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# THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

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

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of each of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of these documents.

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## VISION VALUES HOLDINGS LIMITED

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

**(Stock code: 862)**

### RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

**Underwriter of the Rights Issue**



**VMS Securities Limited**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to the Latest Time for Termination to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" in this Prospectus. If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. In addition, the Rights Issue is conditional upon all conditions set out in the paragraph headed "Conditions of the Rights Issue" under the section headed "Letter from the Board" in this Prospectus being fulfilled or waived (as applicable). If such conditions have not been satisfied or waived (as applicable) in accordance with the Underwriting Agreement on or before the time and dates specified therein, the Underwriting Agreement shall terminate 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).

Dealings in the Rights Shares in their nil-paid form will take place from Thursday, 11 July 2013 to Thursday, 18 July 2013 (both dates inclusive). If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed.

Any dealings in the Shares or the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable) 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.

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares is 4:00 p.m. on Tuesday, 23 July 2013. The procedures for acceptance and payment or transfer of the Rights Shares are set out in the paragraph headed "Procedures for acceptance and payment or transfer" under the section headed "Letter from the Board" in this Prospectus.

9 July 2013

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 13 June 2013 in relation to, among other things, the Rights Issue
“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, as amended from time to time
“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 is the holder 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

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## DEFINITIONS

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“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 the 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 for 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 document of the Shares in order to qualify for the Rights Issue, being 4:30 p.m. on Friday, 28 June 2013
“Latest Practicable Date”	3 July 2013, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained in this Prospectus
“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 Latest Practicable Date)
“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

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## DEFINITIONS

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“Prospectus”	this prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	this Prospectus, the PAL and the EAF
“Prospectus Posting Date”	9 July 2013, being the date for the despatch of the Prospectus Documents or the Prospectus only (as the case may be) to the Shareholders
“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”	8 July 2013, being the 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 Shares”	new Shares to be issued and allotted under the Rights Issue, being 705,190,345 Shares, and each a “Rights Share”
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“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 Latest Practicable Date 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

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## DEFINITIONS

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“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”	all Rights Shares (excluding the Committed Shares) underwritten by the Underwriter pursuant to the Underwriting Agreement, being 428,023,315 Rights Shares
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	percentage or per centum

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## EXPECTED TIMETABLE

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The expected timetable for the Rights Issue and the change of board lot size (the details of which have been set out in the paragraph headed “Change in board lot size” in the section headed “Letter from the Board” of this Prospectus) is as follows:

**2013**

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 for application and payment 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 respective websites of the Stock Exchange and the Company . . . . .	Monday, 29 July
Despatch of refund cheques for wholly and partially unsuccessful applications for excess Rights Shares . . . . .	Tuesday, 30 July
Share certificates for the fully-paid 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 fully-paid 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

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## EXPECTED TIMETABLE

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All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus 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 this section may be affected. An announcement will be made by the Company in such event.



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## TERMINATION OF THE UNDERWRITING AGREEMENT

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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 the 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

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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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.**

## VISION VALUES HOLDINGS LIMITED

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

**(Stock code: 862)**

*Executive Directors:*

Mr. Lo Lin Shing, Simon  
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, Umland House  
South Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

*Head office and principal place of  
business in Hong Kong:*

Unit 309, 3rd Floor  
Fook Hong Industrial Building  
19 Sheung Yuet Road  
Kowloon Bay  
Hong Kong

9 July 2013

*To the Qualifying Shareholders and, for information purpose only,  
the Non-Qualifying Shareholders and the holders of the Share Options*

Dear Sir or Madam,

### **RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

#### **INTRODUCTION**

On 13 June 2013, the Board announced that the Company proposed to: (i) 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; and (ii) 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.

The purpose of this Prospectus is to provide you with, among others, further details on the Rights Issue, information regarding the change in board lot size of the Shares and certain financial information and other general information on the Group.

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## LETTER FROM THE BOARD

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### RIGHTS ISSUE

#### Rights Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date	:	1,410,380,690 Shares
Number of Rights Shares	:	705,190,345 Rights Shares
Subscription Price	:	HK\$0.10 per Rights Share with nominal value of HK\$0.10 each
Underwriter	:	VMS Securities Limited
Enlarged issued share capital of the Company upon completion of the Rights Issue	:	2,115,571,035 Shares

From the date of the Underwriting Agreement and up to the Latest Practicable Date, no Share Options were exercised. An aggregate of 705,190,345 nil-paid Rights Shares will be provisionally allotted pursuant to the terms of the Rights Issue, representing (i) 50.0% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. Taking into account the estimated expenses in connection with the Rights Issue of approximately HK\$3.4 million, the net price per Rights Share is expected to be approximately HK\$0.10.

#### 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 at the close of business 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 or, where applicable, applies for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

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## LETTER FROM THE BOARD

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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;
- (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; and
- (e) a discount of approximately 16.7% to the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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

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 only. 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.

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.

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## LETTER FROM THE BOARD

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### **Rights of Overseas Shareholders**

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below. Based on the register of members of the Company as at the Latest Practicable Date, the Company had one Overseas Shareholder whose address was in Australia.

The Directors have, pursuant to Rule 13.36(2)(a) of the Listing Rules, made enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholder. The Board has obtained advice from the Company's legal advisers in Australia that offering of the Rights Shares to such Overseas Shareholder would require disclosure under Part 6D.2 and Part 6D.3 of the Australia's Corporations Act 2001 (Cth) and lodging of the relevant disclosure document with the Australian Securities and Investment Commission under section 718 of the Australia's Corporations Act 2001 (Cth). Having considered the circumstances and taking into consideration that the time and costs involved in complying with the legal requirements will outweigh the possible benefits to such Overseas Shareholder and the Company, the Directors are of the view that it would be expedient not to extend the Rights Issue to such Overseas Shareholder in Australia. Accordingly, the Overseas Shareholder having registered address in Australia would be the Non-Qualifying Shareholder and the Rights Issue would not be extended to such Overseas Shareholder. The Company will send a copy of the Prospectus (but not the PAL and EAF) to such Non-Qualifying Shareholder for information only.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder 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 (but rounded down to the nearest cent) to the Non-Qualifying Shareholder 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 Shareholder will be made available for excess application on the EAF by the Qualifying Shareholders.

### **Fractions of the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form 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 EAFs by the Qualifying Shareholders. No odd lot matching services will be provided.

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## LETTER FROM THE BOARD

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### **Procedures for acceptance and payment or transfer**

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Tuesday, 23 July 2013. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "Vision Values Holdings Limited — Rights Issue account" and crossed "account payee only". It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 23 July 2013, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 15 July 2013 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside



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## LETTER FROM THE BOARD

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Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the aforesaid representations and warranties. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” in the section headed “Underwriting arrangement” below is not fulfilled or waived (as applicable) at or before the time and date specified in the Underwriting Agreement, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at their own risk to their respective registered addresses by the Registrar on or before Tuesday, 30 July 2013.

### **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for:

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

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong at or before 4:00 p.m. on Tuesday, 23 July 2013. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashiers orders which must be issued by, a licensed bank in Hong Kong and made payable to “Vision Values Holdings Limited — Excess Application account” and crossed “account payee only”. The Registrar will notify the relevant Qualifying



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## LETTER FROM THE BOARD

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Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess applications for the Rights Shares will be published on the respective websites of the Stock Exchange and the Company on Monday, 29 July 2013.

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 new whole-lot holdings (being new board lot of 20,000 Shares) 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 lots 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 of the Shares individually.

### **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 has made application 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. The Rights Shares do not constitute a new class of securities to be listed on the Stock Exchange.

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

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## LETTER FROM THE BOARD

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(the details of which have been set out in the section headed “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.

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## LETTER FROM THE BOARD

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### 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 (excluding the Committed Shares) under the Rights Issue
- 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. Based on 705,190,345 Rights Shares, the number of the Underwritten Shares is 428,023,315 Rights Shares.

Pursuant to the Underwriting Agreement and as confirmed by the Underwriter, the Underwriter shall ensure that the subscribers and/or sub-underwriters for any Underwritten Shares are independent of and not connected or acting in concert with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

#### 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;

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## LETTER FROM THE BOARD

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- (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 Shareholder;
- (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 Latest Practicable Date, Mr. Lo beneficially owned 554,334,060 Shares, representing approximately 39.30% of the issued share capital of the Company, and did 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 has undertaken to the Company and the Underwriter to remain registered in the same names as at the Record Date). Mr. Lo shall lodge, and

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## LETTER FROM THE BOARD

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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 Latest Practicable Date, the Directors (excluding Mr. Lo) held 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;

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## LETTER FROM THE BOARD

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- (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 the 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.**

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## LETTER FROM THE BOARD

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### **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 paragraph 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.**

**Shareholders should note that the Shares have been dealt with on an ex-rights basis from Thursday, 27 June 2013 and that 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). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled or unwaived (as applicable). Any dealings in the Shares 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.**

### **PROFESSIONAL TAX ADVICE RECOMMENDED**

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-Qualifying Shareholder as regards its receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to it under the Rights Issue under the laws of jurisdiction in which it is liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.



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## LETTER FROM THE BOARD

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### SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date 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 Latest Practicable Date:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Scenario I (Note 1)		Scenario II (Note 2)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Lo and his associates (Notes 3 and 4)	554,334,060	39.30%	831,501,090	39.30%	831,501,090	39.30%
Ho Hau Chong, Norman ("Mr. Ho") (Notes 4 and 5)	780,000	0.06%	1,170,000	0.06%	780,000	0.04%
Underwriter	—	—	—	—	428,023,315	20.23%
Public Shareholders	<u>855,266,630</u>	<u>60.64%</u>	<u>1,282,899,945</u>	<u>60.64%</u>	<u>855,266,630</u>	<u>40.43%</u>
<b>Total</b>	<b><u>1,410,380,690</u></b>	<b><u>100.00%</u></b>	<b><u>2,115,571,035</u></b>	<b><u>100.00%</u></b>	<b><u>2,115,571,035</u></b>	<b><u>100.00%</u></b>

*Notes:*

- 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.
- 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.
- 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.
- Mr. Lo and Mr. Ho are executive Directors.
- Mr. Ho, together with the other Directors (excluding Mr. Lo), held an aggregate of 28,000,000 Share Options (conferring rights to subscribe for 28,000,000 new Shares) as at the Latest Practicable Date 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 considered that it was an opportune moment for the Company



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## LETTER FROM THE BOARD

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to strengthen its financial position through the Rights Issue. In arriving at the resolution to proceed with the Rights Issue, the Company had explored the possibilities of conducting other fund raising activities such as placing of new Shares and debt financing. The Company entered into a best-effort placing agreement on 5 April 2013 but it was subsequently terminated on 23 April 2013 in view of the then stock market conditions. In respect of debt financing, the Board considered that it would be in the interest of the Company not to incur financing liabilities and obligations under the present relatively volatile market environment. In view of the above, the Board considered that it was prudent to support the continuing development of the Group's business activities by way of the Rights Issue which would not only strengthen the Group's capital base and enhance its financial position without incurring the finance costs, but would 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 approximately HK\$67.1 million, after deducting all necessary expenses for the Rights Issue of approximately HK\$3.4 million, 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. In identifying and considering the suitable business/investment opportunities, the Group will assess the earnings and/or growth potentials of the target, the then economic environment as well as the available financial resources and financial position of the Group with a view to supporting the business development of the Group. As at the Latest Practicable Date, the Group had 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.

### **FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the provision of network solutions and project services and property investment businesses. For the network solutions and project services segments, the overall operating environment continues to be challenging. The Group will keep investing in technology innovations, improving sales strategy and earmarking additional resources in market development with an aim to develop new income streams and drive business performance. For the property investment segment, the Group's investment properties were fully leased out as at the Latest Practicable Date and the Group plans to maintain a portfolio of properties to earn rental income and/or for capital appreciation. The Group entered into a provisional agreement in March 2013 to dispose of three residential units located in the Mid-levels, Hong Kong to an independent third party

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## LETTER FROM THE BOARD

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at an aggregate cash consideration of approximately HK\$26.4 million, details of which were disclosed in the Company's announcements dated 22 March 2013 and 29 May 2013. On 28 June 2013, completion of such disposal took place.

The Company will continue to identify and seize suitable business and/or investment opportunities as and when they arise. The Group believes that the net sale proceeds of the abovementioned disposal, together with its existing cash and bank balances and the estimated net proceeds from the Rights Issue, would lay a good foundation for it to fund its current operation as well as the business and/or investment opportunities in a timely manner should such opportunity arise. As at the Latest Practicable Date, the Company had not had any specific target to acquire and/or any material business or asset to dispose of.

### 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 Latest Practicable Date.

### 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 was HK\$480 (based on the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on the Latest Practicable Date). 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\$0.12 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the new estimated board lot value would be HK\$2,400. 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, Central, Hong Kong (telephone: (852) 3970 0990 and facsimile: (852) 3970 0998) 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.

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## LETTER FROM THE BOARD

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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.

### **ADJUSTMENT TO EXERCISE PRICE AND NUMBER OF SHARE OPTIONS**

Adjustment to the exercise price and number of the outstanding Share Options may be required under the relevant terms of the Share Option Scheme upon completion of the Rights Issue. The Company will notify the holders of the Share Options and the Shareholders by way of announcement, if and when necessary.

### **ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

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

## 1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 30 June 2010, 2011 and 2012 and the six months ended 31 December 2012 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.visionvalues.com.hk](http://www.visionvalues.com.hk)):

- (a) annual report of the Company for the year ended 30 June 2010 dated 6 October 2010 published on 14 October 2010 (pages 23–70);
- (b) annual report of the Company for the year ended 30 June 2011 dated 27 September 2011 published on 18 October 2011 (pages 24–68);
- (c) annual report of the Company for the year ended 30 June 2012 dated 21 September 2012 published on 18 October 2012 (pages 28–76); and
- (d) interim report of the Company for the six months ended 31 December 2012 dated 27 February 2013 published on 12 March 2013 (pages 14–36).

## 2. SUBSEQUENT ACQUISITIONS

Subsequent to 30 June 2012 (being the date to which the latest published audited accounts of the Group were made up), on 21 August 2012, the Company entered into two conditional sale and purchase agreements to acquire (the “Acquisitions”) 100% equity interest of two property investment groups of companies from an independent third party at cash considerations of HK\$15,307,000 and HK\$13,081,000 respectively which would be payable upon completion of the respective Acquisitions. One of the property investment groups owns three residential units located at Mid-levels, Hong Kong (the “Property Group A”). The other property investment group owns three industrial units and a car park space of an industrial building in Fanling, New Territories. For further details on the Acquisitions and the property investment groups, please refer to the Company’s announcement dated 21 August 2012. As disclosed in the Company’s announcements dated 22 March 2013 and 29 May 2013, an indirect wholly-owned subsidiary of the Company entered into an agreement with an independent third party to dispose of the Property Group A, completion of which had taken place on 28 June 2013.

There will be no material variation in the aggregate of the remuneration payable to and benefits in kind receivable by the Directors in consequence of the Acquisitions.

## 3. INDEBTEDNESS

As at the close of business on 31 May 2013, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group did not have significant contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 31 May 2013, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank

overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptable credits, guarantees or other material contingent liabilities.

#### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2012, the date to which the latest published audited consolidated financial statements of the Group were made up.

#### **5. WORKING CAPITAL STATEMENT**

The Directors, after due and careful enquiries, are of the opinion that after taking into account internally generated funds of the Group and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus.

For illustrative purposes only, set out below is the pro forma statement of adjusted consolidated net tangible assets of the Group (the “Pro Forma Financial Information”) after completion of the Rights Issue. Although reasonable care has been exercised in preparing the Pro Forma Financial Information, Shareholders who read the information below should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group’s financial results and positions for the financial periods concerned.

**(A) PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The Pro Forma Financial Information prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2012.

The Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following Pro Forma Financial Information is based on the unaudited consolidated net tangible assets of the Group as at 31 December 2012, adjusted as described below:

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2012 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Pro forma consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue <i>HK\$'000</i>
151,776	67,100	218,876
Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2012 before completion of the Rights Issue <i>(Note 3)</i>		<u>HK\$0.11</u>
Pro forma consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue <i>(Note 4)</i>		<u>HK\$0.10</u>

*Notes:*

1. The amount of approximately HK\$151,776,000 is determined based on the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$155,110,000 as at 31 December 2012, which is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2012 set out in the interim report of the Company as at 31 December 2012, with adjustment of intangible asset of approximately HK\$3,334,000 as at 31 December 2012.
2. The estimated net proceeds from the Rights Issue of approximately HK\$67,100,000 are based on 705,190,345 Rights Shares to be issued at the Subscription Price of HK\$0.10 per Rights Share and after the deduction of estimated expenses of approximately HK\$3,400,000 which include the commission to the Underwriter and the relevant professional fees incurred by the Company.
3. It is based on 1,410,380,690 Shares in issue as at 31 December 2012 before completion of the Rights Issue.
4. The number of Shares used for the calculation of the pro forma consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue is based on 2,115,571,035 Shares comprising 1,410,380,690 Shares in issue as at 31 December 2012 as discussed above in Note 3 and 705,190,345 Rights Shares to be issued.

**(B) REPORTING ACCOUNTANT'S REPORT ON THE PRO FORMA STATEMENT  
OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

Set forth below is the reporting accountant's report, prepared for the sole purpose of incorporation in this Prospectus received by the Directors from Simon Y. P. Chan & Co., Certified Public Accountants, Hong Kong, in connection with the pro forma statement of adjusted consolidated net tangible assets of the Group set out in this Appendix:

**Reporting Accountant's Assurance Report on the Compilation of Pro Forma Financial  
Information Included in a Prospectus**

*Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*

**TO THE DIRECTORS OF VISION VALUES HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information (the "Pro Forma Financial Information") of Vision Values Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors (the "Directors") of the Company. The Pro Forma Financial Information consists of the pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2012, and related notes as set out in Appendix II to the prospectus (the "Prospectus") dated 9 July 2013 issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and described in Section A of Appendix II to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the effects of the proposed rights issue of the Company (the "Rights Issue") on the unaudited consolidated net tangible assets of the Group as at 31 December 2012 as set out in Section A of Appendix II to the Prospectus as if the Rights Issue had taken place on 31 December 2012. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated statement of financial position as at 31 December 2012, on which no audit report has been published.

*The Directors' Responsibilities for the Pro Forma Financial Information*

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").



*Reporting Accountant's Responsibilities*

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information on the basis of the applicable criteria in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue on the unaudited consolidated net tangible assets of the Group as at 31 December 2012 as if the Rights Issue had taken place on 31 December 2012. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2012 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information of the Group.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the Rights Issue in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

**Simon Y. P. Chan & Co.**

*Certified Public Accountants*

14th Floor

Greatmany Centre

109–110 Queen's Road East

Wanchai

Hong Kong

9 July 2013

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of providing information regarding the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date and up to the completion of the Rights Issue) was and will be as follows:

### As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>20,000,000,000</u> Shares	<u>2,000,000,000.00</u>
<i>Issued and fully paid or credited as fully paid:</i>	
<u>1,410,380,690</u> Shares	<u>141,038,069.00</u>

### Immediately after completion of the Rights Issue

<i>Authorised:</i>	<i>HK\$</i>
<u>20,000,000,000</u> Shares	<u>2,000,000,000.00</u>
<i>Issued and fully paid or credited as fully paid:</i>	
1,410,380,690 Shares in issue as at the Latest Practicable Date	141,038,069.00
<u>705,190,345</u> Rights Shares to be allotted and issued under the Rights Issue	<u>70,519,034.50</u>
<u>2,115,571,035</u> Shares in issue immediately after completion of the Rights Issue	<u>211,557,103.50</u>

All the Shares in issue rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

As at the Latest Practicable Date, there were an aggregate of 64,000,000 Share Options (conferring rights to subscribe for 64,000,000 new Shares) granted to the Directors, employee and consultants of the Group. The exercise price of all of the Share Options is HK\$0.19 (subject to adjustment) with an exercise period from 11 January 2013 to 10 January 2018.

No part of the share capital or any other securities of the Company has been listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save for the Share Options, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the Shares and rights over Shares as at the Latest Practicable Date.

### 3. DISCLOSURE OF INTEREST

#### (a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

##### (i) The Company

Name of Directors	Personal interest	Number of Shares		Total	Approximate % (Note)
		Corporate interests			
Mr. Lo	780,000	553,554,060		554,334,060 (L)	39.30%
Mr. Ho Hau Chong, Norman	780,000	—		780,000 (L)	0.06%

(L) denotes long position

Note: Based on 1,410,380,690 Shares in issue as at the Latest Practicable Date

*(ii) Associated corporations of the Company*

As at the Latest Practicable Date, none of the Directors had any interests in the shares of the associated corporations of the Company.

*(iii) Interest in underlying Shares — Share Options*

As at the Latest Practicable Date, the following Directors had personal interest in the Share Options to subscribe for the Shares granted under the Share Option Scheme:

Name of Directors	Number of Shares Options as at the Latest Practicable Date	Date of grant	Exercise price HK\$	Exercise period
Mr. Ho Hau Chong, Norman	13,000,000	11 January 2013	0.19	11/1/2013 to 10/1/2018
Mr. Tsui Hing Chuen, William JP	5,000,000	11 January 2013	0.19	11/1/2013 to 10/1/2018
Mr. Lau Wai Piu	5,000,000	11 January 2013	0.19	11/1/2013 to 10/1/2018
Mr. Lee Kee Wai, Frank	5,000,000	11 January 2013	0.19	11/1/2013 to 10/1/2018

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

**(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO**

As at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares and/or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or any options in respect of such capital:

*Interests in the Shares and underlying Shares:*

Name of Shareholders	Capacity	Interests in the Shares	Approximate % (Note 1)
Ms. Ku Ming Mei, Rouisa (Note 2)	Interest of spouses	554,334,060	39.30%
Moral Glory International Limited (Note 3)	Beneficial owner	553,554,060	39.25%

*Notes:*

1. Based on 1,410,380,690 Shares in issue as at the Latest Practicable Date.
2. Ms. Ku Ming Mei, Rouisa is the spouse of Mr. Lo and accordingly, she is deemed to be interested in 554,334,060 Shares under the SFO.
3. Moral Glory International Limited is wholly-owned by Mr. Lo.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, no person (other than the Directors or chief executives of the Company) had interests or short positions in the Shares and/or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or any options in respect of such capital.

**4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group nor were there any other service agreements proposed which would not expire or be determinable by the member of the Group within one year without payment of compensation (other than statutory compensation).

## 5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, save for the SL Undertaking Letter and the Director's Undertaking Letter, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group and none of the Directors had any interest, direct or indirect, in any asset which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 6. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened by or against any member of the Group.

## 7. MATERIAL CONTRACTS

The following are the material contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Group within two years immediately preceding the date of this Prospectus which are or may be material:

- (a) the Underwriting Agreement;
- (b) the placing agreement dated 5 April 2013 entered into between the Company and Halcyon Securities Limited for the placing of 280,000,000 Shares at the placing price of HK\$0.15 per Share and the deed of termination dated 23 April 2013; and
- (c) the conditional sale and purchase agreement dated 12 September 2011 (as supplemented by the supplemental agreement dated 29 November 2011 and the second supplemental agreement dated 30 December 2011) entered into between Glory Key Investments Ltd. (a wholly-owned subsidiary of the Company) and an independent third party in relation to the sale and purchase of the Gulfstream G200 aircraft at the consideration of US\$8,825,000.

## 8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Simon Y. P. Chan & Co. ("Simon YP Chan")	Certified Public Accountants

Simon YP Chan has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and report and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, Simon YP Chan did not have any direct or indirect shareholding in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, Simon YP Chan did not have any direct or indirect interest in any assets which had been, since 30 June 2012 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by, or leased to any member of the Group, or were proposed to be acquired or disposed of by, or leased to any member of the Group.

## 9. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

### Particulars of the Directors and senior management

Name	Correspondence address
<i>Executive Directors</i>	
Mr. Lo	41st Floor, New World Tower 1 16–18 Queen's Road Central Hong Kong
Mr. Ho Hau Chong, Norman	1001 Admiralty Centre Tower II 18 Harcourt Road Hong Kong
<i>Independent non-executive Directors</i>	
Mr. Tsui Hing Chuen, William JP	Suites 1706–1708, 17th Floor China Merchants Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Mr. Lau Wai Piu	Room 708, 7th Floor Kornhill Plaza — Office Tower No. 1 Kornhill Road Quarry Bay, Hong Kong
Mr. Lee Kee Wai, Frank	11th Floor, Central Building 1–3 Pedder Street Central, Hong Kong



**Biographies of the Directors and senior management***Executive Directors*

Mr. Lo, aged 57, joined the Company in March 2000 and is currently an executive Director. Mr. Lo has over 30 years of experience in the financial, securities and futures industries, including many trans-border transactions. Mr. Lo is the chairman of Mongolia Energy Corporation Limited (stock code: 276), and the deputy chairman and executive director of International Entertainment Corporation (stock code: 1009), both of which are companies whose shares are listed on the Stock Exchange.

Mr. Ho Hau Chong, Norman, aged 58, was appointed as a non-executive Director in November 2000 and re-designated as executive Director in January 2007. Mr. Ho has over 20 years of experience in management and property development. He is a member of the Institute of Chartered Accountants in England and Wales, and a fellow member of The Hong Kong Institute of Certified Public Accountants. Mr. Ho is a director of Starlight International Holdings Limited (stock code: 485), Miramar Hotel and Investment Company, Limited (stock code: 71), Hong Kong Ferry (Holdings) Company Limited (stock code: 50), Lee Hing Development Limited (stock code: 68) and Shun Tak Holdings Limited (stock code: 242), all of which are companies whose shares are listed on the Stock Exchange.

*Independent non-executive Directors*

Mr. Tsui Hing Chuen, William *JP*, aged 62, has been an independent non-executive Director since September 2006. Mr. Tsui is the founding partner of Messrs. Lo, Wong & Tsui, Solicitors & Notaries, which was established in 1980. He has been a solicitor of the High Court of Hong Kong since 1977, a solicitor of the Supreme Court of England & Wales since 1980, and a barrister and solicitor of the Supreme Court of Victoria, Australia since 1983. He has also been an advocate and solicitor of the Supreme Court of Republic of Singapore since 1985 and a notary public appointed by the Archbishop of Canterbury, England since 1988. Mr. Tsui was appointed as a Justice of the Peace by the Government of Hong Kong in 1997. He is also an independent non-executive director of Mongolia Energy Corporation Limited (stock code: 276), International Entertainment Corporation (stock code: 1009) and Haitong International Securities Group Limited (stock code: 665), all of which are companies whose shares are listed on the Stock Exchange.

Mr. Lau Wai Piu, aged 49, has been an independent non-executive Director since March 2007. He has over 20 years of extensive experience in accounting and financial management. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Mr. Lau is also an independent non-executive director of Mongolia Energy Corporation Limited (stock code: 276), International Entertainment Corporation (stock code: 1009) and Haitong International Securities Group Limited (stock code: 665), all of which are companies whose shares are listed on the Stock Exchange.

Mr. Lee Kee Wai, Frank, aged 54, was appointed as an independent non-executive Director in April 2007. Mr. Lee is the Senior Partner of Messrs. Vincent T.K. Cheung, Yap & Co., Solicitors and Notaries. Mr. Lee is a qualified solicitor in the respective jurisdictions of Hong Kong, England, Singapore and the Australian Capital Territory. He is also a China-Appointed Attesting Officer and a member of the Chartered Institute of Arbitrators. Mr. Lee is a graduate of Bachelor of Laws from the London School of Economics & Political Science and has also obtained a Master of Laws degree from Cambridge University. Mr. Lee is also a non-executive director of Pico Far East Holdings Limited (stock code: 752), a company whose shares are listed on the Stock Exchange.

#### 10. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE RIGHTS ISSUE

<b>Registered office</b>	P.O. Box 309, Uglan House South Church Street, George Town Grand Cayman, Cayman Islands British West Indies
<b>Head office and principal place of business in Hong Kong</b>	Unit 309, 3rd Floor Fook Hong Industrial Building 19 Sheung Yuet Road Kowloon Bay Hong Kong
<b>Principal bankers</b>	Standard Chartered Bank 15th Floor, Two International Finance Centre 8 Finance Street, Central Hong Kong  Public Bank (Hong Kong) Limited 1st Floor, Public Bank Centre 120 Des Voeux Road Central Hong Kong
<b>Auditors</b>	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22nd Floor, Prince's Building Central Hong Kong
<b>Principal share registrar and transfer office in the Cayman Islands</b>	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands

<b>Branch share registrar and transfer office in Hong Kong</b>	Tricor Abacus Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai, Hong Kong
<b>Authorised representatives</b>	Mr. Lo 41st Floor, New World Tower 1 16–18 Queen's Road Central Hong Kong  Mr. Ho Hau Chong, Norman 1001 Admiralty Centre Tower II 18 Harcourt Road Hong Kong
<b>Financial adviser</b>	Halcyon Capital Limited 11th Floor, 8 Wyndham Street Central Hong Kong
<b>Underwriter</b>	VMS Securities Limited Suite 4112–14, 41st Floor, Jardine House 1 Connaught Place Central Hong Kong
<b>Legal advisers</b>	<i>As to Hong Kong law</i> Iu, Lai & Li Rooms 2201, 2201A & 2202, 22nd Floor, Tower I, Admiralty Centre, No.18 Harcourt Road, Hong Kong

## 11. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies Ordinance so far as applicable.

## 12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “Expert and consent” in this Appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance.

**13. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. Tang Chi Kei. Mr. Tang is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants.
- (b) This Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit 309, 3rd Floor, Fook Hong Industrial Building, 19 Sheung Yuet Road, Kowloon Bay, Hong Kong during normal business hours on any Business Day from the date of this Prospectus up to and including Tuesday, 23 July 2013:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 30 June 2011 and 2012;
- (c) the interim report of the Company for the six months ended 31 December 2012;
- (d) the report on the pro forma financial information on the Group as set out in Appendix II to this Prospectus;
- (e) the material contracts referred to in the paragraph headed “Material contracts” in this Appendix;
- (f) the written consent referred to under the paragraph headed “Expert and consent” in this Appendix;
- (g) the circular of the Company dated 13 October 2011; and
- (h) the Prospectus Documents.