
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Vision Values Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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, CHANGE IN BOARD LOT SIZE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 10 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 11 of this circular. A letter from Somerley Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 19 of this circular.

A notice convening the EGM to be held at Room Elbrus, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 May 2010 at 10:30 a.m. is set out on pages 20 to 22 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company's branch share registrars and transfer office in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

10 May 2010

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Accompanying document:

— *proxy form*

EXPECTED TIMETABLE

2010

Latest time for lodging proxy forms 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 for 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 circular refer to Hong Kong time.

Dates or deadlines specified in this circular 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.

DEFINITIONS

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

“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” or “Extraordinary General Meeting”	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, 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 Financial Adviser”	Somerley Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate

DEFINITIONS

“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)
“Latest Practicable Date”	5 May 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“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)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company as at the Latest Practicable Date 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.

LETTER FROM THE BOARD

VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

Executive Directors:

Mr. Lo Lin Shing, Simon (*Chairman*)

Mr. Ho Hau Chong, Norman

Independent non-executive Directors:

Mr. Tsui Hing Chuen, William, *JP*

Mr. Lau Wai Piu

Mr. Lee Kee Wai, Frank

Registered office:

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

Principal place of business

in Hong Kong:

Unit 309, 3/F.

Fook Hong Industrial Building

19 Sheung Yuet Road

Kowloon Bay, Kowloon, Hong Kong

10 May 2010

To the Shareholders,

Dear Sir or Madam,

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

INTRODUCTION

The Board announced on 22 April 2010 that the EGM would be convened to seek the approval of the Shareholders in relation to (i) the proposed refreshment of the Existing General Mandate and (ii) the Share Subdivision.

The purpose of this circular is to give you information relating to, among other things, (i) information regarding the proposed refreshment of the Existing General Mandate; (ii) the Share Subdivision; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Existing General Mandate; (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the refreshment of the Existing General Mandate; and (v) a notice convening the EGM at which resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the above proposals.

LETTER FROM THE BOARD

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 had 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 or other 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.

During the past 12 months prior to the date of this circular, the Company has conducted the following fund raising activities:—

Date of announcement	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
2 November 2009	Top-up placement of 19,578,000 new Shares which was completed on 13 November 2009	Approximately HK\$57.9 million	General working capital of the Group	Approximately HK\$48.7 million was used in settlement of the cash consideration for the purchase of the entire interest in Glory Key Investments Ltd.* The balance was used as intended.
12 April 2010	Placing of 23,490,000 new Shares which was completed on 22 April 2010	Approximately HK\$76.6 million	General working capital of the Group	Approximately HK\$46.3 million was used in redemption of the whole of the loan note together with all interest accrued thereon in relation to the purchase of the entire interest in Glory Key Investments Ltd.* The balance will be used as intended.

* Please refer to the announcement of the Company dated 11 December 2009 for the details of the transaction.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the issued share capital of the Company was HK\$140,960,069 and the total issued Shares were 140,960,069 Shares. Assuming there is no further issue or repurchase of Shares from the Latest Practicable Date and up to the date of the EGM, the aggregate of 20% of the issued share capital of the Company, which amounts 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 Latest Practicable Date. 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 and Independent Financial Adviser

The Independent Board Committee comprising, Mr. Tsui Hing Chuen, William, *JP*, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate. Your attention is drawn to the advice from the Independent Board Committee set out in its letter on page 11 of this circular.

Somerly Limited has been appointed as the Independent Financial Adviser in respect of the proposed refreshment of the Existing General Mandate. The letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice and recommendations, is set out on pages 12 to 19 of this circular.

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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$2,000,000,000, divided into 2,000,000,000 Shares, of which 140,960,069 Shares were in issue and were fully paid. Assuming no further Shares will be issued or repurchased after the Latest Practicable Date 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:—

	As at the Latest Practicable Date and before the Share Subdivision becoming effective	Immediately after the Share Subdivision becoming effective
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.

LETTER FROM THE BOARD

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\$5.90 per Share as quoted on the Stock Exchange as at the Latest Practicable Date and the existing board lot size of 1,000 Shares, the prevailing board lot value is HK\$5,900. 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\$2,360.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Subdivided Shares, the Company has procured an agent to provide matching services, 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 holdings of odd lots of the Subdivided Shares. Holders of Shares who wish to take advantage of this matching service should contact Ms. Canna Wong of Taifook Securities Company Limited at telephone number (852) 2160 9982 or 25/F., New World Tower 1, 16-18 Queen's Road, Central, Hong Kong during office hours from Friday, 28 May 2010 to Monday, 5 July 2010 (both dates inclusive).

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 professional 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 nor any odd board lots other than those which already exist.

Adjustments to options

As at the Latest Practicable Date, options granted under the Share Option Scheme entitling the holders thereof to subscribe for 6,278,000 Shares were 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 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.

LETTER FROM THE BOARD

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 material adverse effect on the financial position of the Company.

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 share registrars and transfer office in Hong Kong, Tricor Abacus Ltd. of 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, 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.

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.

No part of any equity or debt securities of the Company is listed or dealt in on any other stock exchange and no such listing of or permission to deal in is being or is proposed to be sought.

EGM

The notice of the EGM is set out on pages 20 to 22 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the proxy form enclosed in this circular in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrars and transfer office, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) should you so wish but the authority of your proxy will be invalidated forthwith.

The result of the voting at the EGM will be announced by the Company following the conclusion thereof.

RECOMMENDATION

The Board considers that the refreshment of the Existing General Mandate and the Share Subdivision are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the proposed refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders should vote in favour of the proposed ordinary resolution at the EGM to approve the refreshment of the Existing General Mandate.

WAIVER FROM COMPLIANCE WITH THE REQUIREMENTS UNDER RULES 19.10(2) AND 19.10(3) OF THE LISTING RULES

The Company has applied for, and the Stock Exchange has granted, a waiver from compliance with Rules 19.10(2) and 19.10(3) of the Listing Rules regarding the requirements of the inclusion in this circular summaries of (a) all provision of the articles of association of the Company and (b) a summary of the relevant regulatory provision of the Cayman Islands.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter of advice from the Independent Financial Adviser set out on pages 12 to 19 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the refreshment of the Existing General Mandate and the letter from the Independent Board Committee set out on page 11 of this circular which contains its recommendation to the Independent Shareholders in relation to the refreshment of the Existing General Mandate.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents shall be available for inspection by the Shareholder during normal business hours at the principal place of business of the Company at Unit 309, 3/F., Fook Hong Industrial Building, 19 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong from the date of this circular to the date of EGM (both dates inclusive):—

- (i) the memorandum and articles of association of the Company; and
- (ii) Companies Laws of the Cayman Islands (as revised and amended).

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statements herein misleading.

Yours faithfully,
For and on behalf of the Board of
Vision Values Holdings Limited
Tang Chi Kei
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

10 May 2010

To the Independent Shareholders

Dear Sir and Madam,

REFRESHMENT OF THE EXISTING GENERAL MANDATE

We refer to the circular of the Company to the Shareholders dated 10 May 2010 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We, being all the independent non-executive Directors, have been appointed to form the Independent Board Committee to advise you in connection with the proposed refreshment of the Existing General Mandate, details of which are set out in the “Letter from the Board” set out on pages 4 to 10 of the Circular. We wish to draw your attention to the “Letter from the Independent Financial Adviser” set out on pages 12 to 19 of the Circular, which contains the advice of the Independent Financial Adviser regarding the proposed refreshment of the Existing General Mandate.

Having taken into account the advice of the Independent Financial Adviser, we consider the proposed refreshment of the Existing General Mandate to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the refreshment of the Existing General Mandate.

Yours faithfully,
Independent Board Committee of
Vision Values Holdings Limited

Tsui Hing Chuen, William, JP
*Independent Non-executive
Director*

Lau Wai Piu
*Independent Non-executive
Director*

Lee Kee Wai, Frank
*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Somerley Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular:



SOMERLEY LIMITED

10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

10 May 2010

*To the Independent Board Committee and
the Independent Shareholders of
Vision Values Holdings Limited*

Dear Sirs or Madams,

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed refreshment of the Existing General Mandate, details of which are set out in the “Letter from the Board” (the “Letter from the Board”) in the circular (the “Circular”) issued by the Company to the Shareholders dated 10 May 2010, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

According to Rule 13.36(4)(a) 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 Latest Practicable Date. 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising, Mr. Tsui Hing Chuen, William, *JP*, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate. We, Somerley Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR ADVICE

We are not connected with the Company, their substantial shareholders or associates and accordingly are considered suitable to give independent financial advice on the above matters. Apart from the normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, its substantial shareholders and/or associates.

In formulating our opinion and recommendation, we have reviewed, amongst others, the interim report of the Company for the six months ended 31 December 2009 (the “Interim Report”), and the information contained in the Circular.

We have relied on the information and facts supplied, and the opinions expressed, by the Directors and the management of the Group, which we have assumed to be true, accurate, complete and not misleading in all material aspects as at the date of this letter and will remain as at the date of the EGM. We have sought and received confirmation from the Directors and management of the Group that no material facts have been omitted from the information supplied and opinions expressed by them to us. We consider that the information which we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to doubt the truth, accuracy or completeness of the information provided to us or to believe that any material information has been omitted or withheld. We have not, however, conducted any independent investigation into the business and affairs of the Group nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS TAKEN INTO ACCOUNT

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate, we have taken the following principal factors and reasons into consideration:

(a) Background

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 (i.e. a maximum of 23,494,013 new Shares).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the announcement dated 12 April 2010 issued by the Company in relation to the Placing, the placing agreement dated 12 April 2010 was entered into between the Company and Taifook Securities Company Limited (as the placing agent) to place up to 23,490,000 Shares to at least six independent places at the placing price of HK\$3.30 per Share. The Placing was completed on 22 April 2010.

Accordingly, during the period between the date on which the Existing General Mandate was granted to the Latest Practicable Date, 23,490,000 new Shares were issued under the Existing General Mandate, representing approximately 99.9% of the aggregate number of Shares which may be issued, allotted and dealt with under the Existing General Mandate. As the Existing General Mandate has been substantially utilised and such mandate has not been refreshed since it was granted, the Directors propose to seek approval from the Independent Shareholders at the EGM to refresh the Existing General Mandate to authorise the Directors to further issue, allot and deal with new Shares not exceeding 20% of the aggregate nominal amount of share capital of the Company in issue as at the date of the EGM.

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

(b) Terms of the New General Mandate

As stated in the Letter from the Board, the Board proposes to seek the approval of the Independent Shareholders to authorise the Directors to issue, allot 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. 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. Besides, Mr. Lo and his associates are required to abstain from voting in favour of the proposed resolution approving the refreshment of the Existing General Mandate. We note that the terms of the New General Mandate are in full compliance with Rules 13.36(2)(b), 13.36(3), 13.36(4)(a) and 13.36(4)(c) and consider the terms thereof to be fair and reasonable to the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) **History of fund raising exercises**

As stated in the Letter from the Board, the Company has conducted the following fund raising activities during the past 12 months immediately preceding the Latest Practicable Date:—

Date of announcement	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
2 November 2009	Subscription of 19,578,000 new Shares which was completed on 13 November 2009	Approximately HK\$57.9 million	General working capital of the Group	Approximately HK\$48.7 million was used in settlement of the cash consideration for the purchase of the entire interest in Glory Key Investments Ltd.. The balance was used as intended.
12 April 2010	Placing of 23,490,000 new Shares which was completed on 22 April 2010	Approximately HK\$76.6 million	General working capital of the Group	Approximately HK\$46.3 million was used in redemption of the whole of the loan note together with all interest accrued thereon in relation to the purchase of the entire interest in Glory Key Investments Ltd.. The balance will be used as intended.

Save for the above, there were no other fund raising exercises or transactions in relation to the issue of new Shares for the 12 months immediately preceding the Latest Practicable Date. We noted that the Company has conducted fund raising activities during the past 12 months. The net proceeds not yet used as at the date of this Circular amounted to approximately HK\$30.3 million. We have discussed with the management of the Group and were advised that the Group has sufficient cash resources to meet its present requirements. Nevertheless, as stated in the section headed “Reasons for the proposed refreshment of the Existing General Mandate” in the

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Letter from the Board, the Directors believe that the granting of the New General Mandate will provide the Company with more flexibility in raising funds through the issue of new Shares or other securities for its general working capital and business development as and when the Directors think appropriate in the future. Although the Group currently holds a considerable cash reserve, we consider that it is in the interest of the Group to have the Existing General Mandate refreshed for the acquisition of businesses or assets where the vendor prefers to receive Shares instead of cash as the consideration.

In our review of the market statistics from “HKEx Fact Book 2009” (the “Statistics”) issued by the Stock Exchange, we note that funds raised by “consideration issue”, i.e. issue of new shares as consideration, amounted to approximately HK\$62.13 billion during January to December 2009, representing approximately 9.7% of the total equities funds raised during the aforesaid period of around HK\$637.73 billion. Among the 9 types of fund raising identified in the Statistics, the size of fund raised by “consideration issue” is the fourth largest in terms of amount of total fund raised during the aforesaid period. On that basis, we believe that satisfying the consideration of an acquisition by way of issuing consideration shares is a common practice for listed companies in Hong Kong and the Company would be in a position to capture any such opportunity in a timely manner if the New General Mandate is indeed granted by the Independent Shareholders. Accordingly, we consider that it is prudent and reasonable for the Group to maintain a strong capital base such that the Group is able to secure any potential business and/or investment opportunities as they may arise from time to time. In light of the above, we are of the view that the granting of New General Mandate is in the interests of the Company and the Shareholders as a whole.

(d) Liquidity position of the Group

As per the Interim Report, the Group had an unaudited cash and cash equivalents of approximately HK\$80,862,000 as at 31 December 2009. With unaudited current assets and unaudited current liabilities of approximately HK\$96,442,000 and HK\$13,398,000 respectively as at 31 December 2009, the Group’s current ratio (current assets/current liabilities) was approximately 7.20. The Company entered into a sale and purchase agreement dated 9 December 2009 to acquire the entire interest in Glory Key Investment Ltd. at a consideration of HK\$96.0 million, the consideration was satisfied by (i) cash of HK\$50.0 million (subject to adjustment) and (ii) a loan note of HK\$46.0 million issued by the Company at 4% interest per annum. The acquisition was completed on 1 March 2010 and the cash and cash equivalents of the Group reduced due to the settlement of the cash portion of the said consideration. However, at a current ratio of approximately 7.20, we consider the Group’s liquidity position to be desirable as a current ratio which is more than 1 indicates that the Group’s current assets would be able to cover the Group’s current liabilities as they become due.

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Although the Group currently holds a considerable cash reserve, we consider that it is in the interest of the Group to refresh the Existing General Mandate for the potential acquisition of business(es) and/or asset(s) where vendor prefers to receive new Shares instead of cash as the consideration or the Group's then cash reserve may not be sufficient to satisfy the entire consideration and it is required to issue new Shares to settle the consideration in whole or in part. As at the Latest Practicable Date, the Directors have not yet identified any specific target for potential merger and acquisition. If the New General Mandate is approved by the Independent Shareholders, the Company would be in a position to capture any such opportunity in a timely manner. The Directors confirmed that there is no definite plan for any investment or acquisition of the Group nor is there any immediate funding need for the operation of the Group. However, the Directors cannot preclude the possibilities that additional funding may still be needed for investment development as well as other opportunities arise in the future.

(e) Financial flexibility

As mentioned in the Interim Report, there is still a challenge to the Group as there are keen competition in the project services and network solution markets. However, the management of the Group is seeking new business opportunities by looking for new products and solutions based on the wireless infrastructure in order to strengthen the Group's positioning and capability to penetrate the market. As advised by the Company's management, having regard to the challenging market conditions, it is an advantage for the Group to have the flexibility in raising additional funds and to have an additional option of financing to facilitate future expansions, investments and acquisitions. As mentioned earlier, a substantial portion of the Existing General Mandate has been utilised following completion of the Placing on 22 April 2010. The proceeds of the Placing as to approximately HK\$46.3 million was used in redemption of the whole of the loan note together with settlement of all interest accrued thereon in relation to the purchase of the entire interest in Glory Key Investments Ltd., while the balance will be used as general working capital of the Group as intended.

Following discussions with the management of the Group, we understand that the Board is of the view that it is important that the Group is able to capture every investment opportunity and fully capitalise on the changing market condition. The Directors have expressed their interest in seeking new business opportunities, in particular, by looking for new products and solutions based on the wireless infrastructure. We are of the view that if investment or acquisition opportunities arise, decisions have to be made promptly and it is critical that the Group has the financial resources to meet such needs. As mentioned above, a substantial portion of the Existing General Mandate has been utilised. If there is no refreshment of the Existing General Mandate between now and the next annual general meeting of the Company, the Company may have to obtain specific Shareholders' approval for any new issue of securities; or wait until December 2010 before a new general mandate may be granted to the Directors by the Shareholders. The Directors believe that the New General Mandate provides the Group with maximum flexibility as allowed under the Listing Rules to allot and issue new Shares for cash or as consideration to acquire suitable asset(s)/business(es) as and when such opportunities arise. Based on the above, we are of the view that the proposed refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

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(f) Other fund raising alternatives

As discussed with the management of the Group, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development in appropriate circumstances. As equity financing is interest and security free by nature, the Directors consider that equity financing such as issuance of new Shares for cash may be an appropriate and cost effective mean to fund such investments and/or acquisitions and provide additional working capital for the future development and expansion of the Group. Nevertheless, the Directors have also confirmed that they would consider other alternatives, such as (but not limited to) debt financing and bank borrowings. However, such alternatives depend on the financial position, the cost of funding of the Group and the market conditions. In addition, these alternatives may have to be subject to a lengthy negotiation process. The Directors have also confirmed that they would exercise due and careful consideration when choosing the best method of financing for the Group.

(g) Potential dilution to shareholding of the Independent Shareholders

We set out below the shareholding structure of the Company as at the Latest Practicable Date and the potential shareholding dilution of existing public Shareholders upon full utilisation of the New General Mandate (assuming that the Company's issued share capital of 140,960,069 Shares as at the Latest Practicable Date will remain unchanged on the date of the EGM):

	As at the		Upon full	
	Latest Practicable Date		utilisation of the	
	<i>Shares</i>	<i>%</i>	New General Mandate	<i>%</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Mr. Lo (<i>Note 1</i>)	55,355,406	39.27	55,355,406	32.72
Mr. Ho Hau Chong, Norman a Director	78,000	0.06	78,000	0.05
<i>Public Shareholders</i>				
Shares that may be issued under the New General Mandate	—	—	28,192,013	16.67
Other public Shareholders	<u>85,526,663</u>	<u>60.67</u>	<u>85,526,663</u>	<u>50.56</u>
Total	<u>140,960,069</u>	<u>100.00</u>	<u>169,152,082</u>	<u>100.00</u>

Note:

- These Shares are beneficially owned by Moral Glory International Limited, a company wholly-owned by Mr. Lo.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As illustrated above, 28,192,013 Shares, representing 20% of the issued share capital of the Company as at the Latest Practicable Date (assuming there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the EGM), would be issued upon the full utilisation of the New General Mandate. If the New General Mandate is fully utilised, the shareholding of the existing public Shareholders will decrease from approximately 60.7% to 50.6%.

Taking into account of the financial flexibility offered by the New General Mandate as discussed above, we consider the potential dilution of the shareholding of the existing public Shareholders to be fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the terms of the proposed refreshment of the Existing General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders, and also advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to approve the proposed refreshment of the Existing General Mandate at the EGM.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
Kenneth Chow
Managing Director – Corporate Finance

NOTICE OF THE EGM

VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Vision Values Holdings Limited (the “Company”) will be held at Room Elbrus, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 May 2010 at 10:30 a.m. for the purpose of considering and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and 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 or options (including bonds, warrants and debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares as scrip dividends or similar arrangement pursuant to the articles of association of the Company from time to time; or (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any option scheme or any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

NOTICE OF THE EGM

(d) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is 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 by applicable law to be held; or
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company 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 outside Hong Kong applicable to the Company).”

2. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the Subdivided Shares (as defined hereinafter) 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 of the Company, each of the issued and unissued shares of HK\$1.00 in the share capital of the Company be and is hereby subdivided (the “**Share Subdivision**”) into ten shares of HK\$0.10 each (the “**Subdivided Shares**”) and the directors of the Company be and are hereby authorised to issue new share certificates in respect of the Subdivided Shares to the holders of the shares of the Company and to do all things and execute all documents as they shall in their absolute discretion deem necessary or expedient in connection with or incidental to the Share Subdivision.”

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

Hong Kong, 10 May 2010

NOTICE OF THE EGM

Registered office:

P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

*Principal place of business
in Hong Kong:*

Unit 309, 3/F.,
Fook Hong Industrial Building,
19 Sheung Yuet Road,
Kowloon Bay, Kowloon,
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person(s) as his/her proxy to attend and vote instead of him/her. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the branch share registrars and transfer office of the Company in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be).
3. Completion and return of the proxy form shall not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof if he or she so desires and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
4. Where there are joint holders of any share, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he/she were solely entitled to vote; but if more than one of such joint holders be present at the meeting in person or by proxy, then the one of such holders whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

Note: In case of inconsistency, the English version shall prevail.