 Shares, representing approximately 2.97% of the issued share capital of the Company, as a result of him being beneficially interested in 65% of the issued share capital of Bailey Development Limited;
- (iii) Golden Mate Co., Ltd. is interested in approximately 1.701% of the issued share capital of the Company. Accordingly, Mr. Lawrence Ho (the Vice-Chairman and an executive director of the Company) 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.;

- (iv) Dr. Lee Jun Sing, taken to be interested in 6,299,702 shares as a result of him being interested in the entire issued share capital of Best Summit International Limited, representing approximately 2.53% of the issued share capital of the Company.

Save as disclosed above, and having made all reasonable enquiries of the Directors and the directors of the subsidiaries of the Company, the Company is not aware of any of its connected persons (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) having interests in five per cent. or more of the issued share capital of the Company.

Accordingly, as at the date of this announcement, approximately 25% of the issued share capital of the Company is in public hands and the Company is in compliance with the public float requirement under Rule 11.23(1) of the GEM Listing Rules.

Given the Stock Exchange’s indication that there was a large proportion of the issued Shares in the hands of a relatively small number of shareholders, the share price might be volatile and subject to large increases and decreases as a result of the trading of even a relatively small number of Shares. **In view of the high concentration of Shares in the hands of a small number of shareholders, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

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

As at the date of this announcement, the executive directors of the Company are Dr. Stanley Ho, Mr. Lawrence Ho and Dr. Lee Jun Sing and the independent non-executive directors are Attorney Patajo-Kapunan, Lorna, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kanhee, Anthony.

Hong Kong, 30th May, 2005

*This announcement, for which the directors of VALUE CONVERGENCE HOLDINGS LIMITED collectively and individually accept full responsibility, includes particulars given in compliance with 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](http://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 VALUE CONVERGENCE HOLDINGS LIMITED at [www.valueconvergence.com](http://www.valueconvergence.com).*