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**Value Convergence Holdings Limited**  
(Incorporated in Hong Kong with limited liability)  
Website: <http://www.valueconvergence.com>  
(Stock Code: 8101)

## ANNOUNCEMENT

The board of directors of the Company is pleased to announce that it has approved the establishment of two share incentive award schemes. The purpose of each of the Share Purchase Scheme and the Share Subscription Scheme is to encourage and facilitate the acquisition and holding of shares in the Company by and for the benefit of employees of the Company and any Subsidiary. The Shares to be awarded pursuant to the Share Purchase Scheme and/or the Share Subscription Scheme may be awarded in such manner as the Board may determine from time to time in order to recognise the contributions of certain employees, to seek to retain them for the continued operation and development of the Group, and to attract suitable personnel for the further development of the Group. The Share Purchase Scheme utilizes Shares purchased in the market whereas the share Subscription Scheme will subscribe for new Shares. Directors of the Company and any Subsidiary will be entitled to participate in the Share Purchase Scheme but not the Share Subscription Scheme.

### **Share Purchase Scheme**

The Share Purchase Scheme is a form of share incentive award scheme known as The VC Share Purchase Scheme Trust. Directors of the Company and any Subsidiary will be entitled to participate in the Share Purchase Scheme. The number of Shares to be issued under the Share Purchase Scheme is limited to two per cent of the issued share capital of the Company (excluding Shares which have already been transferred to employees on vesting).

### **Share Subscription Scheme**

The Share Subscription Scheme is also a form of a share incentive award scheme known as The VC Share Award Scheme Trust. Directors of the Company and any Subsidiary and other connected persons of the Company will not be entitled to participate in the Share Subscription Scheme. The number of Shares to be issued under the Share Subscription Scheme is limited to one per cent of the issued share capital of the Company (excluding Shares which have already been transferred to employees on vesting).

No Shareholders' approval is required for the Share Purchase Scheme or the Share Subscription Scheme.

## **Introduction**

The board of directors of the Company is pleased to announce that it has approved the establishment of two share incentive award schemes. The Share Purchase Scheme utilizes Shares purchased in the market whereas the Share Subscription Scheme will subscribe for new Shares. Directors of the Company and any Subsidiary will be entitled to participate in the Share Purchase Scheme but not the Share Subscription Scheme.

## **Purpose of the Share Purchase Scheme and the Share Subscription Scheme**

The purpose of each of the Share Purchase Scheme and the Share Subscription Scheme is to encourage and facilitate the acquisition and holding of shares in the Company, by and for the benefit of employees of the Company and any Subsidiary (excluding Directors of the Company and any Subsidiary and other connected persons of the Company in respect of the Share Subscription Scheme). The Shares to be awarded pursuant to the Share Purchase Scheme and/or the Share Subscription Scheme may be awarded in such manner as the Board may determine from time to time in order to recognise the contribution of certain employees, to seek to retain them for the continued operation and development of the Group, and to attract suitable personnel for the further development of the Group. The Share Purchase Scheme and the Share Subscription Scheme to employees are booked as staff cost.

## **SHARE PURCHASE SCHEME**

<b>Duration</b>	A term of 20 years from the date of adoption of the scheme.
<b>Scheme Limit</b>	Two per cent. of the ordinary issued share capital of the Company from time to time (excluding shares which have already been transferred to employees on vesting).
<b>Operation</b>	The Board may, subject to the Purchase Scheme Rules, from time to time at its absolute discretion select any employee (including any director of the Company or the Subsidiary) to be a participant in the Share Purchase Scheme. The Board or the Trustee (as the case may be) shall either (1) set aside a sum of money or (2) determine a number of Shares which it wishes to be the subject of a bonus or award under the Share Purchase Scheme. Where a sum of money has been set aside (or a number of Shares has been determined), it shall pay (or cause to be paid) that amount or an amount sufficient to purchase that number of Shares to the Trustee (or as it shall direct) from the Group's resources as soon as practicable following such funds being set aside. Within 15 business days of receiving the amount sufficient to purchase that number of Shares, the Trustee shall apply the same towards the purchase of Shares on the Stock Exchange.
<b>Vesting and lapse</b>	Vesting of the Shares will be conditional on the selected employee remaining an employee of the Company or a Subsidiary until the vesting date. The Board also has the discretion to stipulate such other conditions in respect of a particular employee which will apply to the vesting of the Shares.  An award will lapse where the company or the business division

	<p>by which the selected employee is employed ceases to be part of the Group or in the event the selected employee does not deliver the notice of exercise within the prescribed time limit to the Trustee for the purpose of exercising his right to receive the vested Shares. Generally, the delivery of an exercise notice by the selected employee to the Trustee would be a procedural requirement and no exercise cost would be payable by the employees for exercising their right. However, as referred to above, the Board does have discretion to stipulate other conditions in respect of a particular employee which would apply to the vesting of the Shares.</p> <p>Where Shares which are referable to a selected employee do not vest or are not acquired by selected employees in accordance with the above procedures, the Trustee shall hold such Shares or any income deriving therefrom exclusively for the benefit of all selected employees of the Group as the Trustee determines in its absolute discretion, after having taken into consideration recommendations of the Board.</p>
<b>Termination</b>	<p>The Board may by resolution terminate the operation of the Share Purchase Scheme at any time provided that such termination shall not affect any subsisting rights of any selected employee. If, at the date of such termination, the Trustee holds Shares which have not vested, then the Trustee shall within 21 business days of receiving notice of such termination sell such Shares and remit the proceeds of sale (after deductions) to the Company.</p>

### Share Subscription Scheme

<b>Duration</b>	A term of 20 years from the date of adoption of the scheme.
<b>Scheme Limit</b>	One per cent. of the ordinary issued share capital of the Company from time to time (excluding shares which have already been transferred to employees on vesting).
<b>Operation</b>	<p>The Board may, from time to time at its absolute discretion, select any employee (excluding any Director of the Company or any Subsidiary and any other connected person of the Company) to be a participant of the Share Subscription Scheme. The Board or the Trustee (as the case may be) shall at its discretion either (i) determine a notional cash amount or (ii) determine a number of Shares (the "<b>Number of Awarded Shares</b>") which it wishes to be the subject of an award under the Share Subscription Scheme. Where a notional cash amount has been determined by the Board, the Board shall determine the maximum number of Shares (the "<b>Relevant Number of Shares</b>"), rounded down to the nearest whole number which could be purchased with such notional cash amount on the Stock Exchange at the market price prevailing on</p>

	<p>the date of the award. The Company shall pay (or cause to be paid) an amount or an amount equal to the par value of either (i) the Relevant Number of Shares (where the Board has determined a notional cash amount) or (ii) the Number of Awarded Shares (where the Board has determined such number) to the Trustee (or as it shall direct) from the Group's resources as soon as practicable in accordance with the Subscription Scheme Rules.</p>
<b>Vesting and lapse</b>	<p>Vesting of the Shares will be conditional on the selected employee remaining an employee of the Company or a Subsidiary until the vesting date. The Board also has the discretion to stipulate such other conditions in respect of a particular employee which will apply to the vesting of the Shares.</p> <p>An award will lapse where the company or the business division by which the selected employee is employed ceases to be part of the Group or in the event the selected employee does not deliver the notice of exercise within the prescribed time limit to the Trustee for the purpose of exercising his right to receive the vested Shares. Generally, the delivery of an exercise notice by the selected employee to the Trustee would be a procedural requirement and no exercise cost would be payable by the employees for exercising their right. However, as referred to above, the Board does have discretion to stipulate other conditions in respect of a particular employee which would apply to the vesting of the Shares.</p> <p>Where Shares which are referable to a selected employee do not vest or are not acquired by selected employees in accordance with the above procedures, the Trustee shall hold such Shares or any income deriving therefrom exclusively for the benefit of all selected employees of the Group as the Trustee determines in its absolute discretion after having taken into consideration recommendations of the Board.</p>
<b>Termination</b>	<p>The Board may by resolution terminate the operation of the Share Subscription Scheme at any time provided that such termination shall not affect any subsisting rights of any employee selected thereunder and provided further that if, at the date of such termination, the Trustee holds any Shares which it has not vested, then the Trustee shall within 21 business days of receiving notice of such termination sell such Shares and remit the proceeds of sale (after deductions) to the Company.</p>

### **Other provisions**

Neither of the Share Subscription Scheme nor the Share Purchase Scheme constitutes a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 23 of the GEM Listing Rules. The Share Subscription Scheme and the Share

Purchase Scheme will comply with all applicable disclosure and other regulations including those set out in the Listing Rules. The Purchase Scheme Rules states that the number of Shares which may be subscribed under the scheme (excluding Shares which have already been transferred to employees on vesting) may not exceed two per cent of the issued share capital of Company from time to time (being 7,412,749 Shares based on the current total issued share capital of the Company of 370,637,451 Shares as at today's date). The Subscription Scheme Rules states that the number of Shares which may be subscribed under the scheme (excluding Shares which have already been transferred to employees on vesting) may not exceed one per cent of the issued share capital of Company from time to time (being 3,706,374 Shares based on the current total issued share capital of the Company of 370,637,451 Shares as at today's date). The Board has discretion to alter this limit (in which case the Company will issue an appropriate announcement), however, the Board believes that this limit is sufficient for the purpose of operating each of the Share Subscription Scheme and the Share Purchase Scheme. Pursuant to the Share Subscription Scheme, Shares will be issued pursuant to the general mandate to issue shares granted to the Board by ordinary resolution of the Company from time to time available at the date of grant.

## **Definitions**

<b>"Board"</b>	the board of Directors of the Company, such committee or such sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer the Share Purchase Scheme or the Share Subscription Scheme;
<b>"business day"</b>	a day (other than a Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
<b>"Company"</b>	Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange;
<b>"Directors"</b>	directors of the Company;
<b>"Group"</b>	the Company and the Subsidiaries;
<b>"GEM Listing Rules"</b>	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
<b>"Purchase Scheme Rules"</b>	the rules relating to the Share Purchase Scheme;
<b>"Purchase Scheme Trust Deed"</b>	the trust deed to be made between the Company as settlor, and the Trustee, as trustee, which deed establishes the Share Purchase Scheme;
<b>"Share Purchase Scheme"</b>	the Share Purchase Scheme whereby awards of Shares may be made to employees of the Company or any Subsidiary (such Shares being purchased by the Trustee in the market) pursuant to the Purchase Scheme Trust Deed and the Purchase Scheme Rules;

<b>"Share Subscription Scheme"</b>	the Share Subscription Scheme whereby awards of Shares may be made to employees of the Company or any Subsidiary (such Shares being issued to the Trustee) pursuant to the Subscription Scheme Trust Deed and the Subscription Scheme Rules;
<b>"Shares"</b>	shares of HK\$0.10 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited;
<b>"Subscription Scheme Rules"</b>	the rules relating to the Share Subscription Scheme;
<b>"Subscription Scheme Trust Deed"</b>	the trust deed to be made between the Company, as settler, and the Trustee, as trustee, which deed establishes the Share Subscription Scheme;
<b>"Subsidiary"</b>	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap.32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere; and
<b>"Trustee"</b>	BOCI-Prudential Trustee Limited (which is independent and not connected with the Company).

By order of the board of  
**Value Convergence Holdings Limited**  
**Tsang Yuen Wai, Samuel**  
*Company Secretary*

Hong Kong, 31 March 2008

As at the date of this announcement, the board of directors of the Company comprises two Executive Directors; namely, Mr. Ho, Lawrence Yau Lung (President and Vice Chairman) and Mr. Patrick Sun (Chief Executive Officer); two Non-executive Directors, namely Dr. Ho Hung Sun, Stanley (Chairman) and Dr. Lee Jun Sing; and three Independent Non-executive Directors, namely Dr. Tyen Kanhee, Anthony, Mr. Sham Sui Leung, Daniel and Mrs. Chu Ho Miu Hing.

*This announcement, for which the directors of VALUE CONVERGENCE HOLDINGS LIMITED collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to VALUE CONVERGENCE HOLDINGS LIMITED. The directors of VALUE CONVERGENCE HOLDINGS LIMITED, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement*

*is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at [www.valueconvergence.com](http://www.valueconvergence.com).*