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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)

**MAJOR TRANSACTION
ACQUISITION OF A CONTROLLING INTEREST IN
THE MACAU CHINESE BANK LIMITED
AND
RESUMPTION OF TRADING**

The Transaction

Reference is made to the announcement of the Company dated 9 July 2007 in relation to the possible acquisition of a controlling stake in The Macau Chinese Bank Limited.

On 28 September 2007, the Company entered into the Agreement with Hongkong Chinese in relation to the sale and purchase of the Sale Shares and the Sale Loan for an aggregate consideration of HK\$384 million, to be satisfied as to HK\$324 million in cash and as to HK\$60 million by the issue of the Consideration Shares.

The Sale Shares represent 60% interest in the issued share capital of Winwise and the Sale Loan represents 60% of the shareholders' loan advanced by the Vendor in favour of Winwise which is outstanding at Completion. As at the date hereof, Winwise and its wholly-owned subsidiary, DPL, are the beneficial owners of the entire issued share capital of MCB, a licensed credit institution in Macau. Prior to Completion, Winwise is a wholly-owned subsidiary of the Vendor. Upon Completion, Winwise will be owned as to 60% by the Company (which may be held through one of its wholly-owned subsidiaries) and as to 40% by the Vendor.

Completion is subject to a number of conditions in the paragraph headed "Conditions to Completion" below.

The Shareholders' Agreement

Upon Completion, the Shareholders' Agreement will be entered into amongst the Company, the Nominee, the Vendor, Winwise and DPL to regulate the respective rights and obligations of shareholders of Winwise which, together with DPL, collectively own the entire issued share capital of MCB. Salient terms of the Shareholders' Agreement are stated in the section headed "The Shareholders' Agreement" below.

The Option Deed

Upon Completion, the Company will enter into the Option Deed with the Vendor.

Under the Option Deed, the Company shall irrevocably and unconditionally grant to the Vendor the Put Option to give a right to the Vendor to sell its remaining interest in Winwise to the Company during the period commencing from the second anniversary to the fifth anniversary of the date of the Option Deed, or at any time when an event of default under the Shareholders' Agreement occurs, at the Option Consideration. In addition, the Vendor shall also irrevocably and unconditionally grant to the Company the Call Option to give a right to the Company to acquire the remaining interest in Winwise held by the Vendor at any time when an event of default under the Shareholders' Agreement occurs, at the Option Consideration.

Requirements under the GEM Listing Rules

The applicable percentage ratios (as defined in the GEM Listing Rules) for the Transaction are in excess of 25% but less than 100%. Pursuant to Chapter 19 of the GEM Listing Rules, the Transaction constitutes a major transaction for the Company which requires the approval by the Shareholders at a general meeting. An EGM will be convened and held to consider and, if thought fit, to approve, among other things, the Transaction including the issue of the Consideration Shares. As none of the Shareholders and/or their associate(s) have any interest in the Transaction (other than by virtue of their interests in the Company), no Shareholder is required to abstain from voting with regard to the Transaction. Melco Financial has undertaken to vote for the relevant resolution(s) regarding the Transaction.

A circular containing, among other things, details of the Transaction and a notice of the EGM, will be sent to the Shareholders within 21 days after the publication of this announcement.

Suspension and resumption of trading in the Shares

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 27 September 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Thursday, 4 October 2007.

On 28 September 2007, the Company entered into the Agreement with the Vendor in relation to the sale and purchase of the Sale Shares and the Sale Loan for an aggregate consideration of HK\$384 million, to be satisfied as to HK\$324 million in cash and as to HK\$60 million by the issue of the Consideration Shares.

THE AGREEMENT

Date: 28 September 2007

Vendor: Hongkong Chinese

Purchaser: the Company

The Vendor is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. According to public information, the principal activity of the Vendor is investment holding. The principal activities of the subsidiaries of the Vendor are investment holding, property investment and development, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and the ultimate beneficial owners of the Vendor are third parties independent of the Company and connected persons of the Company, and the Vendor has no other business dealings and transactions with the Group within 12 months prior to the date of the Agreement.

Assets to be acquired

The Sale Shares, being 60 shares of HK\$1.00 each in the issued share capital of Winwise, represent 60% of the issued share capital of Winwise.

The Sale Loan of HK\$156,526,930.56, represents 60% of the shareholders' loan in the aggregate principal amount of HK\$260,878,217.60 advanced by the Vendor as lender in favour of Winwise as borrower, which is outstanding at Completion.

Winwise is an investment holding company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor. It is principally engaged in investment holding. Winwise and its wholly-owned subsidiary, DPL, are the beneficial owners of the entire issued share capital of MCB, a licensed credit institution in Macau.

The Sale Consideration

The aggregate amount of the Sale Consideration is HK\$384 million, comprising the Sale Shares Consideration of HK\$227,473,069.44 and the Sale Loan Consideration of HK\$156,526,930.56. The Sale Consideration shall be settled by the Company to the Vendor in the following manner:

- (i) the sum of HK\$25 million, being the Deposit, has been paid by the Company in cash to a third party escrow agent upon the signing of the Agreement, which shall be held in escrow pending Completion;
- (ii) the sum of HK\$60 million shall be paid by the allotment and issue of the 10,000,000 Consideration Shares by the Company to the Vendor (or to such other person(s) as the Vendor may direct) at Completion; and

- (iii) the balance, being HK\$299 million together with 50% of the interest accrued on the Deposit at the normal deposit rate up to the Completion Date, shall be paid in cash at Completion.

The Consideration Shares will be issued pursuant to a specific mandate to be sought at the EGM at the Issue Price of HK\$6.00 per Consideration Share, which is subject to customary adjustments to accommodate, among other things, sub-division and consolidation of Shares in accordance with the terms of the Agreement. The 10,000,000 Consideration Shares represent approximately 2.71% of the existing issued share capital of the Company and approximately 2.64% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. The initial Issue Price of HK\$6.00 per Consideration Share is determined after an arm's length negotiation with reference to the recent closing prices of the Shares and the future prospects of the Company, and represents:

1. a premium of approximately 33.93% over the closing price of HK\$4.480 per Share as quoted on the Stock Exchange on 25 September 2007, being the last trading day preceding the date of suspension of trading in the Shares pending the release of this announcement;
2. a premium of approximately 31.64% over the average closing price of HK\$4.558 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including 25 September 2007; and
3. a premium of approximately 35.90% over the average closing price of HK\$4.415 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including 25 September 2007.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Conditions to Completion

Completion of the Transaction is subject to and conditional upon satisfaction of, inter alia, the following conditions:

- (i) the Company (and/or the Nominee) and Melco or other controlling shareholder(s) of the Company having been approved by the AMCM as a qualifying shareholder (as defined in the Financial System Act) of MCB and Winwise (being, together with DPL, the only beneficial shareholders of MCB) under the Financial System Act, insofar as required by the applicable laws in Macau;
- (ii) if required by the applicable laws in Macau, written consent from the AMCM to the change in control of Winwise (being, together with DPL, the only beneficial shareholders of MCB) and any consequent deemed change in control of MCB as contemplated by the Agreement;
- (iii) where applicable, shareholders of the Company, Melco, the Vendor and Lippo approving the entering into of the Agreement, the Shareholders' Agreement, the Option Deed, the Loan Assignment Deed and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules and/or the GEM Listing Rules;

- (iv) all licences required to be held by Winwise and/or MCB and/or any other company of the Winwise Group shall remain valid and effective;
- (v) all authorisations, consents and approvals of all governmental or regulatory authorities, agencies or bodies which are necessary or required for the purposes of the transaction contemplated in the Agreement, the Shareholders' Agreement and the Option Deed having been obtained and not having been revoked;
- (vi) no Winwise Group Company is subject to any regulatory and/or disciplinary proceedings, enquiries or disputes conducted by any governmental or regulatory body (including but not limited to the AMCM) in respect of non-compliance with any applicable laws or is subject to imposition of specific conditions by any governmental or regulatory body in relation to the conduct of the Winwise Group Company's business which will have a material adverse effect on the business of the Winwise Group and/or MCB; and
- (vii) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Consideration Shares (either unconditionally or subject to allotment and issue of the Consideration Shares and/or such other condition(s) as may be reasonably acceptable to the Vendor) on GEM.

If the conditions to Completion (other than those including conditions (iv) and (vi) above that may be waived under the Agreement by the Company prior to Completion) are not fulfilled by the parties (or waived by the Company, as the case may be) by 90 days after signing of the Agreement or such other date as may be agreed by the parties in writing, the Agreement shall be terminated and cease to be of any effect, and none of the parties shall have any right against any other party (save for liability for any antecedent breach of obligations under the Agreement). Upon such termination as a result of non-satisfaction of any of the conditions to Completion, the Deposit, together with all interest accrued thereon shall be returned to the Company. Should there be any antecedent breach of certain of its obligations (in relation to making of the application to AMCM for its relevant approval and/or using reasonable endeavours in obtaining the relevant consents and approvals for the transactions as contemplated under the Agreement) under the Agreement by the Company, the Deposit shall be retained by the Vendor as liquidated damages to the Vendor for the Company's default in Completion. Furthermore, in the event that the Agreement is terminated and/or that the conditions to Completion have not been fulfilled (or as the case may be waived by the Company), the Company shall within 5 Business Days from termination or lapse of the Agreement (as the case may be) pay to the Vendor, for the benefit of MCB, the fee of approximately HK\$800,000 paid by MCB to its auditors for the purposes of a special audit undertaken at the request of the Company.

Completion

Completion shall take place on any Business Day (with the exact date to be notified by the Company to the Vendor with at least 3 Business Days' prior written notice) within a period of 30 days after the date on which satisfaction of the last of all conditions to Completion (save for those which have been or are capable of being waived by the Company) has been notified to the Vendor or the Company, as the case may be. Upon Completion, it is expected that Winwise will become a subsidiary of the Company.

BASIS OF THE SALE CONSIDERATION

The Sale Consideration was determined after arm's length negotiations between the Vendor and the Company with reference to the net asset value of MCB as at 31 December 2006 and the future prospects of the banking business in Macau.

The audited net asset value of MCB was approximately MOP213,189,000 (equivalent to approximately HK\$206,793,000) as at 31 December 2006. The audited net profit before and after tax of MCB for the financial year ended 31 December 2006 was approximately MOP9,787,000 (equivalent to approximately HK\$9,493,000) and approximately MOP8,664,000 (equivalent to approximately HK\$8,404,000) respectively. The audited net profit before and after tax of MCB for the financial year ended 31 December 2005 was approximately MOP7,370,000 (equivalent to approximately HK\$7,149,000) and approximately MOP7,030,000 (equivalent to approximately HK\$6,819,000) respectively.

The Board (including the independent non-executive Directors) considers that the terms of the Agreement are on normal commercial terms and that the terms and conditions of the Agreement and the Sale Consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE SHAREHOLDERS' AGREEMENT

Date: To be entered into upon Completion

Parties: (1) Hongkong Chinese
(2) the Company
(3) the Nominee
(4) Winwise
(5) DPL

Purpose of the Shareholders' Agreement

The Shareholders' Agreement will be entered into amongst the Company, the Nominee, the Vendor, Winwise and DPL to regulate the respective rights and obligations of shareholders of Winwise which include, among other things, the right for shareholder of Winwise, so long as it holds not less than 20% of the share capital of Winwise, to appoint and at any time remove or substitute, pro rata to its respective shareholdings in Winwise, directors (or members) to the board of MCB, the supervisory board of MCB, the credit policy and review committee of MCB and the boards of each of Winwise's subsidiaries from time to time. Based on the 60% interest of issued share capital of Winwise to be held by the Company and 40% by the Vendor upon Completion and a total of 5 members in each board or committee, the Company or the Nominee shall be entitled to appoint 3 directors (or members) and the Vendor shall be entitled to appoint 2 directors (or members) to each of the board of MCB, the supervisory board of MCB, the credit policy and review committee of MCB and the boards of each of Winwise's subsidiaries. Furthermore, it is necessary under the Shareholders' Agreement that unanimous consent of all of the members of the credit policy and review committee of MCB be obtained to approve certain types and amount of loans and advances for the benefit of any customer.

The Shareholders' Agreement also provides that certain matters in relation to the MCB Group shall require prior written consent of all the shareholders of Winwise and such matters shall include, among other things, any material changes in the nature or scope of business of Winwise, DPL and MCB other than their respective existing businesses, any variation to the deed of establishment, articles of association or other constitutional documents of the MCB Group, and any declaration or distribution of dividends by the Group of any kind other than normal course of business operation.

Terms of the Shareholders' Agreement

The Shareholders' Agreement shall subsist for as long as there are at least two shareholders of Winwise and each of them holds not less than 10% of the issued share capital of Winwise.

A shareholder of Winwise may serve a termination notice to the other shareholder at any time after the occurrence of an event of default by the other shareholder. Such event of default includes events such as the relevant shareholder or its holding company ceasing or threatening to cease to carry on its business, going into voluntary liquidation (otherwise than for the purpose of reorganisation), entering into composition or arrangement with its creditors, change in control and failure to pay its proportionate share of any further finance that it has committed to provide in writing.

THE OPTION DEED

Date: To be entered into upon Completion

Parties: (1) Hongkong Chinese
(2) the Company

Under the Option Deed, the Company shall irrevocably and unconditionally grant to the Vendor the Put Option for the Vendor to dispose of, and the Vendor shall irrevocably and unconditionally grant to the Company the Call Option for the Company to further acquire, the remaining interest held by the Vendor in Winwise at the Option Consideration, free from all encumbrance and with all rights attached thereto, in accordance with the terms and conditions under the paragraph headed "Exercise of the Put Option or the Call Option" below.

Exercise of the Put Option or the Call Option

On the occurrence of an event of default under the Shareholders' Agreement, both the Put Option and the Call Option shall become exercisable respectively by the Vendor and the Company at the Option Consideration

In the absence of an event of default under the Shareholders' Agreement, the Call Option shall not be exercised by the Company and the Put Option may be exercised by the Vendor during the period commencing from the second anniversary to the fifth anniversary of the date of the Option Deed. Such exercise of the Put Option shall take place in multiples of 10% of the then issued share capital of Winwise, together with the corresponding proportion of the Shareholders' Loan.

The Company will comply with the requirements under Rule 19.74(2) and 19.76 of the GEM Listing Rules upon the exercise of the Put Option by the Vendor and Rule 19.75(2) upon the exercise of the Call Option by the Company. The Company will also take steps to ensure that the exercise of the Put Option by the Vendor will not be classified as a very substantial acquisition (as defined in the GEM Listing Rules) of the Company.

Completion

Completion of the Put Option or, as the case may be, the Call Option shall take place on or before the date falling 60 days after the service of the relevant Option Notice or, if applicable, the earlier date of service of the two Option Notices in case both parties have respectively served the relevant Option Notice to the other, or such other date as may be agreed in writing by both parties.

The Option Consideration

The Option Consideration shall be paid and settled in cash by the Company to the Vendor on the date of completion of the Put Option or, as the case may be, the Call Option and calculated as follows:

$$\text{Option Consideration} = \{(A + B) \times C\} + D$$

Where

- A = HK\$6,400,000, being the aggregate of the price per Winwise share and the attributable Shareholders Loan at which the Company has initially purchased its shareholding in Winwise pursuant to the Agreement at the Completion Date;
- B = the aggregate consolidated profits per share of Winwise (“Per Share Consolidated Profits”) attributable to shareholders for the year/period (as the case may be) before any transfer or appropriation of reserves by Winwise and/or any of its subsidiaries from time to time, including statutory reserves, as shown in the relevant income statement (but after payment of all dividends declared and which are ultimately received by the Company and the Vendor) for the period commencing from the month immediately preceding the date of the Agreement up to and including the month immediately preceding the date of the Option Notice, rounded to the nearest 2 decimal places. For the avoidance of doubt, if B is a negative figure, it will be treated as zero. The essence of this parameter represents the post-Transaction Per Share Consolidated Profits attributable to each share of Winwise held by the Vendor;
- C = the number of all or, as the case may be, any part of the Option Shares, being the subject of the Option Notice;
- D = any amount, proportionate to the number of Option Shares being the subject of the relevant Option Notice invested by the Vendor in Winwise or any of its subsidiaries from time to time, by way of equity (to the extent the amount paid by the Vendor for such equity is greater than HK\$6,400,000 per share) or advances by way of loans (being Shareholder Loans advanced after the Completion Date) or otherwise, after the Completion Date which has not been previously repaid to the Vendor. This parameter represents repayment of the amount of any advances provided by the Vendor to Winwise after the Completion Date which has not been previously repaid to the Vendor.

For the avoidance of doubt, the Option Consideration shall in no event be less than HK\$256,000,000.

The Board (including the independent non-executive Directors) considers that the terms of the Option Deed are on normal commercial terms and that the terms and conditions of the Option Deed and the Option Consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CHANGE IN SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and immediately after the issue and allotment of the Consideration Shares to the Vendor upon Completion are as follows:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares upon Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Melco Financial	160,930,381	43.57%	160,930,381	42.42%
Mr. Ho, Lawrence Yau Lung (<i>Note 1</i>)	4,232,627	1.15%	4,232,627	1.11%
Dr. Ho Hung Sun, Stanley (<i>Note 2</i>)	7,384,651	2.00%	7,384,651	1.95%
Dr. Lee Jun Sing (<i>Note 3</i>)	6,299,702	1.70%	6,299,702	1.66%
The Vendor (or its nominee(s))	–	–	10,000,000	2.64%
Public Shareholders	190,510,090	51.58%	190,510,090	50.22%
Total	<u>369,357,451</u>	<u>100.00%</u>	<u>379,357,451</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 1.15% of the existing issued share capital of the Company.
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 2.00% of the existing issued share capital of the Company.
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 1.70% of the existing issued share capital of the Company.

REASONS FOR THE TRANSACTION

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 PRC.

The Directors believe that the Transaction allows the Group to gain a significant foothold in the financial services sector in Macau, which is experiencing high economic growth. Furthermore, it provides the Group with the opportunity to broaden its revenue base and business coverage and be transformed into a full-fledged financial services group. The acquisition will also give rise to synergistic benefits with the other businesses of the Group, such as the brokerage and investment banking businesses and enables the Group and MCB to capitalize on Melco's strong presence and extensive business network in Macau to achieve immediate growth in earnings. In addition, the acquisition of a 60% beneficial interest in MCB enables the Group to gain control over MCB whilst, at the same time, benefit from the experience of the Vendor, who will retain a 40% beneficial interest in MCB, in the banking industry.

Based on the above, the Board (including the independent non-executive Directors) considers that the terms of the Transaction are on normal commercial terms and that they are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REQUIREMENTS UNDER THE GEM LISTING RULES

The applicable percentage ratios (as defined in the GEM Listing Rules) for the Transaction are in excess of 25% but less than 100%. Pursuant to Chapter 19 of the GEM Listing Rules, the Transaction constitutes a major transaction for the Company which requires the approval by the Shareholders at a general meeting. An EGM will be convened and held to consider and, if thought fit, to approve, among other things, the Transaction including the issue of the Consideration Shares. As none of the Shareholders and/or their associate(s) have any interest in the Transaction (other than by virtue of their interests in the Company), no Shareholder is required to abstain from voting with regard to the Transaction. Melco Financial has undertaken to vote for the relevant resolution(s) regarding the Transaction.

A circular containing, among other things, details of the Transaction and a notice of the EGM, will be sent to the Shareholders within 21 days after the publication of this announcement.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 27 September 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Thursday, 4 October 2007.

TERMS USED IN THIS ANNOUNCEMENT

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

“Agreement”	the sale and purchase agreement dated 28 September 2007 entered into between the Vendor and the Company in relation to the sale and purchase of 60% interest in the issued share capital of Winwise, details of which are set out in the section headed “The Agreement” of this announcement
“AMCM”	the Autoridade Monetária e Cambial de Macau, the Monetary Authority of Macao
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks in Hong Kong and Macau are open for the transaction of general banking business by members of the public
“Call Option”	a call option to be granted irrevocably and unconditionally by the Vendor to the Company to require the Vendor to sell all of the Option Shares and the Shareholders’ Loan to the Company in accordance with the terms of the Option Deed
“Companies Ordinance”	the Companies Ordinance (Cap.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, the Shares of which are listed on GEM
“Completion”	completion of the Transaction in accordance with the terms and conditions of the Agreement
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration Share(s)”	10,000,000 new Share(s) to be issued and allotted by the Company at the Issue Price to the Vendor (or its nominee(s) as the Vendor may direct) for settling part of the Sale Consideration
“Deposit”	a sum of HK\$25 million paid by the Company to a third party escrow agent upon the signing of the Agreement, to be held in escrow pending Completion

“Director(s)”	director(s) of the Company
“DPL”	Discovery Planet Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Winwise and is interested in 15% of the issued share capital of MCB
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the Transaction and the issue of the Consideration Shares
“Financial System Act”	the Decree Law 32/93/M which approves the Financial System Act of Macau
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Price”	HK\$6.00 per Share, subject to customary adjustments to accommodate, among other things, sub-division and consolidation of Shares, in accordance with the terms of the Agreement
“Lippo”	Lippo Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the shareholders’ loan in the aggregate principal amount of HK\$260,878,217.60 advanced by the Vendor as lender in favour of Winwise and/or any other of its group companies as borrower(s), which is outstanding at Completion
“Loan Assignment Deed”	the deed of assignment to be entered into between the Vendor, the Company or the Nominee and Winwise (and any other group companies of Winwise which is/are debtor(s) in respect of the Sale Loan) upon Completion, pursuant to which the Vendor will assign the Sale Loan to the Company or the Nominee

“Macau”	the Macau Special Administrative Region of the PRC
“MCB”	The Macau Chinese Bank Limited, a company incorporated in Macau and a licensed credit institution in Macau, the entire share capital of which are beneficially owned by Winwise and DPL as at the date of this announcement
“MCB Group”	MCB and each of its subsidiaries from time to time
“Melco”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and whose wholly-owned subsidiary, Melco Financial, is interested in approximately 43.57% of the issued share capital of the Company as at the date of this announcement
“Melco Financial”	Melco Financial Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Melco, and is the controlling Shareholder
“Nominee” or “VC Financial Investment”	VC Financial Investment Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company established (subject to Completion) for the sole purpose of holding the Sale Shares (and if applicable, the benefits of the Sale Loan)
“Option Consideration”	the consideration to be paid for the Option Shares and the Shareholders’ Loan under the Option Deed, the calculation of which is set out under the paragraph headed “The Option Consideration” in this announcement
“Option Deed”	the option deed to be entered into by the Vendor and the Company at Completion, a summary of the terms of which are set out in the section headed “The Option Deed” in this announcement
“Option Notice”	the notice to be served by the Company exercising the Call Option, or the notice to be served by the Vendor exercising the Put Option, as the case may be, under the Option Deed, and “Option Notices” shall mean the Call Option notice and the Put Option notice
“Option Shares”	shares of HK\$1.00 each in the capital of Winwise held by the Vendor from time to time
“PRC”	The People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan

“Put Option”	a put option to be granted irrevocably and unconditionally by the Company to the Vendor to require the Company to purchase all or any of the Option Shares and the Shareholders’ Loan from the Vendor in accordance with the terms of the Option Deed
“Sale Consideration”	the aggregate of the Sale Loan Consideration and the Sale Shares Consideration, being the aggregate consideration of HK\$384 million, to be satisfied as to HK\$324 million in cash and as to HK\$60 million by way of the issue and allotment of the Consideration Shares
“Sale Loan”	an amount of HK\$156,526,930.56, representing 60% of the aggregate amount of the Loan, to be sold by the Vendor to the Company pursuant to the terms and conditions under the Agreement
“Sale Loan Consideration”	the consideration equivalent to the face value of the Sale Loan, payable by the Company to the Vendor for the Sale Loan under the Agreement
“Sale Shares”	60 shares of HK\$1.00 each in the issued share capital of Winwise, representing 60% of the issued share capital of Winwise, to be sold by the Vendor to the Company pursuant to the terms and conditions under the Agreement
“Sale Shares Consideration”	the Sale Consideration less the Sale Loan Consideration, payable by the Company to the Vendor for the Sale Shares under the Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement in relation to Winwise and its subsidiaries from time to time to be entered into amongst the Company, the Nominee, the Vendor, Winwise and DPL at Completion, a summary of the major terms of which are set out in the section headed “The Shareholders’ Agreement” in this announcement
“Shareholders’ Loan”	any and all monies advanced by the Vendor or any of its subsidiaries or holding companies or subsidiaries of any such holding companies to Winwise or a Winwise Group Company or MCB by way of loans or credit from time to time and which, as at the date of completion of the Option Deed, are outstanding, together with any accrued interest

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the entering into of the Agreement, the Shareholders’ Agreement, the Option Deed and the Loan Assignment Deed and the transactions contemplated thereunder
“Vendor” or “Hongkong Chinese”	Hongkong Chinese Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and an approximate 51.4% subsidiary of Lippo according to public information
“Winwise”	Winwise Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor prior to Completion, which is beneficially interested in the entire issued share capital of MCB as at the date hereof
“Winwise Group”	Winwise and each of its subsidiaries at the relevant time, including DPL and MCB, and each of Winwise and such subsidiaries is referred to herein as a “Winwise Group Company”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“MOP”	Macanese Pataca, the lawful currency of Macau
“%”	per cent.

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

Hong Kong, 3 October 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-Kapunán, 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, includes 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 contained in this announcement with regard to the Company 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.

For illustration purposes only, conversion of HK\$ into MOP in this announcement is based on the approximately exchange rate of HK\$0.97 to MOP1.00. No representation is made that any amount in HK\$ or MOP can be converted at such rate or at any other rates.