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VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 862)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE AND CHANGE IN BOARD LOT SIZE

Underwriter of the Rights Issue



VMS Securities Limited

PROPOSED RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$70.5 million but not more than approximately HK\$72.3 million, before expenses, by way of a rights issue of not less than 705,190,345 Rights Shares but not more than 723,190,345 Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.10 per Rights Share.

Pursuant to the terms of the Rights Issue, the Qualifying Shareholders will be provisionally allotted one (1) Rights Share in nil-paid form for every two (2) existing Shares held on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be not less than approximately HK\$67.1 million but not more than approximately HK\$68.9 million after deduction of all estimated expenses. The Group intends to apply the net proceeds from the Rights Issue for acquisition of assets and/or businesses (including commercial and/or residential property sectors) should suitable opportunities become available. As at the date of this announcement, the Group has not identified any specific acquisition target.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite all the Underwritten Shares subject to the terms and conditions set out in the Underwriting Agreement.

IRREVOCABLE UNDERTAKINGS OF MR. LO AND THE DIRECTORS

As at the date of this announcement, Mr. Lo beneficially owns 554,334,060 Shares, representing approximately 39.30% of the issued share capital of the Company, and does not hold any outstanding Share Options. Pursuant to the SL Undertaking Letter, Mr. Lo has irrevocably undertaken to the Company and the Underwriter, among other things, by no later than the Latest Acceptance Date, to accept, and procure the acceptance of, all the Committed Shares to be provisionally allotted to him and his associates under the Rights Issue and to lodge, and procure the lodging of, the PALs together with payment therefor pursuant to the terms of the Prospectus Documents.

As at the date of this announcement, the Directors (excluding Mr. Lo) hold an aggregate of 28,000,000 Share Options conferring rights to subscribe for 28,000,000 new Shares. Pursuant to the Director's Undertaking Letter, each of the Directors (excluding Mr. Lo) has irrevocably undertaken to the Company and the Underwriter, among other things, not to exercise the subscription rights attached to the Share Options held by him until the Record Date.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional, inter alia, upon the fulfillment or waiver (as applicable) of the conditions set out under the section headed "Conditions of the Rights Issue" of this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed and the Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable), and any dealings in the nil-paid Rights Shares will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

TRADING ARRANGEMENTS

The Record Date is Monday, 8 July 2013. The last day of dealings in the Shares on a cum-rights basis is Wednesday, 26 June 2013. The Shares will be dealt with on an ex-rights basis from Thursday, 27 June 2013. The Rights Shares are expected to be dealt with in their nil-paid form from Thursday, 11 July 2013 to Thursday, 18 July 2013 (both days inclusive).

To qualify for the Rights Issue, Shareholders must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder. The register of members of the Company will be closed from Tuesday, 2 July 2013 to Monday, 8 July 2013 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Shares will be registered during this period.

Holders of the Share Options who wish to participate in the Rights Issue should exercise the Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company on or before 4:30 p.m. on Friday, 28 June 2013.

GENERAL

As the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both nil-paid and fully-paid forms.

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by the Company, together with the PALs and the EAFs, to the Qualifying Shareholders on the Prospectus Posting Date. A copy of the Prospectus will also be made available on the websites of the Company (www.visionvalues.com.hk) and the Stock Exchange (www.hkexnews.hk). Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and, if required by the terms and conditions of the Share Option Scheme, to the respective holders of the Share Options, for their information only but will not send any PAL or EAF to them.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board proposes to change the board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Tuesday, 30 July 2013. No parallel trading and exchange of certificates of the Shares will be provided. Details for the arrangement of trading of odd lots of the Shares arising from the change in board lot size of the Shares are set out in the section headed "Proposed change in board lot size" in this announcement.

PROPOSED RIGHTS ISSUE

The Board announces that the Rights Issue is proposed with the terms set out as follows:

Rights Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Number of existing Shares in issue as at the date of this announcement	:	1,410,380,690 Shares
Minimum number of Rights Shares	:	705,190,345 Rights Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Maximum number of Rights Shares	:	723,190,345 Rights Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all outstanding Share Options held by the holders of the Share Options other than the Directors on or before the Latest Lodging Date, but otherwise no Shares are issued or repurchased on or before the Record Date) (<i>Note</i>)
Subscription Price	:	HK\$0.10 per Rights Share with nominal value of HK\$0.10 each
Underwriter	:	VMS Securities Limited
Minimum enlarged issued share capital of the Company upon completion of the Rights Issue	:	2,115,571,035 Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Maximum enlarged issued share capital of the Company upon completion of the Rights Issue	:	2,169,571,035 Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all outstanding Share Options held by the holders of the Share Options other than the Directors on or prior to the Latest Lodging Date, but otherwise no Shares (other than the Rights Shares) are issued or repurchased on or before the completion of the Rights Issue) (<i>Note</i>)

Note:

As at the date of this announcement, there are 64,000,000 Share Options outstanding (conferring rights to subscribe for 64,000,000 new Shares), of which an aggregate of 28,000,000 Share Options are held by the Directors (excluding Mr. Lo) who have given irrevocable undertakings to the Company and the Underwriter not to exercise the subscription rights attached to the Share Options held by them until the Record Date. Assuming full exercise of all outstanding Share Options held by the holders of the Share Options other than the Directors (excluding Mr. Lo) on or before the Latest Lodging Date, an additional 18,000,000 Rights Shares would be issued by the Company.

The minimum number of 705,190,345 nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents (i) 50.0% of the Company's issued share capital as at the date of this announcement; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue. Taking into account the estimated expenses in connection with the Rights Issue of approximately HK\$3.4 million, the minimum net price per Rights Share is expected to be approximately HK\$0.10.

The maximum number of 723,190,345 nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents (i) approximately 51.3% of the Company's issued share capital as at the date of this announcement; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all outstanding Share Options held by the holders of the Share Options other than the Directors on or prior to the Latest Lodging Date, but otherwise no Shares (other than the Rights Shares) are issued or repurchased on or before the completion of the Rights Issue. Taking into account the estimated expenses in connection with the Rights Issue of approximately HK\$3.4 million, the minimum net price per Rights Share is expected to be approximately HK\$0.10.

As at the date of this announcement, save for the outstanding Share Options as detailed above, the Company has no other outstanding derivatives, options, warrants or conversion rights in issue or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares in issue and held by the Qualifying Shareholders on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Acceptance Date.

Subscription Price

The Subscription Price, being HK\$0.10 per Rights Share, is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares and, where applicable, applies for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 36.3% to the closing price of HK\$0.157 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 38.7% to the average closing price of approximately HK\$0.163 per Share as quoted on the Stock Exchange for the five consecutive trading days ended on the Last Trading Day;

- (c) a discount of approximately 40.8% to the average closing price of approximately HK\$0.169 per Share as quoted on the Stock Exchange for the ten consecutive trading days ended on the Last Trading Day; and
- (d) a discount of approximately 27.5% to the theoretical ex-rights price of approximately HK\$0.138 per Share based on the closing price of HK\$0.157 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined based on arm's length negotiations between the Company and the Underwriter with reference to the recent closing prices of the Shares, the financial conditions of the Company and the current market conditions.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders on Tuesday, 9 July 2013. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of the Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Friday, 28 June 2013.

Holders of the Share Options who wish to participate in the Rights Issue should exercise the Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company on or before 4:30 p.m. on Friday, 28 June 2013.

Qualifying Shareholders who take up their pro rata entitlements in full under the Rights Issue will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Overseas Shareholders

Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Directors will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that/those place(s), the Rights Issue will not be available to such Overseas Shareholders and no

provisional allotment of nil-paid Rights Shares or allotment of Rights Shares will be made to them. Further information in this connection will be set out in the Prospectus. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only on the Prospectus Posting Date, but will not send any PAL and EAF to them. The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, to be sold as soon as practicable after dealings in the nil-paid Rights Shares on the Stock Exchange commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, above HK\$100 will be paid pro rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders will be made available for excess application on the EAF by the Qualifying Shareholders.

Overseas Shareholders and beneficial owners of the Shares and who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up the Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of the Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, such Overseas Shareholders and beneficial owners of the Shares should exercise caution when dealing in the Shares.

Fractions of the Rights Shares

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be sold by the Company in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregate fractions of nil-paid Rights Shares will be made available for excess application on the EAF by the Qualifying Shareholders. No odd lot matching services will be provided.

Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for:

- (a) any unsold Rights Shares which would have been allotted to Non-Qualifying Shareholders had they been Qualifying Shareholders;
- (b) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renouces or transferees of nil-paid Rights Shares; and

(c) any unsold aggregate fractions of nil-paid Rights Shares.

Applications for excess Rights Shares may be made only by the Qualifying Shareholders and only by completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by the time which is currently expected to be 4:00 p.m. on Tuesday, 23 July 2013 or such later time as may be agreed between the Company and the Underwriter. Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of the Rights Shares in that jurisdiction.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (ii) subject to availability of excess Rights Shares after allocation under principle in (i) above, any further remaining excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of the Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of the Rights Shares; whereas Qualifying Shareholders applying for a larger number of the Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of the Rights Shares) and with board lot allocations to be made on a best effort basis.

Investors with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except the beneficial owner(s) which the Company shall permit in its absolute discretion. Investors with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) on or prior to the Record Date.

Investors whose Shares are held by their nominee(s) (or which are deposited in CCASS) and who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Friday, 28 June 2013.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

Application for listings

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Dealings in the Rights Shares in their nil-paid forms will be in board lots of 4,000 Shares. Subject to the change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares to 20,000 Shares becoming effective on Tuesday, 30 July 2013 (the details of which have been set out in the section headed “Proposed change in board lot size” below), dealings in the Rights Shares in fully-paid forms will be in new board lots of 20,000 Shares.

No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the Registrar, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment or waiver (as applicable) of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 30 July 2013. Applicant(s) will receive one share certificate for all the Rights Shares allotted and issued to him/her/it.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Tuesday, 30 July 2013 by ordinary post to the applicants at their own risk.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

Date	:	13 June 2013 (after trading hours)
Underwriter	:	VMS Securities Limited. To the best of the Directors' knowledge and information after having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.
Number of the Underwritten Shares	:	Not less than 428,023,315 Rights Shares and not more than 446,023,315 Rights Shares, being all Rights Shares under the Rights Issue excluding the Committed Shares
Underwriting Commission	:	2.5% of the aggregate Subscription Price of the maximum number of the Underwritten Shares, which was determined after arm's length negotiations between the Company and the Underwriter, and the Directors (including the independent non-executive Directors) are of the view that the commission rate is fair and reasonable

The Board considers the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following being fulfilled or waived (as applicable):

- (a) the delivery to the Stock Exchange and the filing with and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Prospectus Posting Date of one copy of each of the Prospectus Documents duly certified in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies Ordinance and the Listing Rules;
- (b) the posting on the Prospectus Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders and of the Prospectus marked "For information only" to the Non-Qualifying Shareholders;

- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, all the Rights Shares in both their nil-paid and fully-paid forms before their respective dates of commencement of dealings on the Stock Exchange, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) and not having withdrawn or revoked such listing and permission;
- (d) compliance with and performance of the SL Undertaking Letter by Mr. Lo and the Director's Undertaking Letter by each of the Directors who is the holder of the outstanding Share Options;
- (e) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof; and
- (f) the Shares remaining listed on the Stock Exchange at all times up to and including the Long Stop Date and the current listing of the Shares not having been withdrawn and no indication being received from the Stock Exchange before the Long Stop Date to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason.

The Underwriter may waive the condition (e) above at any time before the Long Stop Date by notice in writing to the Company.

In the event that the conditions above have not been satisfied or waived (as applicable) on or before the time and dates specified under the Underwriting Agreement (or, in the absence of such specification, the Long Stop Date), all obligations of the parties to the Underwriting Agreement shall cease and the Underwriting Agreement shall terminate (save in respect of certain rights and obligations under the Underwriting Agreement) and the Rights Issue will not proceed.

Irrevocable undertakings of Mr. Lo and the Directors

As at the date of this announcement, Mr. Lo beneficially owns 554,334,060 Shares, representing approximately 39.30% of the issued share capital of the Company, and does not hold any outstanding Share Options. Pursuant to the SL Undertaking Letter, Mr. Lo has irrevocably undertaken to the Company and the Underwriter, among other things, to accept and take up, and procure the acceptance and the taking up of, the Committed Shares to be provisionally allotted to him and his associates under the Rights Issue in proportion to the Shares registered in the names of him and his associates as at the date of the Underwriting Agreement (and which Mr. Lo undertakes to the Company and the Underwriter to remain registered in the same names as at the Record Date). Mr. Lo shall lodge, and procure the lodging of, the PALs in respect of the Committed Shares to be provisionally allotted to him and his associates with the Registrar with payment therefor in accordance with the terms of the Prospectus Documents by no later than the Latest Acceptance Date.

As at the date of this announcement, the Directors (excluding Mr. Lo) hold an aggregate of 28,000,000 Share Options conferring rights to subscribe for 28,000,000 new Shares. Pursuant to the Director's Undertaking Letter, each of the Directors (excluding Mr. Lo) has irrevocably undertaken to the Company and the Underwriter, among other things, not to exercise the subscription rights attached to the Share Options held by him (which will remain held in the same name) until the Record Date.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination, one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, exist, or come into effect:

- (a) the Underwriter shall become aware of the fact that, or shall, in its reasonable opinion, believe that, any of the warranties contained in the Underwriting Agreement was untrue, inaccurate misleading or breached, and in each case the same represents or is likely to represent (in the reasonable opinion of the Underwriter) a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue;
- (b) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement; or
- (c)
 - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, currency, epidemic or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict);
 - (iii) any change in local, national or international equity securities or currency markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise);
 - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (v) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere which shall or may materially and adversely affect the Group or a material proportion of the Shareholders in their capacity as such;
 - (vi) any withdrawal of the current listing of the Shares or suspension in their trading on the Stock Exchange for more than fourteen (14) consecutive trading days (save for the purposes of clearing this announcement or any other announcements relating to the Underwriting Agreement and the ancillary agreements thereto) or indication being received from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to in connection with the terms of the Underwriting Agreement or for any other reason;

(vii) any change occurs in the circumstances of the Company or any member of the Group, which event or events is or are in the reasonable opinion of the Underwriter:

(aa) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or

(bb) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or

(cc) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then, and in such case the Underwriter may in its absolute discretion, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing given to the Company on or before the Latest Time for Termination to terminate the Underwriting Agreement.

In the event the Underwriter exercises the right to terminate the Underwriting Agreement by giving written notice of termination prior to the Latest Time for Termination, all the obligations of the Underwriter under the Underwriting Agreement shall cease and determine and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach).

If the Underwriter exercises such right or the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional, inter alia, upon the fulfillment or waiver (as applicable) of the conditions set out under the section headed “Conditions of the Rights Issue” above. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed and the Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable), and any dealings in the nil-paid Rights Shares will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 July 2013 to Monday, 8 July 2013 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the proposed change of board lot size (the details of which have been set out in the section headed “Proposed change in board lot size” below) is as follows:

2013

Last day of dealings in Shares on a cum-rights basis	Wednesday, 26 June
First day of dealings in Shares on an ex-rights basis	Thursday, 27 June
Latest time for lodging transfer of Shares in order to be qualified for the Rights Issue	4:30 p.m. on Friday, 28 June
Register of members of the Company closes (both dates inclusive)	From Tuesday, 2 July to Monday, 8 July
Record Date	Monday, 8 July
Register of members of the Company reopens	Tuesday, 9 July
Despatch of the Prospectus Documents	Tuesday, 9 July
First day of dealings in nil-paid Rights Shares	Thursday, 11 July
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 15 July
Last day of dealings in nil-paid Rights Shares	Thursday, 18 July
Latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares	4:00 p.m. on Tuesday, 23 July
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Friday, 26 July
Announcement of the allotment results of the Rights Issue to be posted on the Stock Exchange’s website	Monday, 29 July
Despatch of refund cheques for wholly and partially unsuccessful excess applications for excess Rights Shares	Tuesday, 30 July
Share certificates for the Rights Shares to be posted	Tuesday, 30 July
Effective date of change in board lot size of the Shares from 4,000 Shares to 20,000 Shares	Tuesday, 30 July
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	Tuesday, 30 July
Dealings in the Rights Shares commence	9:00 a.m. on Wednesday, 31 July
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	Monday, 19 August

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected timetable” may be affected. An announcement will be made by the Company in such event.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and the possible shareholding structure of the Company immediately after completion of the Rights Issue, assuming there is no other change in the shareholding structure of the Company since the date of this announcement:

	As at the date of this announcement		Assuming no exercise of the Share Options on or before the Record Date				Assuming exercise in full of the Share Options (other than those held by the Directors) on or before the Record Date			
	Number of Shares	Approximate %	Scenario I (Note 1)		Scenario II (Note 2)		Scenario I (Note 1)		Scenario II (Note 2)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Shareholders										
Mr. Lo and his associates (Notes 3 and 4)	554,334,060	39.30%	831,501,090	39.30%	831,501,090	39.30%	831,501,090	38.33%	831,501,090	38.33%
Ho Hau Chong, Norman (“Mr. Ho”) (Notes 4 and 5)	780,000	0.06%	1,170,000	0.06%	780,000	0.04%	1,170,000	0.05%	780,000	0.04%
Underwriter	—	—	—	—	428,023,315	20.23%	—	—	446,023,315	20.55%
Public Shareholders	855,266,630	60.64%	1,282,899,945	60.64%	855,266,630	40.43%	1,336,899,945	61.62%	891,266,630	41.08%
Total	1,410,380,690	100.00%	2,115,571,035	100.00%	2,115,571,035	100.00%	2,169,571,035	100.00%	2,169,571,035	100.00%

Notes:

1. Scenario I illustrates the shareholding structure of the Company immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders under the Rights Issue.
2. Scenario II illustrates the shareholding structure of the Company immediately after completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders (except the taking up of the Committed Shares by Mr. Lo and his associates) under the Rights Issue.
3. Among the 554,334,060 Shares, 780,000 Shares represent interest of Mr. Lo on an individual basis; while 553,554,060 Shares represent interest of Moral Glory International Limited, a company wholly-owned by Mr. Lo.
4. Mr. Lo and Mr. Ho are executive Directors.
5. Mr. Ho, together with the other Directors (excluding Mr. Lo), hold an aggregate of 28,000,000 Share Options (conferring rights to subscribe for 28,000,000 new Shares) as at the date of this announcement and each of them has given irrevocable undertaking to the Company and the Underwriter not to exercise the subscription rights attached to the Share Options held by him until the Record Date.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in the provision of network solutions and project services and property investment businesses. As referred to in the Company's interim report for the six months ended 31 December 2012, the Company would continue to identify and seize suitable investment opportunities as and when they arise. With a view to enabling the Group to be well positioned to take on suitable business and/or investment opportunities should they arise, the Board considers that it is an opportune moment for the Company to strengthen its financial position through the Rights Issue. Furthermore, the Board considers that it is prudent to support the continuing development of the Group's business activities by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing the finance costs, but will also provide all Qualifying Shareholders the opportunity to participate in the future business development of the Group through the Rights Issue at a price lower than the current market price of the Shares.

It is estimated that the net proceeds of the Rights Issue will be not less than approximately HK\$67.1 million (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue) and not more than approximately HK\$68.9 million (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all outstanding Share Options held by the holders of the Share Options other than the Directors on or prior to the Latest Lodging Date, but otherwise no Shares (other than the Rights Shares) are issued or repurchased on or before the completion of the Rights Issue), after deducting all necessary expenses for the Rights Issue, which include the commission to the Underwriter and the relevant professional fees incurred by the Company.

The Group intends to apply the net proceeds from the Rights Issue for acquisition of assets and/or businesses (including commercial and/or residential property sectors) should suitable opportunities become available. As at the date of this announcement, the Group has not identified any specific acquisition target.

Based on the aforesaid and taking into account that the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING IN THE PAST TWELVE MONTHS

The Company has not raised any fund by issuing any equity securities in the past twelve months before the date of this announcement.

GENERAL

As the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules.

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by the Company, together with the PALs and the EAFs, to the Qualifying Shareholders on the Prospectus Posting Date. A copy of the Prospectus will also be made available on the websites of the Company (www.visionvalues.com.hk) and the Stock Exchange (www.hkexnews.hk). Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and, if required by the terms and conditions of the Share Option Scheme, to the respective holders of the Share Options, for their information only but will not send any PAL or EAF to them.

PROPOSED CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 4,000 Shares each and the market value of each board lot is HK\$628 (based on the closing price of HK\$0.157 per Share as quoted on the Stock Exchange on the Last Trading Day). In order to increase the value of each board lot of the Shares so that the value of each board lot of the Shares will not be less than HK\$2,000, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Tuesday, 30 July 2013. Based on the closing price of HK\$0.157 per Share as quoted on the Stock Exchange on the Last Trading Day and the theoretical ex-rights price of approximately HK\$0.138 per Share as adjusted for the effect of the Rights Issue with reference to the closing price of the Share on the Last Trading Day, the new estimated board lot value would be HK\$3,140 and HK\$2,760 respectively. The change in board lot size of the Shares will not affect any rights of the Shareholders. The Board is of the opinion that the change in board lot size of the Shares is in the interests of the Company and the Shareholders as a whole.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed Halcyon Securities Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from Tuesday, 30 July 2013 to Monday, 19 August 2013 (both days inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board

lot may directly or through their broker contact Mr. Gilbert Lam of Halcyon Securities Limited at 11th Floor, 8 Wyndham Street, Hong Kong (telephone: (852) 3970 0990 and facsimile: (852) 3970 0988) during such period.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

All existing share certificates in board lot of 4,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no parallel trading of the Shares and no arrangement for free exchange of existing share certificates in board lot size of 4,000 Shares to new share certificates in board lot size of 20,000 Shares are necessary. With effect from Tuesday, 30 July 2013, any new certificate of the Shares will be issued in new board lot size of 20,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of the Shares will have the same format and colour (which is green) as the existing certificates of the Shares.

DEFINITIONS

Unless the context requires otherwise, terms used in this announcement shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday and other general holidays in Hong Kong and any day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is hoisted or remains hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon in Hong Kong) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Committed Shares”	277,167,030 Rights Shares which, pursuant to the SL Undertaking Letter, Mr. Lo has irrevocably undertaken to take up or procure the taking up of
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“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 Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	director(s) of the Company
“Director’s Undertaking Letter”	the irrevocable undertaking letter dated 13 June 2013 executed by each of the Directors who are holders of the Share Options in favour of the Company and the Underwriter
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	13 June 2013, being the last full trading day immediately prior to the publication of this announcement
“Latest Acceptance Date”	the latest time as the Underwriter may agree in writing with the Company for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares, which is currently expected to be 4:00 p.m. on Tuesday, 23 July 2013
“Latest Lodging Date”	the latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue, which is currently expected to be 4:30 p.m. on Friday, 28 June 2013
“Latest Time for Termination”	4:00 p.m. on the third Business Day following the Latest Acceptance Date (or such other date as the Company and the Underwriter may agree in writing)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	4:00 p.m. on 30 August 2013 or such later time and date as the Underwriter may agree with the Company in writing
“Mr. Lo”	Mr. Lo Lin Shing, Simon, being a Director and the controlling Shareholder (holding approximately 39.30% of the issued share capital of the Company as at the date of this announcement)
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s)
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong

“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Prospectus Posting Date”	the date as the Company may agree with the Underwriter in writing for the despatch of the Prospectus Documents or the Prospectus only (as the case may be) to the Shareholders, which is currently expected to be Tuesday, 9 July 2013
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Monday, 8 July 2013 (or such other date as the Company may agree with the Underwriter in writing), the record date to determine the entitlements of the Shareholders to participate in the Rights Issue
“Registrar”	Tricor Abacus Limited, the branch share registrar and transfer office of the Company in Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares to the Qualifying Shareholders at the Subscription Price on the basis of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	new Share(s) to be issued and allotted under the Rights Issue, being not less than 705,190,345 Shares and not more than 723,190,345 Shares
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option(s)”	the outstanding option(s) held by the holders under the Share Option Scheme as at the date of this announcement entitling them to subscribe for a total of 64,000,000 Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 23 November 2011
“Shareholder(s)”	holder(s) of the Share(s)
“SL Undertaking Letter”	the irrevocable undertaking letter dated 13 June 2013 executed by Mr. Lo in favour of the Company and the Underwriter

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Rights Share
“Underwriter”	VMS Securities Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities for the purposes of the SFO
“Underwriting Agreement”	the underwriting agreement dated 13 June 2013 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	not less than 428,023,315 Rights Shares but not more than 446,023,315 Rights Shares, being all Rights Shares (excluding the Committed Shares) underwritten by the Underwriter pursuant to the Underwriting Agreement
“%”	percentage or per centum

By Order of the Board
Vision Values Holdings Limited
Lo Lin Shing, Simon
Chairman

Hong Kong, 13 June 2013

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.