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VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE ENTIRE ISSUED SHARES OF THE TARGET COMPANY

The Board wishes to announce that on 5 October 2016 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors whereby the Vendors agreed to sell and assign and the Purchaser agreed to purchase the Sale Shares and the Sale Loans at the total consideration of HK\$62,360,000 (subject to adjustments). The Target Company is the registered owner of the Property.

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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THE AGREEMENT

Date:

5 October 2016

Parties:

- Vendors :
- (i) Devang Avlani, a businessman, as vendor for the First Sale Shares and the First Sale Loan
 - (ii) Girish Sundar Jhunjhnuwala, a businessman, as vendor for the Second Sale Shares and the Second Sale Loan
 - (iii) Harshil Kantilal Kothari, a businessman, as vendor for the Third Sale Shares and the Third Sale Loan

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent of the Group and its connected persons.

Purchaser : Comet Eagle Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

Assets to be acquired

(i) The Sale Shares, representing the entire issued share capital of the Target Company as at the date of this announcement and on Completion; and (ii) the Sale Loans, being the entire amount of the shareholders' loans owing by the Target Company to the Vendors on Completion. As at the date of this announcement, the First Vendor, the Second Vendor and the Third Vendor are the holders of 350, 625 and 625 shares of the Target Company respectively, and the Target Company is indebted to the First Vendor, the Second Vendor and the Third Vendor for the sums of HK\$10,200,000, HK\$5,100,000 and HK\$5,100,000 respectively.

The Target Company is the registered owner of the Property.

Total Purchase Price

The Total Purchase Price for the Sale Shares and the Sale Loans is HK\$62,360,000 (subject to adjustments) which is apportioned as follows:

- (i) HK\$13,641,250, being the First Purchase Price payable by the Purchaser to the First Vendor for the First Sale Shares and the First Sale Loan. The consideration for the First Sale Loan shall be equal to the face value of the First Sale Loan as at the date of Completion and the remaining balance of the First Purchase Price (after deduction of the consideration for the First Sale Loan) shall be the consideration for the First Sale Shares;
- (ii) HK\$24,359,375, being the Second Purchase Price payable by the Purchaser to the Second Vendor for the Second Sale Shares and the Second Sale Loan. The consideration for the Second Sale Loan shall be equal to the face value of the Second Sale Loan as at the date of Completion and the remaining balance of the Second Purchase Price (after deduction of the consideration for the Second Sale Loan) shall be the consideration for the Second Sale Shares; and
- (iii) HK\$24,359,375, being the Third Purchase Price payable by the Purchaser to the Third Vendor for the Third Sale Shares and the Third Sale Loan. The consideration for the Third Sale Loan shall be equal to the face value of the Third Sale Loan as at the date of Completion and the remaining balance of the Third Purchase Price (after deduction of the consideration for the Third Sale Loan) shall be the consideration for the Third Sale Shares.

The Deposit in the total sum of HK\$6,236,000 (equivalent to 10% of the Total Purchase Price) (of which HK\$1,364,125 shall be the deposit payable to the First Vendor, HK\$2,435,937.50 shall be the deposit payable to the Second Vendor and HK\$2,435,937.50 shall be the deposit payable to the Third Vendor respectively) has been paid by the Purchaser to the Vendors upon signing of the Agreement. The balance of the Total Purchase Price shall be paid by the Purchaser to the Vendors (of which HK\$12,277,125 shall be payable to the First Vendor, HK\$21,923,437.50 shall be payable to the Second Vendor and HK\$21,923,437.50 shall be payable to the Third Vendor respectively) upon Completion by way of cash.

The Total Purchase Price was agreed between the Vendors and the Purchaser after arm's length negotiations taking into account, among other things, the indicative market price of the Property and the net asset value of the Target Company. The Total Purchase Price will be satisfied by the proceeds raised in 2013 through the placing of new shares of the Company.

The Total Purchase Price is subject to adjustments including, among others, the debts (other than the Sale Loans) of the Target Company, cash at banks, rental deposits and the apportionment of the management fees and miscellaneous expenses as reflected in the Completion Accounts.

Conditions precedent

Completion of the Agreement is conditional upon, inter alia, the fulfillment or (as the case may be) waiver of the following conditions:

- (i) the Vendors and the Target Company having proved a good title to the Property in accordance with Sections 13 and 13A of the CPO and the Purchaser having been satisfied with the due diligence review on, inter alia, business, financial, legal and taxation aspects of the Target Company;
- (ii) the Purchaser having accepted in all respects the existing physical state, condition and finishes of the Property and the existing physical state and condition of the fixtures and fittings in the Property;
- (iii) the Vendors having discharged all liabilities (other than the Sale Loans) of the Target Company including but not limited to the legal charge in respect of the Property and all other collateral documents incidental thereto on or before Completion provided that the Vendors may use the balance of the Total Purchase Price or part thereof payable by the Purchaser hereunder to repay the indebtedness owing by the Target Company and discharge the relevant legal charge; and
- (iv) all necessary consents, authorisations and approvals (or waivers) of any kind having been obtained by the Vendors and the Purchaser for completion of the transactions contemplated under the Agreement.

The Purchaser may waive any of the conditions above (except the condition set out in paragraph (iv) above).

As at the date of this announcement, none of the conditions set out in the Agreement has been fulfilled or, where applicable, waived.

If any of the above conditions has not been fulfilled (or waived by the Purchaser) by Completion, the Vendors shall forthwith refund the Deposit (without interest if refund within 7 days) to the Purchaser whereupon all the rights and obligations of the parties to the Agreement shall lapse and be of no further force and effect and no party thereto shall have any liability under them (without prejudice to the rights of the parties in respect of any antecedent breaches).

Completion

Subject to the fulfillment (or waiver, where applicable) of all the conditions set out in the Agreement, Completion is scheduled to take place on 15 November 2016, or such other date as may be agreed between the Vendors and the Purchaser in writing.

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of network solutions and project services, property investment, yacht building in Hong Kong and minerals exploration in Mongolia.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company and its principal asset is the Property. As at the date of this announcement, the Target Company is beneficially owned as to approximately 21.88% by the First Vendor, approximately 39.06% by the Second Vendor and approximately 39.06% by the Third Vendor.

Set out below is the audited financial statements of the Target Company for the two years ended 31 March 2015 and 31 March 2016 respectively:

	For the year ended 31 March 2015	For the year ended 31 March 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) before taxation	6,231.3	(357.8)
Profit/(loss) after taxation	6,037.4	(401.3)

According to the Target Company's accounting policies, the Property is stated at cost less accumulated depreciation and aggregate identified impairment loss, if any. As at 31 March 2016 and 31 March 2015, the audited net book value of the Property was approximately HK\$36.7 million and HK\$37.9 million respectively.

Based on the valuation from an independent valuer, the market value of the Property as at 30 September 2016 was approximately HK\$62.5 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property comprises an office premises and a car parking space known as 13th Floor and Car Park No. C15 on 3rd Carparking Floor of Wyndham Place, No.44 Wyndham Street, Hong Kong respectively. The Property is subject to two existing tenancies, each for a fixed term of two years commencing from 1 October 2016 and ending on 30 September 2018 and collectively at an aggregate rental income of HK\$140,852 per month. The Property is currently subject to a legal charge which shall be discharged upon Completion.

One of the principal activities of the Group is property investment. The Directors believe that the acquisition of the Property through the Target Company provides an opportunity for the Group to expand and diversify its property investment portfolio and generate a steady flow of rental income to the Group.

The Directors are of the view that the terms of the Agreement are fair and reasonable and the acquisition of the Property through the Target Company pursuant to the Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares and the Sale Loans by the Purchaser pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 5 October 2016 entered into between the Vendors as vendors and the Purchaser as purchaser in relation to the Acquisition
“Board”	board of Directors

“Company”	Vision Values Holdings Limited (stock code: 862), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Accounts”	the proforma management accounts of the Target Company comprising a statement of financial position as at the date of Completion (but immediately prior to Completion) and an income statement for the period from 1 April 2016 to the date of Completion (but immediately prior to Completion)
“CPO”	the Conveyancing and Property Ordinance, Chapter 219 of the Laws of Hong Kong
“Deposit”	the initial deposit in the total sum of HK\$6,236,000 (equivalent to 10% of the Total Purchase Price) paid by the Purchaser to the Vendors upon signing of the Agreement
“Director(s)”	director(s) of the Company
“First Purchase Price”	the sum of HK\$13,641,250 payable by the Purchaser to the First Vendor for the First Sale Shares and the First Sale Loan under the Agreement
“First Sale Loan”	the entire amount owing by the Target Company to the First Vendor on Completion
“First Sale Shares”	350 issued shares of the Target Company
“First Vendor”	Mr. Devang Avlani
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Property”	13 th Floor, Wyndham Place, No. 44 Wyndham Street, Hong Kong and Carpark No.C15, 3 rd Carparking Floor, Wyndham Place, No. 44 Wyndham Street, Hong Kong
“Purchaser”	Comet Eagle Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Shares”	collectively, the First Sale Shares, the Second Sale Shares and the Third Sale Shares
“Sale Loans”	collectively, the First Sale Loan, the Second Sale Loan and the Third Sale Loan
“Second Purchase Price”	the sum of HK\$24,359,375 payable by the Purchaser to the Second Vendor for the Second Sale Shares and the Second Sale Loan under the Agreement
“Second Sale Loan”	the entire amount owing by the Target Company to the Second Vendor on Completion
“Second Sale Shares”	625 issued shares of the Target Company
“Second Vendor”	Mr. Girish Sundar Jhunjnuwala
“Shareholder(s)”	person(s) whose name(s) appear(s) in the register of members of the Company as the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Star Bright (HK) Holdings Limited (星輝香港集團有限公司), a company incorporated in Hong Kong with limited liability
“Third Purchase Price”	the sum of HK\$24,359,375 payable by the Purchaser to the Third Vendor for the Third Sale Shares and the Third Sale Loan under the Agreement
“Third Sale Loan”	the entire amount owing by the Target Company to the Third Vendor on Completion
“Third Sale Shares”	625 issued shares of the Target Company
“Third Vendor”	Mr. Harshil Kantilal Kothari

“Total Purchase Price”	HK\$62,360,000, being the aggregate of the First Purchase Price, the Second Purchase Price and the Third Purchase Price, subject to adjustments
“Vendors”	collectively, the First Vendor, the Second Vendor and the Third Vendor
“%”	per cent

By Order of the Board
Vision Values Holdings Limited
Tang Chi Kei
Company Secretary

Hong Kong, 5 October 2016

As at the date of this announcement, the Board comprises five Directors, of which Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman are executive Directors, Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank are independent non-executive Directors