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## **VISION VALUES HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 862)**

### **PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE, SUBDIVISION OF SHARES AND CHANGE IN BOARD LOT SIZE**

#### **PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE**

Reference is made to the Placing Announcement. The Placing was completed on 22 April 2010 in which an aggregate of 23,490,000 new Shares have been allotted and issued pursuant to the Existing General Mandate. Accordingly, the Existing General Mandate has been substantially utilized. The Directors consider that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole as it will provide the Company with more flexibility in raising funds through the issue of new securities for its general working capital and business development as and when the Directors think appropriate in the future. Therefore, the Board proposes to seek the approval of the Independent Shareholders to refresh the Existing General Mandate at the EGM.

#### **PROPOSED SUBDIVISION OF SHARES AND CHANGE IN BOARD LOT SIZE**

The Board further proposes that each of the existing issued and unissued Shares of HK\$1.00 in the share capital of the Company be subdivided into ten Subdivided Shares of HK\$0.10 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out under the paragraph headed “Conditions of the Share Subdivision” below.

The Shares are currently traded in board lots of 1,000 Shares. The Board proposes that upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 4,000 Subdivided Shares.

A circular containing, amongst other things, details of the refreshment of the Existing General Mandate and the Share Subdivision, together with the notice of the EGM, will be despatched to the Shareholders as soon as practicable.

#### **PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE**

Under the Existing General Mandate granted by the Shareholders at the annual general meeting of the Company held on 8 December 2009, the Directors have been authorised to allot and issue new Shares of not exceeding the aggregate of 20% of the issued share capital of the Company as at 8 December 2009.

## **Reasons for the proposed refreshment of the Existing General Mandate**

Reference is made to the Placing Announcement. The Placing was completed on 22 April 2010 in which an aggregate of 23,490,000 new Shares have been allotted and issued pursuant to the Existing General Mandate. Accordingly, the Existing General Mandate has been substantially utilized. The Directors consider that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole as it will provide the Company with more flexibility in raising funds through the issue of new Shares for its general working capital and business development as and when the Directors think appropriate in the future. Therefore, the Board proposes to seek the approval of the Independent Shareholders to refresh the Existing General Mandate at the EGM.

As at the date of this announcement, the issued share capital of the Company is HK\$140,960,069 and the total issued Shares are 140,960,069 Shares. Assuming there is no further issue or repurchase of Shares from the date of this announcement and up to the date of the EGM, the aggregate of 20% of the issued share capital of the Company, amount to a maximum of 28,192,013 new Shares (equivalent to 281,920,130 Subdivided Shares), can be issued under the New General Mandate.

The New General Mandate will, if granted, remain effective until the earliest of: (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 to be held by the laws of the Cayman Islands or the articles of association of the Company; and (iii) its revocation or variation by an ordinary resolution of the Shareholders in general meeting.

According to Rules 13.36(4)(a) and 13.39(4) of the Listing Rules, the refreshment of the Existing General Mandate before the next annual general meeting is subject to the approval of the Independent Shareholders at the EGM. Any controlling Shareholders and their respective associate(s) or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associate(s) are required to abstain from voting in favour of the proposed resolution approving the refreshment of the Existing General Mandate.

Mr. Lo Lin Shing, Simon (“Mr. Lo”), being an executive Director, is the beneficial owner of (or has interest in) a total of 55,355,406 Shares, representing approximately 39.27% of the issued share capital of the Company as at the date of this announcement. Accordingly, Mr. Lo and his associates which control (or are otherwise entitled to exercise control over) a total of 55,355,406 Shares are required to abstain from voting in favour of the proposed resolution approving the refreshment of the Existing General Mandate.

## **Independent Board Committee**

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders on the proposed refreshment of the Existing General Mandate. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **PROPOSED SUBDIVISION OF SHARES AND CHANGE IN BOARD LOT SIZE**

The Board proposes that each of the existing issued and unissued Shares of HK\$1.00 in the share capital of the Company be subdivided into ten Subdivided Shares of HK\$0.10 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out under the paragraph headed “Conditions of the Share Subdivision” below.

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000, divided into 2,000,000,000 Shares, of which 140,960,069 Shares are in issue and are fully paid. Assuming no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective, the effect of the Share Subdivision to the capital structure of the Company is set out below:—

	<b>As at the date of this announcement and before the Share Subdivision becoming effective</b>	<b>Immediately after the Share Subdivision becoming effective</b>
Par value of each share	HK\$1.00	HK\$0.10
Authorised share capital	HK\$2,000,000,000	HK\$2,000,000,000
Number of authorised shares	2,000,000,000 Shares	20,000,000,000 Subdivided Shares
Issued share capital	HK\$140,960,069	HK\$140,960,069
Number of shares in issue	140,960,069 Shares	1,409,600,690 Subdivided Shares
Number of unissued shares	1,859,039,931 Shares	18,590,399,310 Subdivided Shares

The Subdivided Shares will rank pari passu in all respects with each others and the Share Subdivision will not result in any change in the rights of the Shareholders.

### **Conditions of the Share Subdivision**

The Share Subdivision is conditional upon:—

- (a) the passing of the necessary resolution to approve the Share Subdivision by the Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares in issue and the Subdivided Shares to be issued pursuant to the exercise of options granted or to be granted under the Share Option Scheme after the Share Subdivision becoming effective.

### **Change in board lot size**

The Shares are currently traded in board lots of 1,000 Shares. The Board proposes that upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 4,000 Subdivided Shares. Based on the closing price of HK\$5.990 per Share as quoted on the Stock Exchange as at the date hereof and the existing board lot size of 1,000 Shares, the prevailing board lot value is HK\$5,990. On the basis of the aforesaid closing price and the new board lot size of 4,000 Subdivided Shares, the new board lot value would be HK\$2,396.

## **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Subdivided Shares, the Company will appoint Taifook Securities Company Limited to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Subdivided Shares to make up a full board lot, or to dispose of their holding of odd lots of the Subdivided Shares. Details of the odd lot matching arrangements will be set out in the circular in relation to the Share Subdivision and refreshment of the Existing General Mandate to be despatched to the Shareholders.

Shareholders are reminded that the successful provision of odd lots matching services by the agent is not guaranteed, and are advised to consult their own profession advisers if they are in doubt of the above matching services.

The change in the board lot size will not result in any change in the relative rights of the Shareholders.

## **Adjustments to options**

As at the date hereof, options granted under the Share Option Scheme entitling the holders thereof to subscribe for 6,278,000 Shares are outstanding. Pursuant to the rules of the Share Option Scheme, adjustments are required to be made to the exercise price of the options and the number of shares of the Company which may fall to be issued upon their exercise as a result of the Share Subdivision. The Company will engage the independent auditor or an independent financial adviser to confirm that the adjustments to be made to the options will satisfy the requirements of the Share Option Scheme and the Listing Rules and the holders of the options will be informed of the required adjustments as soon as practicable.

## **Reasons for the Share Subdivision**

The proposed Share Subdivision will decrease the nominal value and increase the total number of Shares currently in issue. The Share Subdivision, together with the change in board lot size, will reduce the board lot value of the Shares and improve the liquidity in the trading of the Shares, thereby enabling the Company to attract more investors and broaden its shareholders' base. Accordingly, the Board considers that the Share Subdivision, together with the change in board lot size, is in the interests of the Company and the Shareholders as a whole.

Save for the costs incurred by the Company in implementing the Share Subdivision, the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Group or the proportional interests of the Shareholders.

The Board considers that the Share Subdivision will not have any adverse effect on the financial position of the Company.

## Expected timetable

It is currently expected that the Share Subdivision will become effective on Friday, 28 May 2010. Subject to the fulfillment of the conditions set out under the paragraph headed “Conditions of the Share Subdivision” above, the expected timetable for the implementation of the Share Subdivision and the relevant trading arrangement is as follows:—

**2010**

Circular relating to the refreshment of the  
Existing General Mandate and the Share Subdivision and  
the notice of the EGM to be despatched on or before ..... 10 May

Latest time for lodging forms of proxy for the EGM ..... 10:30 a.m. on 25 May

EGM ..... 10:30 a.m. on 27 May

Announcement of poll results of the EGM to be published on  
the Company’s and the Stock Exchange’s websites ..... 27 May

### **The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision.**

Effective date of the Share Subdivision ..... 28 May

Dealings in the Subdivided Shares commence ..... 9:30 a.m. on 28 May

Original counter for trading in Shares in board lots of  
1,000 Shares temporarily closes ..... 9:30 a.m. on 28 May

Temporary counter for trading in Subdivided Shares in  
board lots of 10,000 Subdivided Shares (in the form of  
existing share certificates (“**Existing Share Certificates**”)) opens ..... 9:30 a.m. on 28 May

First day of free exchange of the Existing Share Certificates  
for new certificates for the Subdivided Shares  
(“**New Share Certificates**”) ..... 28 May

Original counter for trading in Subdivided Shares in  
board lots of 4,000 Subdivided Shares (in the form of  
New Share Certificates) re-opens ..... 9:30 a.m. on 11 June

Parallel trading in Subdivided Shares (in the form of  
New Share Certificates and Existing Share Certificates)  
commences ..... 9:30 a.m. on 11 June

Temporary counter for trading in Subdivided Shares in  
board lots of 10,000 Subdivided Shares (in the form of  
Existing Share Certificates) closes ..... 4:00 p.m. on 5 July

Parallel trading in Subdivided Shares (in the form of  
New Share Certificates and Existing Share Certificates) ends ..... 4:00 p.m. on 5 July

Last day for free exchange of Existing Share Certificates  
for New Share Certificates ..... 4:00 p.m. on 7 July

*All time references in this announcement refer to Hong Kong time.*

*Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.*

### **Free exchange of certificates for the Subdivided Shares**

Subject to the Share Subdivision becoming effective, Shareholders may, on or after 28 May 2010 and until 4:00 p.m. (Hong Kong time) on 7 July 2010 (both days inclusive), submit their existing certificates for the Shares in blue color to the Company's branch registrar in Hong Kong to exchange for certificates for the Subdivided Shares in green color in board lots of 4,000 Subdivided Shares at the expense of the Company. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) by the Shareholders for each certificate issued or cancelled, whichever is the higher. Certificates for the Shares will continue to be good evidence of legal title but will cease to be valid for dealings, trading and settlement purposes after the parallel trading in Subdivided Shares ends and may be exchanged for certificates for the Subdivided Shares at any time in accordance with the foregoing.

### **GENERAL**

The EGM will be convened to consider and, if thought fit, approve, among other things, the refreshment of the Existing General Mandate and the Share Subdivision.

A circular containing, amongst other things, details of the refreshment of the Existing General Mandate and the Share Subdivision, together with the notice of the EGM, will be despatched to the Shareholders as soon as practicable.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, (i) the Subdivided Shares in issue following the Share Subdivision becoming effective; and (ii) the Subdivided Shares to be issued pursuant to the exercise of options granted or to be granted under the Share Option Scheme after the Share Subdivision becoming effective.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Vision Values Holdings Limited (Stock Code: 862), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, amongst other things, the refreshment of the Existing General Mandate and the Share Subdivision
“Existing General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 8 December 2009 to allot, issue and deal with the Shares of not exceeding the aggregate of 20% of the issued share capital of the Company as at the date of said annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	a committee comprising all independent non-executive Directors, namely, Mr. Tsui Hing Chuen, William, JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank to advise the Independent Shareholders in relation to the refreshment of the Existing General Mandate
“Independent Shareholders”	Shareholders other than the controlling Shareholders and their respective associate(s) or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associate(s)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the refreshment of the Existing General Mandate proposed to be sought at the EGM to authorise the Directors to allot, issue and deal with the shares or other securities of the Company representing not exceeding the aggregate of 20% of the issued share capital of the Company as at the EGM



“Placing”	the placing of up to 23,490,000 Shares pursuant to a placing agreement dated 12 April 2010 entered into by the Company as detailed in the Placing Announcement
“Placing Announcement”	the announcement dated 12 April 2010 issued by the Company in relation to the Placing
“Share(s)”	existing ordinary share(s) of HK\$1.00 each in the share capital of the Company as at the date hereof and before the Share Subdivision becoming effective
“Shareholder(s)”	holder(s) of Shares or Subdivided Shares (where appropriate)
“Share Option Scheme”	the share option scheme adopted by the Company on 28 May 2002
“Share Subdivision”	the proposed subdivision of each and every issued and unissued Shares of HK\$1.00 into ten (10) Subdivided Shares of HK\$0.10 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company upon the Share Subdivision becoming effective
“%”	per cent.

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

Hong Kong, 22 April 2010

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