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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)

## **Announcement pursuant to Rules 17.15 to 17.17 of the GEM Listing Rules**

This announcement is made pursuant to Rules 17.15 to 17.17 of the GEM Listing Rules.

Under Rules 17.15 to 17.17 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), a company listed on GEM is required to disclose certain details of a relevant advance to an entity and its subsidiaries and associated companies if such advance exceeds 8% of its assets ratio as defined under rule 19.07(1) (the “**Assets Ratio**”). A disclosure obligation also arises where the relevant advance to an entity increases from that previously disclosed and the amount of the increase is 3% or more under the Assets Ratio.

Accordingly, Value Convergence Holdings Limited (the “**Company**”) makes this announcement to disclose as follows:

As more particularly set out below, VC Brokerage Limited (“**VC Brokerage**”), a subsidiary of the Company, has made advances on normal commercial terms to various entities primarily to subscribe for shares in companies under an initial public offer (“**IPO**”), which are made in the ordinary and usual course of business of the Company.

The advances were made on the basis of VC Brokerage’s credit assessments on the client’s financial strength, repayment ability and securities collateral provided. In respect of an advance made for the subscription for shares under an IPO, the likely popularity and liquidity of the relevant stock to be listed and the relatively short term nature of such advances were further considered. In respect of all advances made in relation to IPO financing, the Company expects that the full value of the IPO stocks would be collateralised when the shares are allotted. Any collateral provided by the relevant entity for IPO will not be released by VC Brokerage unless and until all sums due and owing to VC Brokerage either have been fully repaid by the relevant entity or continue to be fully covered by the remaining collateral. As at the date of this announcement, the advances mentioned in this announcement in respect of IPO financing have been fully repaid by the relevant entities. After taking into account the factors as disclosed above in assessing the risks of the relevant advances, the Company considered that the risks involved in the relevant advances to the entities set out below were relatively low. The applicable interest rates were equivalent to those charged to other borrowers of similar financial standing.

## 10 MAY 2007

On 10 May 2007, VC Brokerage advanced approximately HK\$69.9 million to Entity AT which is independent of and not connected with the Company, its directors, chief executive and substantial shareholders and any of their respective associates (as defined in the GEM Listing Rules). Details of the account receivable from Entity AT are set out as follows:

Client	Approximate amount of account receivable as at 10 May 2007 (HK\$)	% of the then latest published total assets of the Company	% of advance to the latest published net assets value of the Company as of 31 December 2006	Collateral market value (excl. IPO stock) as at date of advance (HK\$)	IPO stock concerned and number of times of over-subscription
Entity AT	69.9 million	10.1%	36.1%	0.3 million	Pacific Textiles Holdings Limited (46.16 times)

In respect of the above advance made to Entity AT, the repayment was on demand and was secured by the relevant securities to be listed under the relevant IPO, when allotted, and/or listed securities in the custody of VC Brokerage and was made at an interest rate of not more than 10.75%. The interest rate disclosed represents the interest rate in respect of margin financing advances (if any) to Entity AT, and the interest rate in respect of IPO advance is significantly lower than the aforementioned rate. The financing period to Entity AT in relation to the IPO of Pacific Textiles Holdings Limited was 7 days from the closing date of the IPO.

Entity AT is a high net worth individual. Entity AT has been a client of VC Brokerage for more than 3 years and has never defaulted in repayment of any advances made by VC Brokerage.

As the amount of the account receivable listed above exceeded 8% of the Company's then latest published total assets, the Company is under a general disclosure obligation to disclose certain particulars of the account receivable as prescribed under Rule 17.17 of the GEM Listing Rules.

## 14 MAY 2007

On 14 May 2007, VC Brokerage advanced approximately HK\$56.3 million to Entity AU which is independent of and not connected with the Company, its directors, chief executive and substantial shareholders and any of their respective associates (as defined in the GEM Listing Rules). Details of the account receivable from Entity AU are set out as follows:

Client	Approximate amount of account receivable as at 14 May 2007 (HK\$)	% of the then latest published total assets of the Company	% of advance to the latest published net assets value of the Company as of 31 December 2006	Collateral market value (excl. IPO stock) as at date of advance (HK\$)	IPO stock concerned and number of times of over-subscription
Entity AU	56.3 million	8.1%	29.1%	1.0 million	Belle International Holdings Limited (516 times)

In respect of the above advance made to Entity AU, the repayment was on demand and was secured by the relevant securities to be listed under the relevant IPO, when allotted, and/or listed securities in the custody of VC Brokerage. The advance to Entity AU was made at an interest rate of not more than 12.75%. The interest rate disclosed represents the interest rate in respect of margin financing advances (if any) to Entity AU, and the interest rate in respect of IPO advance is significantly lower than the aforementioned rate. The financing period to Entity AU in relation to the IPO of Belle International Holdings Limited was 8 days from the closing date of the IPO.

Entity AU is a private company and its principal activity is property investment. It has been a client of VC Brokerage for more than 3 years and has never defaulted in repayment of any advances made by VC Brokerage.

As the amount of account receivable listed above in relation to Entity AU exceeded 8% of the Company's then latest published total assets, the Company is under a general disclosure obligation to disclose certain particulars of the account receivable as prescribed under Rule 17.17 of the GEM Listing Rules.

As of 14 May 2007, the account receivables due from Entity AT, which is independent of and not connected with the Company, its directors, chief executive and substantial shareholders and any of their respective associates (as defined in the GEM Listing Rules), increased to HK\$239 million. The increase in the account receivables due from Entity AT since the previously disclosed balances exceeded 3% of the Company's then latest published total assets. Changes in the details of the accounts receivable from Entity AT are summarised as follows:

Client	Amount previously disclosed (HK\$)	Amount as at 14 May 2007 (HK\$)	% of the then latest published total assets of the Company	% of advance to the latest published net assets value of the Company as of 31 December 2006	Collateral market value (excl. IPO stock) as at date of advance (HK\$)	IPO stock concerned and number of times of over-subscription
Entity AT	69.9 million	70 million				Pacific Textiles Holdings Limited (46.16 times)
		169 million				Belle International Holdings Limited (516 times)
		<hr/> 239 million	34.4%	123.5%	0.3 million	

In respect of the above advances made to Entity AT, the repayment was on demand and was secured by the relevant securities to be listed under the relevant IPO, when allotted, and/or listed securities in the custody of VC Brokerage. The advances to Entity AT were made at an interest rate of not more than 10.75%. The interest rate disclosed represents the interest rate in respect of margin financing advances (if any) to Entity AT, and the interest rates in respect of IPO advances are significantly lower than the aforementioned rate. The financing periods to Entity AT in relation to the IPO of Pacific Textiles Holdings Limited was 7 days and of Belle International Holdings Limited was 8 days from the closing date of the relevant IPO.

Entity AT is a high net worth individual. It has been a client of VC Brokerage for more than 3 years and has never defaulted in repayment of any advances made by VC Brokerage.

Pursuant to Rule 17.16 of the GEM Listing Rules, as the relevant advance to Entity AT increased from that previously disclosed and the amount of the increase is 3% or more under the Assets Ratio, the Company is under a general disclosure obligation to disclose certain particulars of the accounts receivable as prescribed under Rule 17.17 of the GEM Listing Rules.

In respect of all the aforementioned advances, the Company has applied for and the Stock Exchange has granted a waiver from the strict compliance of Rules 17.17(3) and (4) on the disclosure of the identity of the Entities and the actual interest rates in relation to the advances made to them.

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

Hong Kong, 30th May 2007

*As at the date hereof, the board 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 of VALUE CONVERGENCE HOLDINGS LIMITED collectively and individually accept full responsibility, includes particulars given in compliance with the 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 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 Announcement” page for at least 7 days from the date of its posting and on the website of the Company at [www.valueconvergence.com](http://www.valueconvergence.com).*