

HUAMEI CAPITAL COMPANY, INC. IS FIRST U.S. FINANCIAL SERVICES COMPANY JOINTLY OWNED BY A CHINESE COMPANY

Stevenson, Melamed and MVC Capital partner with China Merchants Securities Holdings (HK) Company Limited to offer investment and intermediation services on both sides of Pacific

CHICAGO October 2, 2007 – HuaMei Capital Company, Inc. (HuaMei) today announced its formation as the first U.S. financial services company jointly owned by a Chinese company. Based in Chicago and Beijing, HuaMei will counsel U.S., Chinese and third country organizations on cross border mergers and acquisitions and private equity investment opportunities.

HuaMei will also offer risk management and investment services for the growing number of Chinese firms with authority to invest offshore.

Almost three years in planning and development, HuaMei (“China America”) is 50 percent owned by China Merchants Securities Holdings (HK) Company Limited, a subsidiary of China Merchants Securities Co. Ltd. of P.R. China (collectively China Merchants). China Merchants is headquartered in Shenzhen with 71 branch offices and 1,700 employees. It is a member of the esteemed Merchants Group organized in the 1870s.

HuaMei’s U.S. principals include former U.S. Senator Adlai E. Stevenson III, co-chairman of HuaMei and chairman of SC&M Investment Management Corporation, and Leo Melamed, vice chairman of HuaMei, chairman of Melamed & Associates and Chairman Emeritus of the Chicago Mercantile Exchange. MVC Capital Inc., (MVC: NYSE) (“MVC”), headed by Michael Tokarz, a senior investment professional and former general partner with Kohlberg Kravis Roberts & Co., is a strategic investor in HuaMei.

HuaMei’s formation was announced at a briefing held at its Chicago headquarters for business and civic leaders, including organizations active in developing ties between China, Chicago and the Midwest. Mayor Richard M. Daley joined in the announcement, citing HuaMei as an example of Chicago’s leadership and potential as a portal for Chinese investment in the Midwest.

Stevenson, who has been active in China since 1975 and is also chairman of the Midwest U.S.-China Association, said: “HuaMei’s business is intermediation between different cultures and systems. It is an example of intermediation and mutual benefit to be achieved by cooperation between China and the United States.

“HuaMei is a start-up, but our relations developed in China over many years, in many venues and now with China Merchants, give HuaMei an unequalled potential for execution and origination of transactions throughout China. We selected China Merchants after a year of research and discussion in China and are proud to be associated with this strong, full-service securities company,” Stevenson said.

He also noted that with MVC on the U.S. side, HuaMei has complementary resources on both sides of the Pacific and has developed institutional links in Japan and other countries.

Shaolin Gong, HuaMei’s co-chairman and chairman of China Merchants Securities Holdings (HK) Company Limited, noted that the new company addresses growing demand in China and the United States created by growth in the Chinese economy.

“There are rapidly increasing demands for investment, merger and acquisition among enterprises in China and the U.S. with the continuous growth of China’s economy and the constant enhancement of China’s competitiveness. Therefore, the formation of HuaMei is a significant event as it is able to offer financial advisory services for those enterprises,” said Gong. “As the Chinese investor in HuaMei, China Merchants Securities Holdings (HK) Company Limited will serve as a bridge between the United States and China.”

Melamed, well known in the U.S. and Asian financial arenas as the founder of financial futures markets and for his leadership of the Chicago Mercantile Exchange, said HuaMei offers depth of expertise in both countries and throughout the world that will help favorably position clients as China expands its financial sector.

“HuaMei represents a unique amalgamation of expertise both from China and the U.S. China Merchants Securities has unmatched standing and relationships within the Chinese financial landscape,” said Melamed, HuaMei’s vice chairman.

“From the American side, the principals of HuaMei bring to the table a vast store of diverse financial wherewithal relating to potential merger, acquisition, and investment opportunities. We will use these combined strengths to bring together, assist

and advise cross-border clients whose matching interests can be benefited as global markets evolve and as the Chinese financial sector is liberalized," Melamed said.

Tokarz added: "HuaMei is the 'go to' financial intermediary for U.S. firms interested in China. Its U.S. domicile, coupled with its experienced team located both in China and the U.S., positions the firm to uniquely service cross-border clients," said Tokarz, chairman and portfolio manager of MVC Capital.

Mayor Daley noted the significance of today's announcement for the City of Chicago.

"The location of HuaMei's U.S. headquarters in Chicago underscores our city's growing role as a global center of commerce, especially between the Midwest and China. With two well-known Chicago names at the helm, Stevenson and Melamed, I'm sure this venture will be a great success," Daley said.

HuaMei's business in China will be supported by a wholly owned subsidiary headquartered in Beijing with offices in Shanghai and Shenzhen. A second U.S. office will be located in Purchase, New York.