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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 SHARE CAPITAL OF THE TARGET COMPANY**

The Board wishes to announce that on 16 December 2016 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor whereby the Vendor agreed to sell and assign and the Purchaser agreed to purchase the Sale Share and the Sale Loan at the Total Purchase Price of HK\$51,000,000 (subject to adjustments). The Target Company is the registered owner of the Property.

As certain applicable percentage ratios (as defined under the Listing Rules) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are 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**

16 December 2016

#### **Parties**

Vendor: Ms. Ng Sin Chong, Mabel

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Group and its connected persons and is not a connected person of the Group.

Purchaser: Star Power Global 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 Share, representing the entire issued share capital of the Target Company as at the date of this announcement and on Completion; and
- (ii) the Sale Loan, being the entire amount of the shareholder's loans owing by the Target Company to the Vendor on Completion. Based on the latest management accounts of the Target Company as at 31 October 2016, the Target Company is indebted to the Vendor for the sum of HK\$8,974,361.

The Target Company is the registered owner of the Property.

**Total Purchase Price**

The Total Purchase Price for the Sale Share and the Sale Loan is HK\$51,000,000 (subject to adjustments) which shall be paid by the Purchaser by way of cash in the following manner:

- (i) the Deposit in the sum of HK\$5,100,000 (equivalent to 10% of the Total Purchase Price) has been paid to the Vendor's solicitors as stakeholder upon signing of the Agreement and may be released to the Vendor after the conditions precedent set out in the Agreement have been fulfilled or (as the case may be) waived by the Purchaser; and
- (ii) the balance of the Total Purchase Price in the sum of HK\$45,900,000 (subject to adjustments) shall be paid upon Completion.

The consideration for the Sale Loan shall be equal to the face value of the Sale Loan as at the date of Completion, and the remaining balance of the Total Purchase Price (after deduction of the consideration for the Sale Loan) shall be the consideration of the Sale Share.

The Total Purchase Price was agreed between the Vendor and the Purchaser after arm's length negotiations, which the Purchaser has taken into account, among other things, the indicative fair value of the Property and the net asset value of the Target Company. The Total Purchase Price will be satisfied by the balance of the proceeds raised in 2013 through the placing of new shares of the Company and the internal resources.

The Total Purchase Price is subject to adjustments including, among others, the debts (other than the Sale Loan) of the Target Company, the apportionment of the management fees and miscellaneous expenses as reflected in the completion accounts of the Target Company.

**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 Vendor having proved, given and shown 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 been reasonably satisfied upon final inspection of the Property immediately prior to Completion that the physical state, condition and finishes of the Property and the physical state and condition of the fixtures and fittings in the Property will be under similar condition (fair wear and tear excepted) as they were inspected by the Purchaser prior to the date of the Agreement;
- (iii) the Vendor having discharged all liabilities of the Target Company including but not limited to the legal charge in respect of the Property and all other collateral documents incidental thereto (but excluding the Sale Loan) on or before Completion provided that the Vendor may use the balance of the Total Purchase Price or part thereof to repay the indebtedness owing by the Target Company to discharge the relevant legal charge;
- (iv) all existing permits (if any) remaining valid and subsisting and no notice (actual or constructive) having been received by the Vendor or the Target Company that the same will be terminated, revoked, withdrawn or suspended; and
- (v) all necessary consents, authorisations and approvals (or waivers) of any kind having been obtained by the Vendor and the Purchaser for Completion.

The Purchaser may waive any of the conditions precedent set out above (except the condition precedent set out in paragraph (v) above). As at the date of this announcement, none of the conditions precedent has been fulfilled or, where applicable, waived.

If any of the above conditions precedent has not been fulfilled (or waived by the Purchaser) by 15 January 2017, the Vendor shall forthwith refund, or procure the Vendor's solicitors to 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 precedent set out in the Agreement, Completion is scheduled to take place on the fifth (5<sup>th</sup>) business day after fulfillment (or waiver, where applicable) of the last of the conditions precedent, or such other date as may be agreed between the Vendor 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 wholly-owned by the Vendor.

Set out below is the summary of audited and unaudited financial information of the Target Company:

	<b>For the period from 10 November 2014 (date of incorporation) to 31 December 2015</b>	<b>For 10 months ended 31 October 2016</b>
	(audited) <i>HK\$'000</i>	(unaudited) <i>HK\$'000</i>
Loss before taxation	(742)	(819)
Loss after taxation	(742)	(819)

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 December 2015 and 31 October 2016, the audited and unaudited net book value of the Property was approximately HK\$41.5 million and HK\$41.3 million respectively.

Based on the valuation from an independent valuer, the indicative fair value of the Property as at 14 December 2016 was approximately HK\$49 million.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is an office premises located at 17<sup>th</sup> Floor of Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15, 17 and 19 Luard Road, Hong Kong. The Property is currently subject to a legal charge which shall be discharged upon Completion. The Vendor shall procure the Target Company to deliver vacant possession of the Property to the Purchaser upon Completion. The Directors intend to rent out the Property to generate rental income after 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 (as defined under the Listing Rules) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are 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 Share and the Sale Loan by the Purchaser pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 16 December 2016 entered into between the Vendor as vendor and the Purchaser as purchaser in relation to the sale and purchase of the Sale Share and the Sale Loan
“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
“connected person”	has the meaning as ascribed in the Listing Rules
“CPO”	the Conveyancing and Property Ordinance, Chapter 219 of the Laws of Hong Kong
“Deposit”	the initial deposit in the sum of HK\$5,100,000 (equivalent to 10% of the Total Purchase Price) paid by the Purchaser to the Vendor’s solicitors as stakeholder upon signing of the Agreement
“Director(s)”	director(s) of the Company
“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”	17 <sup>th</sup> Floor, Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15, 17 and 19 Luard Road, Hong Kong
“Purchaser”	Star Power Global Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Share”	one issued share of the Target Company, representing the entire issued share capital of the Target Company
“Sale Loan”	the entire amount of shareholder’s loan owing by the Target Company to the Vendor on Completion
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Power Able Enterprises Limited (盛能企業有限公司), a company incorporated in Hong Kong with limited liability
“Total Purchase Price”	the sum of HK\$51,000,000 payable by the Purchaser to the Vendor for the Sale Share and the Sale Loan under the Agreement
“Vendor”	Ms. Ng Sin Chong, Mabel
“%”	per cent

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

Hong Kong, 16 December 2016

*As at the date of this announcement, the Board comprises six Directors including Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman as executive Directors, Mr. Lo Cze Kei, Rex as non-executive Director and Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank as independent non-executive Directors.*