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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Value Convergence Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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## **Value Convergence Holdings Limited**

*(Incorporated in Hong Kong with limited liability)*

Website: <http://www.vcgroup.com.hk>

(Stock Code: 821)

### **PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the extraordinary general meeting of the Company to be held at 29th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong on Thursday, 14 June 2018 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend and/or vote at the extraordinary general meeting of the Company in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event by 11:00 a.m. (Hong Kong time) on Tuesday, 12 June 2018 or not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting of the Company or any adjournment thereof (as the case may be) should you so wish.

29 May 2018

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
1. Introduction .....	4
2. Adoption of the New Share Option Scheme .....	4
3. EGM. ....	6
4. Recommendation .....	7
5. Responsibility Statement .....	7
<b>APPENDIX – SUMMARY OF THE PRINCIPAL TERMS OF                   THE NEW SHARE OPTION SCHEME</b> .....	8
<b>NOTICE OF EGM</b> .....	EGM-1

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## DEFINITIONS

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*The following terms have the following meanings in this circular unless the context otherwise requires:*

“Adoption Date”	14 June 2018, the date on which the New Share Option Scheme is conditionally adopted by the Shareholders at the EGM
“Associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors or a duly authorized committee thereof
“Business Day”	a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Company”	Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability and having its issued Shares listed on the Main Board of the Stock Exchange
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Board
“EGM”	the extraordinary general meeting of the Company to be held at 29th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong on Thursday, 14 June 2018 at 11:00 a.m.
“Eligible Participant”	<ul style="list-style-type: none"><li>(a) any employee (whether full time or part time, including any executive directors but excluding any non-executive director) of the Company, or of any of its Subsidiaries or Invested Entity in which any member of the Group holds any equity interest;</li><li>(b) any non-executive director (including independent non-executive director) of the Company, any of its Subsidiaries or any Invested Entity;</li><li>(c) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity; or</li><li>(d) any other person (including any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group</li></ul>

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## DEFINITIONS

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“Grantee”	any Eligible Participant who accepts the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its Subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the Group holds any equity interest
“Latest Practicable Date”	25 May 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (as amended from time to time)
“Main Board”	the Main Board of the Stock Exchange
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the EGM, a summary of the principal terms of which is set out in the Appendix to this circular
“Offer Date” or “date of grant”	the date on which any Option is offered to such Eligible Participant under the New Share Option Scheme
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Option Period”	in respect of any particular Option (subject as otherwise provided under the terms of the New Share Option Scheme, including without limitation paragraph 17 in the Appendix to this circular), such period during which the Option is exercisable as set out in the offer of the Option, which shall, at the discretion of the Directors, commence at any time on or after the date of the offer of the Option and expire no later than the tenth anniversary of the date of such offer, and in case the Option is offered on different occasions, the option period shall commence at any time on or after the date of the first offer
“Previous Share Option Scheme”	the share option scheme of the Company adopted on 8 June 2009

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## DEFINITIONS

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“Shares”	ordinary shares (or such shares as shall result from any division, sub-division, consolidation, re-classification or re-construction of the ordinary shares or any portfolio thereof from time to time) in the Company
“Shareholders”	holders of the Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for certain portfolio of the Shares on the exercise of an Option
“Subsidiary”	a company which is for the time being and/or from time to time a subsidiary of the Company
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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### Value Convergence Holdings Limited

*(Incorporated in Hong Kong with limited liability)*

website: <http://www.vcgroup.com.hk>

(Stock Code: 821)

*Executive Directors:*

Mr. Fu Yiu Man (*Chairman*)  
Mr. Tin Ka Pak, Timmy (*Chief Executive Officer*)  
Mr. Lin Hoi Kwong, Aristo  
Mr. Xie Jintai  
Ms. Shen Li

*Registered office:*

28th Floor, The Centrium  
60 Wyndham Street  
Central  
Hong Kong

*Independent Non-executive Directors:*

Mr. Wong Chung Kin, Quentin  
Mr. Wong Kam Choi, Kerry, MH  
Mr. Siu Miu Man, Simon

29 May 2018

*To the Shareholders and, for information only, convertible bonds holders and holders of options of the Company*

Dear Sir or Madam,

### **PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the ordinary resolution to be proposed at the EGM on adoption of the New Share Option Scheme to enable you to make an informed decision on whether to vote for or against the resolution and to give you notice of the EGM at which the ordinary resolution as set out in the notice of EGM will be proposed.

#### **2. ADOPTION OF THE NEW SHARE OPTION SCHEME**

The Previous Share Option Scheme, which became effective on 8 June 2009 and will expire on 7 June 2019, was adopted for the purpose of recognising and acknowledging the contributions that eligible person had made or may have made to the Group. Under the Previous Share Option Scheme, options previously granted but unexercised which as at the Latest Practicable Date, entitled the option holders to subscribe for an aggregate of 106,656,000 Shares upon the exercise in full of the options, will remain valid and exercisable in accordance with the terms of the Previous Share Option Scheme and their respective terms of issue.

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## LETTER FROM THE BOARD

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In view of (i) assuming there is no refreshment of the scheme mandate limit, the scheme mandate limit of the Previous Share Option Scheme is almost reached; and (ii) the Previous Share Option Scheme is going to expire in around one year, the Board recommends the Shareholders to adopt the New Share Option Scheme and terminate the Previous Share Option Scheme subject to and upon adoption of the New Share Option Scheme so that the Company may grant Options to selected Eligible Participants as incentives or rewards for their contribution to the Group (or any member of the Group) and/or to enable the Group (or any member of the Group) to recruit and retain high caliber employees and attract human resources that are valuable to the Group (or any member of the Group) and/or to any Invested Entity. According to the terms of the Previous Share Option Scheme, the Company by resolution in general meeting or the Board may terminate the operation of the Previous Share Option Scheme at any time and in such event no further options will be offered under and/or pursuant to the Previous Share Option Scheme but the provisions of the Previous Share Option Scheme shall remain in force in all other respects.

Under the New Share Option Scheme, the Board has the authority to set the terms and conditions in the grant of the Options (e.g. in relation to the minimum period of the Options to be held, the performance targets to be achieved before such Options can be exercised and to determine the Subscription Price). The Directors consider that the aforesaid terms of the New Share Option Scheme will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help to achieve the purpose of the New Share Option Scheme.

The New Share Option Scheme shall take effect conditional upon:

- (a) the passing of the resolution of Shareholders to adopt the New Share Option Scheme; and
- (b) the Listing Committee granting the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of Option under the New Share Option Scheme.

Under the New Share Option Scheme, the aggregate number of Shares in respect of which Options (including both exercised and outstanding Options) may be granted under the New Share Option Scheme and any other share option scheme(s) of the Company shall not, in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date. Further, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted under the New Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time.

None of the Director is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme, if any.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company has 894,816,829 Shares in issue. Assuming that there is no change in the issued Shares between the period from the Latest Practicable Date to the Adoption Date of the New Share Option Scheme, the number of Shares issuable pursuant to the New Share Option Scheme and any other share option scheme(s) of the company on the Adoption Date will be 89,481,682 Shares, representing 10% of the total number of Shares in issue. If all 106,656,000 outstanding share options granted under the Previous Share Option Scheme are exercised in full prior to the Adoption Date, the issued Shares would be increased to 1,001,472,829 Shares. The number of Shares issuable pursuant to the New Share Option Scheme and any other share option scheme(s) of the Company on the Adoption Date will be 100,147,282 Shares, representing 10% of the then total number of Shares in issue.

Application will be made to the Listing Committee for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the Subscription Price, Option Period, any lock-up period, any performance targets set and other relevant variables. However, Shareholders should note that, in compliance with the Listing Rules, estimated valuations of Options granted during any financial period will be provided based on the Black-Scholes option pricing model, binomial model or a comparable generally accepted methodology as at the end of the relevant financial period for the interim and final results of the Company.

An ordinary resolution to approve and adopt the New Share Option Scheme will be proposed at the EGM. A summary of the principal terms of the New Share Option Scheme is given in the Appendix to this circular.

Copy of the New Share Option Scheme will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the registered office of the Company at 28th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong, from the date of this circular until the date of the EGM.

### **3. EGM**

The Company will convene the EGM for the Shareholders to consider and, if thought fit, approve by way of poll, the adoption of New Share Option Scheme. A notice convening the EGM to be held at 29th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong on Thursday, 14 June 2018 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the proposed adoption of the New Share Option Scheme and no Shareholder is required to abstain from voting at the EGM for approving the New Share Option Scheme.

Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event by 11:00 a.m. (Hong Kong time) on Tuesday, 12 June 2018 or not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

#### 4. RECOMMENDATION

Having considered the reasons set out herein, the Board is of the view that the adoption of New Share Option Scheme is in the interests of the Company and the Shareholders as a whole. The Board hereby recommends the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the adoption of the New Share Option Scheme.

#### 5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board  
**Value Convergence Holdings Limited**  
**Fu Yiu Man**  
*Chairman & Executive Director*

*The following summarises the principal terms of the New Share Option Scheme to be conditionally approved by the Shareholders at the EGM but such summary does not form part of, nor is it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material respect with such terms as summarized in this appendix and the Listing Rules and any other applicable laws.*

## **1. PURPOSE OF THE NEW SHARE OPTION SCHEME**

The purpose of the New Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants as incentives or rewards for their contribution to the Group (or any member of the Group) and/or to enable the Group (or any member of the Group) to recruit and retain high caliber employees and attract human resources that are valuable to the Group (or any member of the Group) and/or to any Invested Entity.

## **2. WHO MAY JOIN**

The basis of eligibility of any of the class of Eligible Participants to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity. For avoidance of any doubt,

- (a) the grant of any option by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the classes of Eligible Participants shall not, by itself, unless the Board otherwise determined, be construed as a grant of Option under the New Share Option Scheme; and
- (b) no person shall be an Eligible Participant only because of his, her or its being an eligible participant under any previous option scheme adopted by the Company whether or not such previous option scheme shall have lapsed by the date on which the conditions set out on page 5 of this circular are satisfied.

Eligible Participants means: (a) any employee (whether full time or part time, including any executive directors but excluding any non-executive director) of the Company, or of any of its Subsidiaries or Invested Entity in which any member of the Group holds any equity interest; (b) any non-executive director (including independent non-executive director) of the Company, any of its Subsidiaries or any Invested Entity; (c) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity; or (d) any other person (including any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group.

**3. SUBSCRIPTION PRICE OF SHARES**

The Subscription Price in respect of any Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but in any case the Subscription Price shall not be lower than the higher of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a Business Day; and (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 consecutive trading days immediately preceding the date of grant.

**4. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- (i) With respect to the number of Shares available for subscription under the New Share Option Scheme,
  - (a) The aggregate number of Shares in respect of which Options (including both exercised and outstanding Options) may be granted under the New Share Option Scheme and in respect of which any other share option scheme(s) of the Company may be granted shall not, subject to terms relating to effects of alterations of capital structure under the New Share Option Scheme, in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date unless the Company seeks the approval of the Shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme provided that Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) of the Company will not be counted for the purpose of calculation of the 10% limit under this sub-paragraph;
  - (b) The Company may seek approval of the Shareholders in general meeting for refreshing the 10% limit such that total number of Shares in respect of which Options may be granted under the New Share Option Scheme and any other share option scheme(s) of the Company as "refreshed" shall not exceed 10% of the total number of Shares in issue as at the date of the approval of the Shareholders provided that Options previously granted under the New Share Option Scheme or any other share option scheme(s) of the Company (including Options outstanding, cancelled, lapsed or exercised in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) of the Company) will not be counted for the purpose of calculating the limit as "refreshed";
  - (c) For the purpose of seeking the approval of Shareholders under sub-paragraph 4(i)(d), a circular containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules must be sent to the Shareholders;

- (d) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the 10% limit provided that the Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders under sub-paragraph 4(i)(c), the Company must issue a circular to the Shareholders containing a generic description of the specified Grantees who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the Grantees with an explanation as to how the terms of Options serve such purpose and the information as required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer as required under Rule 17.02(4) of the Listing Rules; and
  - (e) Notwithstanding anything to the contrary herein, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted under the New Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time. No Option may be granted under the New Share Option Scheme or any other share option scheme(s) of the Company if this will result in the limit set out in this sub-paragraph being exceeded.
- (ii) Further to sub-paragraph 4(i),
- (a) Subject to sub-paragraph 4(ii)(b), no Eligible Participant shall be granted an Option if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options granted to such Eligible Participant (including both exercised and outstanding Options) in any 12-month period exceeding 1% of the total number of Shares in issue; and
  - (b) Where any further grant of Options to a Eligible Participant, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his Associates abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted and Options previously granted to such Eligible Participant and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval and the date of the meeting of the Board for proposing such further grant of Option should be taken as the date of grant for the purpose of calculating the Subscription Price.

**5. GRANT OF OPTIONS TO CONNECTED PERSONS OR ANY OF THEIR ASSOCIATES**

Each grant of Options to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or Substantial Shareholder, or any of their respective Associates, under the New Share Option Scheme or any other share option scheme(s) of the Company or any of its subsidiaries shall comply with the requirements of Rule 17.04 of the Listing Rules and shall be subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is a Grantee of the Options).

In case of any change in the terms of Options granted to a Substantial Shareholder or an independent non-executive Director, or any of their respective Associates; or where any grant of Options to a Substantial Shareholder or an independent non-executive Director, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12 months' period up to and including the date of such grant: (a) representing in aggregate over 0.1% of the relevant class of Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000, such further grant of Options must be approved by the Shareholders. The Company shall issue a circular to all Shareholders. All Connected Persons of the Company must abstain from voting in favour at such general meeting, except that any Connected Person may vote against the relevant resolution at the general meeting provided that his or her or its intention to do so has been stated in the circular in accordance with the Listing Rules. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

**6. TIME OF ACCEPTANCE AND EXERCISE OF OPTION**

An offer of the grant of an Option shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned for a period of 7 days from the date upon which it is made provided that no such offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after the New Share Option Scheme has been terminated.

An Option shall be deemed to have been granted and accepted (with retrospective effect from the Offer Date) when the duplicate letter comprising acceptance of the Option duly signed by the Grantee with the number of Shares in respect of which Offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

Any Offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted on respect of such number of Shares as representing a board lot for the time being for the purposes of trading on the Stock Exchange or an integral multiple thereof. To the extent that the offer or the grant of an Option is not accepted within 7 days from the date upon which it is made in the manner indicated in the above, it will be deemed to have been irrevocably declined and lapsed automatically.

**7. PERFORMANCE TARGET**

There is no performance target that has to be achieved before the exercise of any Option except as otherwise imposed by the Board pursuant to the New Share Option Scheme.

**8. RIGHTS ARE PERSONAL TO GRANTEE**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

**9. RIGHTS ON CEASING EMPLOYMENT**

If the Grantee is under employment with the Company and/or any of the Subsidiaries or the Invested Entity, in the event of the Grantee ceasing to be an Eligible Participant for the reason of such Grantee's resignation from the employment of the Company or of any of the Subsidiaries or the Invested Entity or the termination of his or her employment by the Company or the relevant Subsidiary or Invested Entity or the expiry of his or her employment with the Company or the relevant Subsidiary or Invested Entity other than the termination of his or her employment on one or more of the grounds specified in sub-paragraph 17(h) the Grantee may, exercise the Option up to his or her entitlement at such date of cessation (to the extent not already exercised) on or before the date of such cessation, which date shall be the last actual working day on which the Grantee was at work with the Company, or the relevant Subsidiary or Invested Entity, on which salary is paid whether in *lieu* of notice or not, or such longer period as the Board may determine.

**10. RIGHTS ON ILL-HEALTH OR RETIREMENT/DEATH**

If the Grantee is under employment with the Company and/or any of the Subsidiaries or the Invested Entity, in the event of the Grantee ceasing to be an Eligible Participant for the reason of his or her ill-health or retirement, the Grantee may, subject to sub-paragraph 17(a), exercise the Option up to his or her entitlement at such date of cessation (to the extent not already exercised) within the period of 12 months following the date of such cessation, which date shall be the last actual working day on which the Grantee was at work with the Company, or the relevant Subsidiary or Invested Entity, on which salary is paid whether in *lieu* of notice or not, or such longer period as the Board may determine.

If the Grantee is under employment with the Company and/or any of the Subsidiaries or the Invested Entity, in the event of the Grantee ceasing to be an Eligible Participant for the reason of his or her death, the legal personal representative(s) of the Grantee may, notwithstanding sub-paragraph 17(a), exercise the Option up to the Grantee's entitlement at such date of cessation (to the extent not already exercised) within the period of 12 months following the date of such cessation, which date shall be the last actual working day on which the Grantee was at work with the Company, or the relevant Subsidiary or Invested Entity, on which salary is paid whether in *lieu* of notice or not, or such longer period as the Board may determine.

**11. EFFECT OF ALTERATIONS TO CAPITAL STRUCTURE**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made in: (a) the number of Shares subject to the Option so far as unexercised; and/or (b) the Subscription Price; and/or (c) the method of exercise of the Option; and/or (d) the maximum number of Shares referred to in paragraph 4, as the Company's independent financial adviser or auditors of the Company shall certify in writing to the Board to be in their opinion appropriate, fair and reasonable provided that any alteration shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he or she or it was entitled before such alteration and that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, but so that no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction.

**12. RIGHTS ON A GENERAL OR PARTIAL OFFER**

In the event of a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holder other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her or its Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her or its Option at any time before the close of such offer (or any revised offer).

**13. RIGHTS ON WINDING-UP**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or as soon as possible after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or where permitted under paragraph 12 his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her or its Options (to the extent which has become exercisable and not already exercised) at any time not later than 2 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, which Shares shall rank *pari passu* with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

**14. RIGHTS ON A COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or where permitted under the 2nd sub-paragraph of paragraph 10 his or her legal personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling 2 calendar months thereafter and the date on which such compromise or arrangement is sanctioned by Court be entitled to exercise his or her or its Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her or its Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

**15. RANKING OF SHARES**

No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. The Shares to be issued and allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment of the Shares (on exercise of the Option) (the “**Allotment Date**”) and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Allotment Date, provided always that when the Allotment Date falls on a day upon which the register of members of the Company is closed then the allotment upon the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry any dividend right and voting rights until the completion of the registration of the Grantee as the holder thereof.

**16. PERIOD OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme will remain in force for a period of 10 years from the Adoption Date.

**17. LAPSE OF OPTION**

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraphs 9 or 10 above;
- (c) the date on which the offer (or as the case may be, revised offer) referred to in paragraph 12, which has become or is declared unconditional, closes;
- (d) the date of the commencement of the winding-up of the Company referred to in paragraph 13;

- (e) if the Grantee is under employment with the Company and/or any of the Subsidiaries or the Invested Entity, the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his or her employment on any one or more of the grounds that he or she voluntarily resigns, or has been guilty of misconduct or has found to have breached the terms of employment during his or her employment (regardless of whether such employment contract has already been terminated) leading to a material loss or damage to the Group, or his or her employment has terminated by reason of the failure of such employment to pass the annual evaluation, or has become bankrupt or insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity. A resolution of the Board or the board of directors of the relevant Subsidiary or the board of directors of the relevant Invested Entity to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding on the Grantee;
- (f) the date when the proposed compromise or arrangement becomes effective referred to in paragraph 14;
- (g) the date on which the Grantee commits a breach of paragraph 8 or the Options are cancelled in accordance with terms relating to cancellation of options under the New Share Option Scheme; or
- (h) if the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her or its Associate has committed any breach of any contract entered into between the Grantee or his or her or its Associate on the one part and any member of the Group or any Invested Entity on the other part or that the Grantee has become bankrupt or insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her or its creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee (whether exercisable or not) shall lapse and in such event, his or her or its Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**18. ALTERATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that (a) any changes to the definitions of “Eligible Participant”, “Grantee” and “Option Period”; (b) any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature; (c) any change to the terms of Options granted (except where the alterations take effect pursuant to the terms of the New Share Option Scheme); (d) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme; (e) any change to the provisions of the New Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantee; and (f) any alteration to the termination provisions of the New Share Option Scheme, must be approved by a resolution of the Shareholders in general meeting at which any persons to whom or for whose benefit the Shares may be issued under the New Share Option Scheme and their respective Associates shall abstain from voting provided that the amended terms of the New Share Option Scheme or the Options shall remain in compliance with the requirements of Chapter 17 of the Listing Rules and that no such alteration shall operate to adversely affect the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except with the consent or sanction in writing of such number of Grantees as shall together hold Options in respect of not less than three-fourths in nominal value of all Shares then subject to Options granted under the New Share Option Scheme and provided further that any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature shall first be approved by the Stock Exchange.

**19. CANCELLATION OF OPTIONS**

The Company may cancel an Option granted but not exercised with the approval of the Grantee of such Option. Where the Company cancels Options granted to an Eligible Participant, the Company may, in place thereof, grant new options to the same Eligible Participant, provided that there are available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in sub-paragraph 4(i).

**20. TERMINATION**

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of the Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provision of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

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## NOTICE OF EGM

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### Value Convergence Holdings Limited

*(Incorporated in Hong Kong with limited liability)*

website: <http://www.vcgroup.com.hk>

(Stock Code: 821)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE** is hereby given that an extraordinary general meeting (the “**EGM**”) of Value Convergence Holdings Limited (the “**Company**”) will be held at 29th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong at 11:00 a.m. on Thursday, 14 June 2018 for the purpose of considering, and if thought fit, pass with or without amendments or modifications the following as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT:**

- (a) conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the new share option scheme, the terms of which are contained in the document produced to the EGM marked “A” and initialed by the chairman of the EGM for the purpose of identification (the “**New Share Option Scheme**”), the New Share Option Scheme be approved and adopted as the new share option scheme of the Company and that the directors of the Company be authorized to grant options thereunder and to allot and issue shares pursuant to the New Share Option Scheme and take all such steps as may be necessary or desirable to implement the New Share Option Scheme; and
- (b) the previous share option scheme adopted by the Company on 8 June 2009 (the “**Previous Share Option Scheme**”) be terminated upon the New Share Option Scheme becoming unconditional such that thereafter no further options shall be offered under and/or pursuant to the Previous Share Option Scheme but in all other respects the provisions of the Previous Share Option Scheme shall remain in full force and effect and options granted thereunder prior to such termination shall continue to be valid and exercisable in accordance with their terms of issue.”

By Order of the Board  
**Value Convergence Holdings Limited**  
**Fu Yiu Man**  
*Chairman & Executive Director*

Hong Kong, 29 May 2018

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## NOTICE OF EGM

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*Registered office:*

28th Floor, The Centrium  
60 Wyndham Street  
Central Hong Kong

*Notes:*

- (1) A member of the Company entitled to attend and vote at the EGM (or at any adjournment thereof) convened by the notice is entitled to appoint one or more proxies to attend and on a poll vote in his stead. A proxy need not be a member of the Company.
- (2) In order to be valid, a form of proxy must be deposited at the Company's share registrar and transfer office, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, by 11:00 a.m. (Hong Kong time) on Tuesday, 12 June 2018 or not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (3) Where there are joint holders of any share of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (4) Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
- (5) In accordance with the Listing Rules, voting on the above resolutions will be taken by poll.