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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, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the 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)

**GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of Value Convergence Holdings Limited (the “**Company**”) to be held at 7th Floor, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong on Wednesday, 31 May 2023 at 11:00 a.m. is set out on pages IV-1 to IV-6 of this circular.

Whether or not you are able to attend and/or vote at the annual general meeting of the Company in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company’s share registrar and transfer office, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event 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 subsequently attending and voting in person at the annual general meeting of the Company or any adjournment thereof (as the case may be) should you so wish.

28 April 2023

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be held on Wednesday, 31 May 2023 at 11:00 a.m. at 7th Floor, Centre Point, 181-183 Gloucester Road, Wanchai, Hong Kong
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Auditor”	the auditor of the Company for the time being
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday) and on which no tropical cyclone warning No. 8 or above is hoisted, no “black rainstorm warning signal” is issued and no “extreme conditions” is announced in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) and on which licensed banks in Hong Kong are open for general banking business
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	the Employee Participants, the Service Providers and the Related Entity Participants
“Employee Participant(s)”	the Directors and employees of the Company or any of its Subsidiaries (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with these companies), provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 14 June 2018

DEFINITIONS

“Grantee(s)”	any Eligible Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) his or her Personal Representative
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
“Offer”	an offer of the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant under the New Share Option Scheme
“Option(s)”	a right to subscribe for the Shares granted pursuant to the New Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which must not be more than ten (10) years from the Offer Date of that Option) to be determined and notified by the Board to the Grantee thereof during which such Option can be exercised
“Option Price”	means the amount of HK\$1.00 payable for the acceptance of an Offer
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)

DEFINITIONS

“Related Entity Participant(s)”	the directors and employees of the Related Entity, provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Company
“Scheme Mandate Limit”	the maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option scheme of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme and thereafter, if refreshed, shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders of the refreshed limit
“Service Provider(s)”	<p>person(s) who provide services to the Company or any of its Subsidiaries on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, namely:</p> <ul style="list-style-type: none">(a) supplier of goods or services to any member of the Group; and/or(b) adviser, consultant, business or joint venture partner, contractor, agent or representative of any member of the Group <p>but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its Subsidiaries; and (ii) professional service providers such as the Auditor or valuers who provide assurance or are required to perform their services with impartiality and objectivity.</p>
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company as shall result from any such sub-division, consolidation, re-classification or re-construction

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme
“Subsidiary” or “Subsidiaries”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance or the local companies law, act and/or ordinance where the subject company was incorporated) of the Company whether incorporated in Hong Kong or elsewhere
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



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, Peter (*Chairman*)
Mr. Wong Kam Fat, Tony (*Vice chairman*)
Mr. Lin Hoi Kwong, Aristo
Ms. Li Cindy Chen
Mr. Zhang Nu

Registered Office:

6th Floor,
Centre Point
181-185 Gloucester Road
Wanchai
Hong Kong

Independent Non-executive Directors

Mr. Wong Chung Kin, Quentin
Mr. Siu Miu Man, Simon, MH
Mr. Au Tin Fung, Edmund

28 April 2023

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM, including (i) the ordinary resolution granting the Directors general mandates to issue and buy back Shares; (ii) the ordinary resolution proposing re-election of Directors; (iii) the ordinary resolution proposing the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme; and (iv) to give you notice of the AGM at which the ordinary resolutions as set out in the notice of the AGM will be proposed.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 2 June 2022, ordinary resolutions were passed giving general mandates to the Directors (i) to allot, issue and deal with additional Shares not exceeding 20% of the total number of Shares in issue as at 2 June 2022 and to extend the general mandate to allot Shares by adding bought back securities to the 20% general mandate; and (ii) to purchase or otherwise acquire Shares on the Stock Exchange not exceeding 10% of the total number of Shares in issue as at 2 June 2022. These general mandates will lapse upon the conclusion of the AGM. It is therefore proposed to seek Shareholders' approval at the AGM to renew these general mandates.

The resolution set out in item 4 of the notice of the AGM, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to buy back Shares up to 10% of the total number of Shares in issue at the date of passing the resolutions (the "**Buy Back Mandate**") before the Company's next annual general meeting. A statement explaining the Buy Back Mandate in accordance with the Listing Rules is set out in Appendix I to this circular.

The resolution set out in item 5 of the notice of the AGM, if passed, will give the Directors a general mandate to allot, issue and deal with new Shares up to 20% of the total number of Shares in issue at the date of passing the resolutions (the "**Issue Mandate**"). Based on the number of Shares as at the Latest Practicable Date, the Issue Mandate would give the Directors the authority to issue 494,204,608 Shares.

The Issue Mandate and the Buy Back Mandate will continue to be in force from the passing of the said resolutions until whichever the following first occurs:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under such ordinary resolutions by an ordinary resolution or ordinary resolutions of the Shareholders in general meeting.

The purpose of the Issue Mandate and the Buy Back Mandate was to enable the Directors to issue additional Shares and to buy back Shares should the need arise. The Directors have no present intention to exercise the general mandates to issue Shares and to buy back Shares.

LETTER FROM THE BOARD

3. RE-ELECTION OF DIRECTORS

The Board currently consists of 8 Directors, including 5 executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Wong Kam Fat, Tony (Vice chairman), Mr. Lin Hoi Kwong, Aristo, Ms. Li Cindy Chen and Mr. Zhang Nu; and 3 independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Siu Miu Man, Simon, MH and Mr. Au Tin Fung, Edmund.

Pursuant to Article 88 of the Articles of Association, any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. In accordance with this article, Mr. Wong Kam Fat, Tony and Mr. Au Tin Fung, Edmund shall retire, and being eligible, offer themselves for re-election.

Pursuant to Article 97 of the Articles of Association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office. The Directors to retire every year shall be those who have been longest in office since their last election. In accordance with this article, Mr. Fu Yiu Man, Peter and Mr. Lin Hoi Kwong, Aristo shall retire at the AGM, and being eligible, offer themselves for re-election.

Pursuant to B.2.3 of Part 2 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules, if an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Wong Chung Kin, Quentin has served as independent non-executive Director for more than 9 years and shall retire at the AGM, and being eligible, offer himself for re-election.

The nomination committee of the Company has assessed the independence of Mr. Wong Chung Kin, Quentin during a meeting held in December 2022, where the following were discussed:

- Throughout his directorship with the Company, he has not been involved in the daily operation of the Company nor in any relationship or circumstances which would affect his independent judgement and he has been able to provide independent and professional views to the Company's affairs.
- He has participated in Board meetings and Board committee meetings to offer impartial advice and exercise independent judgement, and has attended general meetings of the Company to gain a balanced understanding of the Shareholders' views.
- The continuous appointment of Mr. Wong Chung Kin, Quentin as an independent non-executive Director will help to maintain the stability of the Board as he has, over time, gained valuable insight into the business strategy and policies of the Group.
- He has never engaged in any executive management of the Group. Taking into consideration the independence nature of his roles and duties in the past years, he is considered to be independent under the Listing Rules despite his years of services with the Company.

In view of the professional qualifications and extensive experience of Mr. Wong Chung Kin, Quentin in the financial advisory field, the Board believes that he is capable of providing constructive contributions in relation to the Company's affairs.

LETTER FROM THE BOARD

During 2022, the nomination committee of the Company reviewed the structure, size and diversity of the Board to ensure that its composition complies with the requirements of the Listing Rules and reflects an appropriate mix of skills, knowledge, experience and diversity that are relevant to the Company's strategy, governance and business and contribute to the Board's effectiveness and efficiency. Given that each of the Directors eligible for re-election at the AGM has different background and expertise and brings his/her valuable experience to the Board, the Board considers that each of them contributes to the diversity of the Board.

Each of Mr. Wong Chung Kin, Quentin, Mr. Siu Miu Man, Simon, MH and Mr. Au Tin Fung, Edmund being an independent non-executive Director eligible for re-election at the AGM, has provided an annual written confirmation of independence, having regard to the independence guidelines under rule 3.13 of the Listing Rules.

At the AGM, ordinary resolutions will be proposed to re-elect each of Mr. Fu Yiu Man, Peter, Mr. Wong Kam Fat, Tony and Mr. Lin Hoi Kwong, Aristo as executive Directors; and Mr. Wong Chung Kin, Quentin and Mr. Au Tin Fung, Edmund as independent non-executive Directors. Brief biographical details of the retiring Directors proposed for re-election at the AGM are set out in Appendix II of this circular.

4. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

Termination of the Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 14 June 2018 and is valid and effective for a period of ten (10) years. Under the Existing Share Option Scheme, the Board may offer options to the eligible participants prescribed in the Existing Share Option Scheme at its discretion.

The scheme mandate limit under the Existing Share Option Scheme was refreshed by the Company on 27 May 2021 (the "**2021 Refreshment**"). As at the date of approval of the 2021 Refreshment, a total of 1,705,751,598 Shares were in issue. Accordingly, the total number of Shares which may fall to be issued upon exercise of all options to be granted under the Existing Share Option Scheme was 170,575,159 Shares after the 2021 Refreshment, representing 10% of the then total number of issued Shares as at the date of approval of the 2021 Refreshment. On 31 January 2023, the Company has granted a total of 170,100,000 options under the Existing Share Option Scheme to the employees of the Group.

As at the Latest Practicable Date, there were a total of 224,844,000 options outstanding under the Existing Share Option Scheme, representing approximately 9.10% of the issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, the total number of Shares available for issue under the Existing Share Option Scheme was 575,159 Shares, representing approximately 0.02% of the total issued Shares as at the Latest Practicable Date. The Board has no intention of granting any further options under the Existing Share Option Scheme during the period from the Latest Practicable Date to the date of AGM.

LETTER FROM THE BOARD

Name/class of grantees	Position held with the Company	Date of grant	Exercise period	Exercise price	Vesting period	Number of options granted	Number of outstanding options granted
Fu Yiu Man, Peter	Chairman and Executive Director	27 July 2020	27 July 2020 to 26 July 2023	HK\$0.26 per Share	100% of options granted shall be vested to the grantees on 27 July 2020	7,700,000	–
Tin Ka Pak, Timmy	Former Executive Director					7,700,000	3,700,000
Lin Hoi Kwong, Aristo	Executive Director					7,700,000	7,700,000
Wong Chung Kin, Quentin	Independent Non-executive Director					1,228,000	1,228,000
Wong Kam Choi, Kerry, MH	Former Independent Non-executive Director					1,228,000	–
Siu Miu Man, Simon, MH	Independent Non-executive Director					1,228,000	1,228,000
Chung Chi Shing, Eric	Substantial Shareholder					1,228,000	1,228,000
Employees	Employees of the Group (other than Directors and chief executives)					53,760,000	32,060,000
Consultant	N/A	7,700,000	7,700,000				
Subtotal						89,472,000	54,844,000
Employees	Employees of the Group (other than Directors and chief executives)	31 January 2023	31 January 2024 to 30 January 2027	HK\$0.145 per Share	100% of options granted shall be vested to the grantees on 31 January 2024	170,100,000	170,000,000
Subtotal						170,100,000	170,000,000
Total						259,572,000	224,844,000

Upon the termination of the Existing Share Option Scheme, no further options would be offered under the Existing Share Option Scheme but the Existing Share Option Scheme would in other respects remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to such termination and any such options (to the extent not already exercised) shall continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme. Other than the Existing Share Option Scheme, the Company has no other share option scheme currently in force as at the Latest Practicable Date.

LETTER FROM THE BOARD

Adoption of the New Share Option Scheme

As at the Latest Practicable Date, the Company had utilised approximately 99.66% of the existing scheme mandate limit. Having considered that (i) the total number of Shares available for issue under the Existing Share Option Scheme are limited; (ii) Chapter 17 to the Listing Rules has been amended with effect from 1 January 2023 pursuant to the Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022; and (iii) the adoption of the New Share Option Scheme, which will be valid for ten (10) years from the Adoption Date, will provide the Company with more flexibility in long term planning of granting of the Options to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group, at the AGM, ordinary resolution will be proposed for the Shareholders to consider, and if thought fit, to approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme.

Explanation of the terms of the New Share Option Scheme

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III hereto. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same.

The purpose of the New Share Option Scheme is (i) to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group; and (ii) to enable the Group to attract and retain high calibre personnel that are valuable to the Group.

Pursuant to the terms of the New Share Option Scheme, Eligible Participants include the Employee Participants, Service Providers and Related Entity Participants.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account the experience of the Eligible Participant on the Group's business, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), the shareholding relationship and the benefits and synergies provided by the Eligible Participant to the Group (if the Eligible Participant is a Related Entity Participant), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, assessing factors include: the general working performance, time commitment (full-time or part-time), length of engagement with the Group, working experience, responsibilities and employment conditions with reference to the prevailing market practice and industry standard, or where appropriate, individual contribution or potential contribution to the development and growth of the Group.

LETTER FROM THE BOARD

For each category of Service Providers, assessing factors include: the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers.

In assessing whether the Service Provider provides services to the Group on a continuing or recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

For Related Entity Participant, assessing factors include: length of service, job position and job duties in the Related Entity, the shareholding relationship between the Group and the Related Entity and the benefits and synergies provided by the Related Entity to the Group.

The grant of Options to Eligible Participants who is a Related Entity Participant would not only align the interest of the Group with such Grantees, but also provide incentive and reward for (i) their participation and involvement in promoting the business of the Group; (ii) their joint and collaborative efforts in creating value for the Group's customers; and (iii) maintaining a stable and long-term relationship with the Group. The Board believes that through the grant of Options, such Related Entity Participants will have the same goal as the Group to promote the growth and development of the Group's business.

Considering the Company's hiring practices and organisational structures and that Service Providers and Related Entity Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Options to the Related Entity Participants and Service Providers in recognition of their contribution to the Company. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Related Entity Participants and Service Providers since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options to these non-employee participants will align their interests with that of the Group, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

LETTER FROM THE BOARD

More specifically, the Board (including the independent non-executive Directors) is of the view that:

The New Share Option Scheme will be valid for 10 years from the Adoption Date. As a listed company in Hong Kong, it may not rule out the possibility that the directors and employees of the Related Entity may bring into contribution to the Group. Inclusion of the Related Entity Participant(s) provides the flexibility to the Group for granting the Options as incentives or rewards for their contribution or retain high calibre personnel that are valuable to the Group.

The Group is principally engaged in providing all-rounded financial services in Hong Kong. Establishment of corporate and collaborative relationship with more high calibre persons will be one of the key factors for business development of the Group. The Company maintain a close working relationship with the Related Entity Participants who shall engage jointly in work projects with the Group, notwithstanding the fact that they are not directly appointed and employed by the members of the Group. These Related Entity Participants are viewed as highly valuable resources to the Group due to their established corporate and collaborative relationships and their involvement in projects related to or associated with the Group's businesses.

The Company recognises the contribution to be made by Related Entity Participants, and as such, deems it essential to incentive them through their participation in the New Share Option Scheme. This is particularly relevant for Related Entities in which the Group has significant interest, as the growth and development of these entities can have a significant impact on the financial performance of the Group.

It is, therefore, recommended that these participants be incentivised through the grant of Options to reinforce their commitment to the Group, even though they are not directly employed by the Group. This would enhance collaboration and establish stronger business relationships between the Related Entities and the Group, ultimately benefiting both the Company and the Shareholders.

The Service Providers who have rendered consultancy, advisory, technology services, sales and marketing services, and/or other professional services to the Group also make significant contribution to the Group's business development by applying their expert knowledge in fields.

Furthermore, in view of the rapid change of market situation, the Group may require novel forms of professional services to be provided by the Service Providers on a continuing or recurring basis to cater for the demand for new ventures, projects and facilitate the Group's expansion plan(s) from time to time, including but not limited to new digitisation, e-commerce, fin-tech and other comprehensive services provided by the Service Providers to cater for the business development of the Group. The Board shall evaluate the eligibility of the Service Providers to participate in the New Share Option Scheme based on the alignment of their services provided with the Company's business requirements, their commercial viability, and the potential for the services to enhance the competitiveness of the Group, having due regard to the Group's principal business segments and focal points at any given time.

LETTER FROM THE BOARD

Therefore, the Board consider that the proposed categories of the Related Entity Participants and the Service Providers are in line with the Company's business needs and the industry norm and the criteria for the selection of them and the terms of the grants align with the purpose of the New Share Option Scheme. The Board further recognises their value and perceives their inclusion as desirable and essential from a commercial standpoint, for their contribution already made and to be made to the Group's sustainability and competitiveness. Through the grant of the Options, such Eligible Participants and the Group will work towards a common goal of augmenting the growth and development of the Group's business, providing them the opportunity to partake in the Group's future prospects and benefit from additional rewards through their sustained and long-term contributions.

The vesting period for Options under the New Share Option Scheme shall not be less than twelve (12) months. The Subscription Price of the Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to such minimum amount as set out in the rules of the New Share Option Scheme.

Unless otherwise determined by the Board and stated in the Offer to a Grantee, a Grantee is not required to achieve any performance target before the exercise of an Option granted to him or her. There is also no clawback mechanism under the New Share Option Scheme to recover or withhold the remuneration (which may include any Options granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

It is believed that by providing the Board with the discretion to offer Option to the Eligible Participant in aforesaid flexible terms, in particular, determining the eligibility of the Eligible Participants, determining the Subscription Price, prescribing a vesting period before Options can be exercised, requiring the Eligible Participant to achieve any performance targets as may be stipulated in the offer letter at the grant of the relevant Option before his or her Options can be exercised and/or setting any clawback mechanism for the Company to recover or withhold any Option granted to any Eligible Participant, the Group will be in a better position to attract and retain such Eligible Participant to continue serving the Group whilst at the same time provide them with further incentive for their continual contribution to the Group, and thereby, to achieve the purpose of the New Share Option Scheme.

Value of the Options

The Directors consider that it is not appropriate to state the value of all Options that may 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 performance targets set and other relevant variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

LETTER FROM THE BOARD

Conditions Precedent of the New Share Option Scheme

The New Share Option Scheme shall take effect conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders in general meeting to:
 - (a) approve and adopt the New Share Option Scheme and to authorise the Board to grant the Options to subscribe for Shares under the New Share Option Scheme and to allot, issue and deal with the Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
 - (b) terminate the Existing Share Option Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

The New Share Option Scheme will become effective and the Existing Share Option Scheme will be terminated immediately upon the fulfillment of all the conditions for adoption of the New Share Option Scheme as referred to above.

Maximum number of Shares subject to the New Share Option Scheme

The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and all other share option schemes existing at such time (including the New Share Option Scheme) (the “**Relevant Scheme(s)**”) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme. For the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below), Shares which are the subject matter of any Options that have already lapsed in accordance with the terms of the Relevant Scheme(s) shall not be counted.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,471,023,040 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the approval of the New Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme(s) of the Company and awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be 247,102,304 Shares, representing approximately 10% of the Shares in issue as at the date of approval of the New Share Option Scheme.

LETTER FROM THE BOARD

The sublimit on the total number of Shares which may be issued upon exercise of all Options to be granted to the Service Providers (the “**Service Provider Sublimit**”) under the Relevant Scheme(s) must not in aggregate exceed 24,710,230 Shares, being 1% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to Service Providers, the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers, the actual or expected increase in the Group’s revenue or profits which is attributable to Service Providers and the extent of use of Service Provider in the Group’s business. Considering the fact that (i) the individual limit under Rule 17.03D(1) of the Listing Rules is also 1%; (ii) the sublimit of 1% would not lead to excessive dilution of existing Shareholders’ shareholdings; (iii) there is no other share schemes involving grant of options over new Shares; (iv) due to the hiring practice and organisational structures of the Group, certain Service Providers, in particular, the consultants and/or advisers, which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group; and (v) the Service Providers have contributed to the long-term growth of the Company’s business, and that the New Share Option Scheme could incentivise Service Providers who/which supply reliable and high-quality services to the Group on a long-term basis, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

None of the Directors is and will be trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustees of the New Share Option Scheme, if any.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme.

5. ANNUAL GENERAL MEETING

Appendix IV on pages IV-1 to IV-6 of this circular contains the AGM notice, which specifies resolutions to be proposed to the Shareholders as ordinary business (being adoption of the audited consolidated financial statements and the directors’ and auditor’s reports of the Company for the year ended 31 December 2022, re-election of Directors and fixing of remuneration of the Directors, re-appointment of Auditor and fixing of its remuneration) and as special business (being grant of the Issue Mandate and the Buy Back Mandate and the extension of the Issue Mandate, and the proposed adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme). Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll and results of the poll must be announced. The chairman of the meeting will at the AGM demand, pursuant to Article 68 of the Articles of Association, poll voting on all resolutions set out in the notice of the AGM. Consequently, all the resolutions proposed at the AGM would be voted upon by the Shareholders by poll.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon to the Company's share registrar and transfer office, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

No Shareholder has any material interests in the proposed adoption of the audited consolidated financial statements and the directors' and auditor's reports of the Company for the year ended 31 December 2022; the re-election of Directors and fixing of the remuneration of Directors; the re-appointment of Auditor and fixing of its remuneration; the proposed adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme; and the grant of the Issue Mandate and the Buy Back Mandate and the extension of the Issue Mandate. Accordingly, no Shareholder is required to abstain from voting at the AGM in respect of the resolutions to be proposed at the AGM.

6. DOCUMENT ON DISPLAY

A copy of the rules of the New Share Option Scheme will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.vcgroup.com.hk for display for a period of not less than 14 days before the date of the AGM and the New Share Option Scheme will be made available for inspection at the AGM.

7. RECOMMENDATION

The Board believes that the proposed resolutions as set out in the notice of AGM, including, among other things, the re-election of Directors, the grant of Issue Mandate and Buy Back Mandate and the extension of Issue Mandate and the proposed adoption of the New Share Option Scheme (including the Scheme Mandate Limit and the Service Provider Sublimit) and the termination of the Existing Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

8. 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 of
Value Convergence Holdings Limited
Fu Yiu Man, Peter
Chairman & Executive Director

This Appendix serves as an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Buy Back Mandate and also constitutes the memorandum required under section 239(2) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 2,471,023,040 Shares. Subject to the passing of the ordinary resolution and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Buy Back Mandate to buy back a maximum of 247,102,304 Shares, representing 10% of the total number of Shares in issue at the date of passing the resolution.

2. REASON FOR BUY BACK

The Directors believe that the flexibility afforded by the Buy Back Mandate would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in future when depressed market conditions arise, buy back of Shares may support the Share price and lead to an enhancement of the net asset value of the Company and/or its earnings per Share. It will then be beneficial to those Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company.

3. FUNDING OF SHARE BUY BACK

Buy back would be funded entirely from the Company's available cash which will be fund legally available for the purpose and in accordance with the Companies Ordinance and the Articles of Association.

There might have material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 December 2022) in the event that the Buy Back Mandate was to be exercised in full at any time during the proposed buy back period. However, the Directors do not propose to exercise the Buy Back Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	0.260	0.225
May	0.245	0.220
June	0.250	0.220
July	0.236	0.213
August	0.230	0.200
September	0.209	0.150
October	0.190	0.133
November	0.175	0.149
December	0.165	0.127
2023		
January	0.159	0.121
February	0.247	0.125
March	0.165	0.125
April (up to the Latest Practicable Date)	0.158	0.132

5. EFFECT OF TAKEOVERS CODE

If as a result of buy back of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert (within the meaning of the term under the Takeovers Code), depending on the level of increase in the shareholder's or shareholder group's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the only substantial shareholder of the Company is Mr. Chung Chi Shing, Eric who is holding 368,352,000 Shares representing approximately 14.91% and 16.56% of the entire issued Shares before and after the exercise of Buy Back Mandate in full; whereas the public float amounted to approximately 68.38% and 64.87% of the entire issued Shares before and after the exercise of Buy Back Mandate in full.

On the basis that the issued share capital of the Company remains unchanged and no Shares are repurchased prior and on the date of the AGM, the Directors are not aware of any consequence that would give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Buy Back Mandate is exercised in full.

The Directors have no present intention to buy back the Shares to the extent that (i) it will trigger the obligations under the Takeovers Code to make a mandatory offer or (ii) the number of Shares in the hands of public will fall below the prescribed minimum level of 25%.

6. SHARE BUY BACK MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular. The Company will not purchase the Shares if less than 25% of its issued share is held by the public.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) has any present intention, in the event that the Buy Back Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Buy Back Mandate is approved by the Shareholders.

8. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buy back pursuant to the proposed Buy Back Mandate in accordance with the Listing Rules, the Companies Ordinance and the regulations set out in the Articles of Association.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The following are particulars of the Directors proposed to be re-elected at the AGM.

(1) Mr. Fu Yiu Man, Peter
Chairman and Executive Director

Mr. Fu, aged 67, joined the Group in July 2016 and has been appointed as the Chairman and Executive Director in March 2018. Currently, Mr. Fu is the chairman of the Executive Committee and a director of certain subsidiaries of the Company. Mr. Fu was an independent non-executive director of Beijing North Star Company Limited (Stock Code: 588), a company listed on the Main Board of the Stock Exchange, from May 2015 to May 2021.

Mr. Fu obtained a bachelor's degree from Wharton Business School of the University of Pennsylvania in the U.S. He has served in various senior positions in BNP Paribas, Peregrine, Baring Securities, UBS, Citigroup Inc., CCB International and CCB International (China), etc. He served as the vice-president of GCL-Poly Group since November 2013. For the period from March 2014 to June 2016, Mr. Fu had been re-designated as the vice-president of GCL Oil and Gas Company. He was responsible for overseas finance and M&A business for the oil and gas projects of the company. Mr. Fu has almost 40 years of experience in financial management, securities business.

Mr. Fu has a service agreement with the Company, which may be terminated by either party by written notice of not less than two months and subject to rotation, retirement and re-election at annual general meeting pursuant to the Articles of Association. Mr. Fu is entitled to a director's remuneration of HK\$170,000 per month. The amount of emolument is determined by arm-length negotiation between the parties with reference to his duties and responsibilities with the Company, the Company's emolument policy and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Fu has personal interest of 20,000,000 Shares. Save as disclosed above, Mr. Fu does not have any other interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Fu has no relationship with any Director, senior management, substantial or controlling shareholder of the Company and there is no other matter which needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

(2) Mr. Wong Kam Fat, Tony
Vice Chairman and Executive Director

Mr. Wong, aged 60, has profound management experience in working with charities and in the education industry as well as possessing over 25 years of management experience in the printing industry. Mr. Wong was a director of China Public Procurement Limited (Stock code: 1094) from July 2007 to September 2009 and China Fortune Financial Group Limited (Stock code: 290) from September 2009 to November 2015, both of which are companies listed on the Main Board of the Stock Exchange.

Mr. Wong has a service agreement with the Company which may be terminated by either party by written notice of not less than one month and subject to rotation, retirement and re-election at annual general meeting pursuant to the Articles of Association. Mr. Wong is entitled to a director's remuneration of HK\$100,000 per month. The amount of emolument is determined by arm-length negotiation between the parties with reference to his duties and responsibilities with the Company, the Company's emolument policy and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Wong does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Wong has no relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company and there is no other matter which needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**(3) Mr. Lin Hoi Kwong, Aristo
Executive Director**

Mr. Lin, aged 52, joined the Group in January 2014 and has been appointed as the Executive Director in April 2015. Currently, he is a member of the Executive Committee and a director of certain subsidiaries of the Company. Mr. Lin is the Honorary Secretary of Hong Kong Skating Union Limited (the associate member of the Sports Federation and Olympic Committee of Hong Kong) and the Honorary President of the Building Healthy Kowloon City Association. Mr. Lin holds a Bachelor Degree in Business Administration and a Master of Science Degree in Marketing. The Institute of Crisis and Risk Management awarded Mr. Lin as Fellow of Certified Risk Planner in November 2019. He has over 20 years' experience in corporate development and business strategy.

Mr. Lin has a service agreement with the Company which may be terminated by either party by written notice of not less than two months and subject to rotation, retirement and re-election at annual general meeting pursuant to Articles of Association. Mr. Lin is entitled to a director's remuneration of HK\$80,000 per month. The amount of emolument is determined by arm-length negotiation between the parties with reference to his duties and responsibilities with the Company, the Company's emolument policy and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Lin has interest in 7,700,000 underlying Shares in respect of the share options granted by the Company pursuant to the Existing Share Option Scheme. Save as disclosed above, Mr. Lin does not have any other interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Lin has no relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company and there is no other matter which needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

(4) Mr. Wong Chung Kin, Quentin
Independent Non-executive Director

Mr. Wong, aged 51, joined the Group as Independent Non-executive Director in March 2012. Mr. Wong is the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. He has set up his own practice, Quentin Wong & Co. Certified Public Accountants (Practising) since 1 January 2005, and set up Quentin Wong & Co. CPA Limited in 2020. Mr. Wong was an independent non-executive director of China Trends Holdings Limited (Stock Code: 8171), a company listed on the GEM of the Stock Exchange, from November 2016 to August 2021 and Creative Enterprises Holdings Limited (Stock Code: 3992), a company listed on the Main Board of the Stock Exchange, from November 2018 to October 2021.

Mr. Wong is a fellow member of Hong Kong Institute of Certified Public Accountants, The Taxation Institute of Hong Kong, Association of Chartered Certified Accountants and The Society of Chinese Accountants & Auditors. Meanwhile, he is a member of The Institute of Chartered Accountants in England & Wales. Mr. Wong holds a bachelor of Arts degree in Accounting and Financial Management from University of Essex and a master degree of Science in Internal Auditing and Management from The City University, London. He has over 15 years working experience in audit and accounting gained from a sizeable international firm and has had over 10 years of practicing experience.

There is no service contract entered into between Mr. Wong and the Company. Mr. Wong is not appointed for a specific term but will be subject to rotation, retirement and re-election at annual general meeting of the Company pursuant to the Articles of Association. The remuneration of Mr. Wong as independent non-executive Director and committee members of the Company is HK\$216,000 per annum, which is determined by reference to his duties and responsibilities with the Company, the Company's emoluments policy and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Wong has personal interest of 500,000 Shares and 1,228,000 underlying Shares in respect of the share options granted by the Company pursuant to the Existing Share Option Scheme. Save as disclosed above, Mr. Wong does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Wong has no relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company and there is no other matter which needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

(5) Mr. Au Tin Fung, Edmund
Independent Non-executive Director

Mr. Au, aged 65, graduated from the Business Management Department of the Hong Kong Baptist University in 1982. He obtained the Master of Business Administration Degree from Upper Iowa University in 2006 and the Honorary University Fellowship from Hong Kong Baptist University in 2021. Mr. Au is the founder and a director of FY Compliance Consulting Limited.

Mr. Au had worked in senior positions in a variety of companies licensed under the Securities and Futures Commission and the Insurance Authority. He was an independent non-executive director of China Fortune Financial Group Limited (stock code: 290) from December 2005 to May 2006, an independent non-executive director of China Public Procurement Limited (stock: 1094) from August 2007 to September 2009; and an independent non-executive director of CCIAM Future Energy Limited (stock code: 145) in October 2009 and redesigned to executive director from October 2009 to September 2011.

There is no service contract entered into between Mr. Au and the Company. Mr. Au is not appointed for a specific term but will be subject to rotation, retirement and re-election at annual general meeting of the Company pursuant to the Articles of Association. The remuneration of Mr. Au as independent non-executive Director and committee members of the Company is HK\$216,000 per annum, which is determined by reference to his duties and responsibilities with the Company, the Company's emoluments policy and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Au does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Au has no relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company and there is no other matter which needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the AGM, but such summary does not form part of, nor was 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:

1. PURPOSE

- 1.1 The purpose of the New Share Option Scheme is (i) to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group; and (ii) to enable the Group to attract and retain high calibre personnel that are valuable to the Group.

2. CONDITION, DURATION AND ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

- 2.1 The New Share Option Scheme shall take effect conditional upon:

2.1.1 the passing of an ordinary resolution by the Shareholders in general meeting to approve and adopt the New Share Option Scheme and to authorise the Board to grant the Options to subscribe for Shares under the New Share Option Scheme and to allot, issue and deal with the Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;

2.1.2 the passing of an ordinary resolution by the Shareholders in the AGM to terminate the Existing Share Option Scheme; and

2.1.3 the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

- 2.2 Subject to the fulfilment of the conditions in paragraph 2.1 and subject to paragraph 15, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date and ending on the day immediately prior to the tenth (10th) anniversary of the Adoption Date (both dates inclusive) (the “**Term**”). After the expiry of the Term, no further Options shall be granted, but the Options which have been granted during the Term may continue to be exercisable in accordance with their terms of issue, and the provisions of the New Share Option Scheme shall remain in full force and effect in respect thereof.

- 2.3 The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising from or in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided in the New Share Option Scheme) shall be final and binding on all parties subject to the prior receipt of a statement in writing from the Auditor or the independent financial adviser if and as required by paragraph 11.

**3. ELIGIBLE PARTICIPANTS AND BASIS OF ELIGIBILITY OF PARTICIPANTS OF THE
NEW SHARE OPTION SCHEME**

3.1 Eligible Participants for the New Share Option Scheme include:

- (i) Employee Participant(s) including the Directors and employees of the Company or any of its Subsidiaries (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with these companies);
- (ii) Service Provider(s) including person(s) who provide services to the Company or any of its Subsidiaries on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, namely:
 - a. supplier of goods or services to any member of the Group; and/or
 - b. adviser, consultant, business or joint venture partner, contractor, agent or representative of any member of the Group

but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its Subsidiaries; and (ii) professional service providers such as the Auditor or valuers who provide assurance or are required to perform their services with impartiality and objectivity; and

- (iii) Related Entity Participants including the directors and employees of the Related Entity.

provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

- 3.2 In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account the experience of the Eligible Participant on the Group's business, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), the shareholding relationship and the benefits and synergies provided by the Eligible Participant to the Group (if the Eligible Participant is a Related Entity Participant), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, assessing factors include: the general working performance, time commitment (full-time or part-time), length of engagement with the Group, working experience, responsibilities and employment conditions with reference to the prevailing market practice and industry standard, or where appropriate, individual contribution or potential contribution to the development and growth of the Group.

For each category of Service Providers, assessing factors include: the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers.

In assessing whether the Service Provider provides services to the Group on a continuing or recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

For Related Entity Participants, assessing factors include: length of service, job position and job duties in the Related Entity, the shareholding relationship between the Group and the Related Entity and the benefits and synergies provided by the Related Entity to the Group.

4. GRANT OF OPTIONS

4.1 On and subject to the terms of the New Share Option Scheme, the Board shall be entitled (but not bound) at any time during the Term to make an Offer to any Eligible Participant as the Board may in its absolute discretion select, to subscribe for such number of Shares, being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof, as the Board may determine at the Subscription Price. Subject to paragraph 4.2, the Board may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making an Offer to an Eligible Participant (including, without limitation, as to any performance targets, clawback mechanism and the vesting period attached to the Option), provided that such conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme.

4.2 Each Offer shall be in writing and shall, among others:

4.2.1 state the name and address of the Eligible Participant;

4.2.2 state the Offer Date;

- 4.2.3 specify a date, being a date not later than thirty (30) days after (i) the Offer Date, or (ii) the date on which the conditions (if any) for the Offer are satisfied, whichever is earlier, by which the Eligible Participant must accept the Offer or be deemed to have declined it;
 - 4.2.4 state the method for accepting the Offer and that an acceptance of the Offer must be accompanied by payment of the Option Price;
 - 4.2.5 state that the Option Price is not refundable (except in the case as provided in the New Share Option Scheme) and shall not in any circumstances be, or be deemed to be, a part payment of the Subscription Price;
 - 4.2.6 specify the maximum number of Shares to which the Offer relates;
 - 4.2.7 specify the Subscription Price and, if applicable, its payment mechanism;
 - 4.2.8 specify the Option Period, and the date or dates during the Option Period upon which the Option shall first become exercisable and, if applicable, the time within which a vested Option must be exercised;
 - 4.2.9 specify the vesting period for the Option which in any event shall not be less than twelve (12) months;
 - 4.2.10 specify the performance target(s) (if any) that must be attained by the Eligible Participant before any Option can be exercised;
 - 4.2.11 specify any other conditions upon which the Option is granted and/or any other conditions which must be satisfied before the Option may be exercised;
 - 4.2.12 require 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;
 - 4.2.13 specify such other terms and conditions as may be imposed by the Directors (or (i) in respect of Employee Participants, by the Remuneration Committee, or (ii) in respect of particular Eligible Participant as provided in the New Share Option Scheme, by the independent non-executive Directors); and
 - 4.2.14 subject to the above, be made in such form as the Board may from time to time prescribe.
- 4.3 No Offer shall be made:
- 4.3.1 after inside information (having the meaning defined in the SFO) has come to the Company's knowledge until (and including) the trading day after the Company has announced the information in accordance with the Listing Rules; or

- 4.3.2 during the period commencing one month immediately before the earlier of (i) the date of the Board meeting (as such date is first notified by the Company to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. Such period will cover any period of delay in the publication of a results announcement.
- 4.4 An Offer shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favour of the Company of the Option Price by way of consideration for the grant thereof, is received by the Company on or before thirty (30) days after the Offer Date. Such remittance shall not be refundable except otherwise provided in the New Share Option Scheme.

5. SUBSCRIPTION PRICE

- 5.1 Subject to any adjustment made pursuant to the New Share Option Scheme, the Subscription Price shall be a price determined by the Board and notified to an Eligible Participant and shall be at least the higher of:
- 5.1.1 the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date, which must be a Business Day; and
- 5.1.2 the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the Offer Date.

6. EXERCISE OF OPTIONS

- 6.1 An Option must be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option, unless a waiver is granted by the Stock Exchange.
- 6.2 Any breach of paragraph 6.1 shall entitle the Company to determine any outstanding Option or any part thereof granted to such Grantee, whereupon the Option outstanding or any part thereof determined as aforesaid shall be deemed to have lapsed.
- 6.3 The vesting period for the Options shall be determined by the Board and in any case, shall not be less than twelve (12) months. Unless otherwise determined by the Board and stated in the Offer to a Grantee, a Grantee is not required to achieve any performance targets before the exercise of an Option granted to him or her.

- 6.4 Subject to paragraphs 4, 6.1, 6.2, 7 and 15 and the fulfilment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if any), an Option may be exercised in whole or in part by the Grantee (or his or her Personal Representative) during the Option Period by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given and the Option certificate in respect thereof for updating or cancellation, as the case may be. Within thirty (30) days after receipt of the notice and the full remittance and, where appropriate, receipt of the Auditor's or the independent financial adviser's certificate under paragraph 11, the Company shall allot and issue the relevant number of Shares to the Grantee (or his or her Personal Representative), credited as fully paid and issue to the Grantee (or his or her Personal Representative) share certificate(s) in respect of the Shares so allotted and, where applicable, return the Option certificate(s) after updating with the Options exercised and the balance of unexercised Options to be carried forward or issue new Option certificate(s) in respect of the balance of unexercised Options.
- 6.5 Subject to the terms of grant of any Option and the provisions of paragraph 11, an Option may be exercised by the Grantee (or his or her Personal Representative) at any time during the Option Period provided that:
- 6.5.1 subject to sub-paragraph 6.5.2, where the Grantee of an outstanding Option ceases to be an Eligible Participant for any reason (other than for one or more of the reasons specified in sub-paragraphs 7.1.5 and/or 7.1.6), (i) if he or she is an employee of any member of the Group, the Option can be exercised within one (1) month after his or her last actual working day with such member whether salary is paid in lieu of notice or not; or (ii) if he or she ceases to be an employee of any member of the Group by reason of retirement, the Option can be exercised within twelve (12) months after his or her last actual working day with such member of the Group, and in either case on or before the expiry of the relevant Option Period and the Board's decision in that regard shall be final, conclusive and binding on the parties concerned;
- 6.5.2 where the Grantee of an outstanding Option (i) ceases to be an Eligible Participant by reasons of ill-health, injury or disability (all evidenced to the satisfaction of the Board); or (ii) dies before exercising the Option in full or at all and none of the events which would be a ground of termination of his or her employment or engagement or directorship under sub-paragraph 7.1.5 or 7.1.6 occurs, the Option can only be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to sub-paragraphs 6.5.3, 6.5.4 or 6.5.5 within the time limit specified in such provisions by him or by his or her Personal Representative (as the case may be), and in any event within twelve (12) months after the date of ceasing to be an Eligible Participant or death (as the case may be);

- 6.5.3 if a general offer (whether by way of takeover, share repurchase offer or otherwise in a like manner) is made to all Shareholders (or all Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry of the relevant Option Period, the Grantee can only, by notice in writing to the Company within fourteen (14) days after such offer becoming or being declared unconditional, exercise the Option to its full extent or to the extent specified in such notice;
- 6.5.4 if a general offer by way of a scheme of arrangement is made to all Shareholders and the New Share Option Scheme has been approved by the necessary number of Shareholders at the requisite meetings as required by law or the provisions of the Articles of Association, the Grantee can only thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice; and
- 6.5.5 in the event a notice is given by the Company to all Shareholders 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 as or soon after it despatches such notice to each Shareholder give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee can only exercise all or any part of his or her Options at any time not later than five (5) 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 three (3) Business Days immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.
- 6.6 The Shares to be allotted and issued upon exercise of an Option shall be subject to all the provisions of the Articles of Association for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue as at the date of allotment of the Shares and will entitle the holders to have the same voting, transfer and other rights including those arising on liquidation of the Company, and participate in all dividends or other distributions paid or made on or after the date of allotment of the Shares other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date is before the date of allotment of the Shares.
- 6.7 A Share issued upon exercise of an Option shall not carry any voting right until the registration of the Grantee as the holder of such Share on the register of members of the Company.
- 6.8 No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to any Options that have not been exercised.

7. LAPSE OF OPTIONS

7.1 The right to exercise all or any Options (to the extent not already exercised) shall lapse automatically upon the earliest of:

7.1.1 the expiry of the Option Period;

7.1.2 the expiry of any of the periods referred to in sub-paragraphs 6.5.1, 6.5.2 or 6.5.3;

7.1.3 the lapse of the Option if it is not accepted within the time stated for that purpose referred to in sub-paragraph 4.2.3;

7.1.4 subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph 6.5.4;

7.1.5 the date on which the Grantee (if he or she is an employee of any member of the Group) (i) being summarily dismissed for misconduct or otherwise committing a breach of any terms of his or her employment or other contract constituting him or her an employee of any member of the Group; or (ii) appearing either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or having become insolvent or having made any arrangements or composition with his or her creditors generally; or (iii) having been convicted of any criminal offence involving his or her integrity or honesty. A resolution of the Board to the effect that one or more of the grounds specified in this sub-paragraph has occurred shall be final, conclusive and binding on the Grantee;

7.1.6 the date on which the Grantee (whether he or she is an employee of any member of the Group or not) (i) having committed any breach of any contract entered into between the Grantee on the one part and the Group on the other part; or (ii) appearing either to be unable to pay or to have no reasonable prospect of being able to pay his or her or its debts or having become insolvent or being subject to any liquidation or analogous proceedings or having made any arrangements or composition with his or her or its creditors generally; or (iii) could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever, a resolution of the Board to the effect that one or more of the grounds specified in this sub-paragraph has occurred shall be final, conclusive and binding on the Grantee;

7.1.7 subject to sub-paragraph 6.5.5, the date of commencement of the voluntary winding-up of the Company; or

7.1.8 the date on which the Grantee commits a breach of paragraph 6.1.

8. CLAWBACK MECHANISM

- 8.1 Unless the Board otherwise determined and stated in the Offer to a Grantee, there is no clawback mechanism under the New Share Option Scheme to recover or withhold the remuneration (which may include any Options granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 Subject to the terms and conditions of the New Share Option Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and all other share option schemes existing at such time (including the New Share Option Scheme) (the "**Relevant Scheme(s)**") of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme (the "**Scheme Mandate Limit**").
- 9.2 Subject to the terms and conditions of the New Share Option Scheme, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all Options to be granted to the Service Providers under Relevant Scheme(s) must not in aggregate exceed 1% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme (the "**Service Provider Sublimit**"), which shall not be valid unless:
- 9.2.1 the Service Provider Sublimit is separately approved by the Shareholders in general meeting; and
- 9.2.2 a circular regarding the Service Provider Sublimit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, amongst others, the basis for determining the Service Provider Sublimit and an explanation as to why the Service Provider Sublimit is appropriate and reasonable).
- 9.3 Subject to the terms and conditions of the New Share Option Scheme, the Scheme Mandate Limit and/or the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the date of the Shareholders' approval for the last refreshment (or the adoption of the New Share Option Scheme).
- 9.4 Within any three year period from the date of Shareholders' approval for the last refreshment (or the adoption of the New Share Option Scheme), the Scheme Mandate Limit and the Service Provider Sublimit may be refreshed by the Shareholders in general meeting subject to the following provisions:
- 9.4.1 any controlling Shareholders and their Associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive (as defined in the Listing Rules) of the Company and their respective Associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

9.4.2 the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under sub-paragraphs 9.4.1 and 9.4.2 above do not apply if the refreshment is made immediately after an issue of Shares by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit and Service Provider Sublimit immediately before the issue of Shares, rounded to the nearest whole Share.

9.5 Subject to the terms and conditions of the New Share Option Scheme, the Company may seek separate approval by the Shareholders in general meeting for granting Options which will result in the Scheme Mandate Limit and/or the Service Provider Sublimit being exceeded, provided that:

9.5.1 the grant is only to the Eligible Participants specifically identified by the Company before the approval is sought;

9.5.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

9.5.3 the number and terms of the Options to be granted to such Eligible Participants are fixed before the general meeting of the Company at which the same are approved.

10. MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

10.1 For the purposes of paragraphs 10.2 and 10.4, “**Relevant Shares**” means Shares issued and to be issued upon the exercise of all Options granted and to be granted (including exercised, cancelled and outstanding Options but excluding the Options lapsed in accordance with paragraph 7) to the relevant grantee in the 12-month period up to and including the Offer Date of the relevant Option referred to in paragraph 10.2 or 10.4 (as the case may be).

10.2 Subject to the paragraph 10.3, no Option shall be granted to any Eligible Participant (the “**Relevant Eligible Participant**”) if, at the time of grant, the number of Relevant Shares would exceed 1% of the total number of Shares in issue at such time, unless:

10.2.1 such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the Relevant Eligible Participant and his or her close associates (as defined in the Listing Rules) (or Associates if the Relevant Eligible Participant is a connected person (as defined in the Listing Rules)) abstained from voting;

10.2.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

- 10.2.3 the number and terms (including the Subscription Price) of such Option are fixed before the general meeting of the Company at which the same are approved.
- 10.3 Any grant of Option to a Director, chief executive (as defined in the Listing Rules) or substantial shareholder of the Company (or any of their respective Associates) under the New Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee).
- 10.4 Where an Option is to be granted to an independent non-executive Director or a substantial Shareholder (or any of their respective Associates), and the grant will result in the number of the Relevant Shares exceeding 0.1% of the total number of Shares in issue as at the Offer Date, such further grant shall not be valid unless:
- 10.4.1 a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed Grantee of the Option) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting);
- 10.4.2 the number and terms (including the Subscription Price) of such Option are fixed before the general meeting of the Company at which the same are approved; and
- 10.4.3 the grant has been approved by the Shareholders in general meeting (taken on a poll), at which such proposed Grantee, his or her Associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour of the relevant resolution granting the approval.

11. REORGANISATION OF CAPITAL STRUCTURE

- 11.1 Subject to paragraph 11.2, in the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of the Shares (other than an alteration of share capital as a result of an issue of Shares as consideration in respect of a transaction), the Company shall make corresponding alterations (if any) to:
- 11.1.1 the number of Shares subject to the Option so far as unexercised; and/or
- 11.1.2 the Subscription Price; and/or
- 11.1.3 the maximum number of Shares subject to the New Share Option Scheme

or any combination thereof as the Auditor or the independent financial adviser (licensed to conduct type 6 activity under the SFO) to the Company shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in their opinion fair and reasonable and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange. Further, it is provided that:

11.1.4 the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment;

11.1.5 any such alterations shall be made so that each Grantee is given the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which he was previously entitled;

11.1.6 the maximum number of Shares subject to the Relevant Scheme(s) under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of Shares at the date immediately before and after such alteration in the capital structure of the Company shall be the same, rounded to the nearest whole Share;

11.1.7 any such alterations, save as those made on a capitalisation issue, shall be confirmed by the Auditor or the independent financial adviser in writing to the Directors as satisfying the requirements of sub-paragraph 11.1.5 above, and that in the opinion of the Auditor or an independent financial adviser that the adjustments made by the Board under paragraph 11.1 is fair and reasonable;

11.1.8 any such adjustment made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Subscription Price payable by the 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; and

11.1.9 any such adjustment shall be made in compliance with such rules, codes and guidance letters of the Stock Exchange from time to time.

11.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 11.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.4, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the Auditor or the independent financial adviser (as the case may be) obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditor or the independent financial adviser (as the case may be) as soon as practicable to issue a certificate in that regard in accordance with paragraph 11.1.

11.3 In giving any certificate under this paragraph 11, the Auditor or the independent financial adviser shall act as experts and not as arbitrators and their certification shall be final and binding on the Company and the Grantees. Their costs shall be borne by the Company.

12. DISPUTE

12.1 Any dispute arising in connection with the New Share Option Scheme (whether as to the number of Shares which is the subject of an Option, the amount of the Subscription Price, or otherwise) shall be referred to the decision of the Auditor or the independent financial adviser who shall act as experts and not as arbitrators and whose decision shall be made in accordance with the requirements (if any) of the Listing Rules and shall, save for manifest error, be final and binding on all parties who may be affected thereby.

13. ALTERATION OF THE NEW SHARE OPTION SCHEME

13.1 Subject to paragraphs 13.2 to 13.4, the New Share Option Scheme may be altered in any respect by a resolution of the Board except that:

13.1.1 any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature; and

13.1.2 any alteration to the provisions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantages of Grantees;

must be approved by a resolution of the Shareholders in general meeting.

13.2 Any change to the terms of the Options granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

13.3 Any change to the authority of the Directors or the administrators of the New Share Option Scheme to alter the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

13.4 The amended terms of the New Share Option Scheme or the Options amended pursuant to this paragraph 13 must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

14. CANCELLATION OF THE OPTIONS GRANTED

14.1 The Board may not cancel an Option granted but not exercised without the written consent of the Grantee of such Option.

14.2 No Options may be granted to an Eligible Participant in place of his or her cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit and the Service Provider Sublimit from time to time. For the purpose of this paragraph 14.2, the Options cancelled will be regarded as utilised in calculating the Scheme Mandate Limit and the Service Provider Sublimit.

15. TERMINATION

15.1 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 Options will be offered but in all other respects the terms of the New Share Option Scheme shall remain in full force and effect. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid (subject to vesting in accordance with the terms of the Offer) and exercisable in accordance with the New Share Option Scheme.



Value Convergence Holdings Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 821)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the annual general meeting of Value Convergence Holdings Limited (the “**Company**”) will be held at 7th Floor, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong on Wednesday, 31 May 2023 at 11:00 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements and the reports of the directors and auditor for the year ended 31 December 2022.
2. To re-elect directors of the Company (the “**Directors**”) and to authorise the board of Directors (the “**Board**”) to fix the remuneration of Directors.
3. To re-appoint auditor and to authorise the Board to fix its remuneration.
4. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to buy back shares of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which may be bought back pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent of the aggregate number of the shares of the Company in issue at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution), and the said approval shall be limited accordingly;

- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever of the following first occurs:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.

“Shares” means shares of all classes in the capital of the Company and other securities which carry a right to subscribe or purchase shares of the Company.”

5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION

- (I) **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, to grant rights to subscribe for, or convert any security into, share in the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which would or might require the exercise of such power(s) be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require the exercise of such power after the end of the Relevant Period;

- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed the aggregate of:
- (aa) 20 per cent of the aggregate number of the shares of the Company in issue at the date of passing this Resolution plus;
- (bb) (if the Directors are so authorized by a separate resolution of the shareholders of the Company) the number of shares of the Company bought back by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent of the aggregate number of the shares of the Company in issue at the date of passing this Resolution), and the said approval shall be limited accordingly;
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever of the following first occurs:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to be held; and
- iii. the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

“Shares” means shares of all classes in the capital of the Company and other securities which carry a right to subscribe or purchase shares of the Company.”

- (II) “**THAT** the Directors be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution (I) in item 5 of the notice of this meeting in respect of the shares of the Company referred to in subparagraph (bb) of paragraph (c) of such resolution.”

6. As special business to consider and, if thought fit, pass the following resolution as ordinary resolution:

ORDINARY RESOLUTION

- (I) “**THAT:**

- (a) conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any shares of the Company which may fall to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), a copy of which has been produced to the annual general meeting of the Company marked “A” and initialed by the chairman of the annual general meeting of the Company for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options and to allot, issue and deal in the Shares as maybe required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme;
- (b) the total number of shares of the Company to be allotted and issued pursuant to (a) above, together with any issue of shares of the Company upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of shares of the Company as equals to 10 (ten) per cent. of the shares of the Company in issue as at the date of passing of this resolution;
- (c) conditional upon the New Share Option Scheme becoming effective, the existing share option scheme adopted by the Company on 14 June 2018 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

(II) “**THAT:**

- (a) conditional upon the New Share Option Scheme being approved and adopted by way of ordinary resolution of the Company above, the sublimit on the total number of shares of the Company that may be issued in respect of all options and awards to be granted to the service providers under all the share schemes of the Company of 1% of the total number of shares of the Company in issue on the date of approval of the New Share Option Scheme be and is hereby approved and adopted.”

By Order of the Board of
Value Convergence Holdings Limited
Lai Yick Fung
Company Secretary

Hong Kong, 28 April 2023

Registered Office:

6th Floor, Centre Point
181-185 Gloucester Road
Wanchai
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting (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. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, a form of proxy must be deposited at the Company’s registered office 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, not less than 48 hours before the time for holding the meeting or adjourned meeting.

4. With regard to item 2 above, the Board proposes that the retiring Directors, namely, Mr. Fu Yiu Man, Peter, Mr. Wong Kam Fat, Tony, Mr. Lin Hoi Kwong, Aristo, Mr. Wong Chung Kin, Quentin and Mr. Au Tin Fung, Edmund, be re-elected as Directors. Details of these retiring Directors are set out in the Appendix II to the Company's circular to shareholders dated 28 April 2023.
5. With regard to item 4 above, the Directors wish to draw the attention of the shareholders to the circular which summarises the more important provisions of the Listing Rules relating to the buy back of shares on the Stock Exchange by a company and will be dispatched to the shareholders together with the 2022 annual report. The present general mandate to repurchase shares given by the shareholders expires at the forthcoming annual general meeting and, accordingly, a renewal of that general mandate is now being sought.
6. With regard to item 5 above, the Directors wish to state that, currently, they have no plans to issue any additional new shares of the Company (other than pursuant to any of items (ii), (iii) or (iv) contained in paragraph I of the Resolution 5(I)). The present general mandate to issue shares given by the shareholders expires at the forthcoming annual general meeting and, accordingly, a renewal of that general mandate is now being sought.
7. In accordance with the Listing Rules, voting on the above resolutions will be taken by poll.
8. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions" after super typhoons is in effect any time at or before 8:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the websites of the Company at www.vcgroup.com.hk and the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, the Board comprises five executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Wong Kam Fat, Tony (Vice chairman), Mr. Lin Hoi Kwong, Aristo, Ms. Li Cindy Chen and Mr. Zhang Nu; and three independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Siu Miu Man, Simon, MH and Mr. Au Tin Fung, Edmund.