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VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 862)

MAJOR TRANSACTION

ACQUISITION OF PROPERTY

AND

CHANGE OF INTENDED USE OF NET PROCEEDS OF RIGHTS ISSUE

The Board wishes to announce that on 12 July 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor whereby the Vendor agreed to sell and assign and the Purchaser agreed to purchase the Property at a consideration of HK\$141,525,000 subject to the terms and conditions therein. Subject to the fulfillment of the conditions set out in the Agreement, Completion shall take place on or before 12 October 2017.

As certain applicable percentage ratios (as defined under the Listing Rules) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement and Shareholders' approval requirements.

After Completion and taking into account the costs and expenses including stamp duty payable in relation to the Acquisition, the estimated remaining balance of the net proceeds of the Rights Issue allocated for property investment will be in the approximate amount of HK\$14.7 million. Such Unutilised Amount may not be sufficient to acquire additional property for the Group's investment purpose, and adhering strictly to the intended use of the net proceeds of the Rights Issue as mentioned in the Rights Issue Prospectus may not be in the interest of the Group in its business developments. As such, subject to Completion, the Unutilised Amount will be re-allocated as general working capital of the Group.

A circular containing, among other information, further particulars of the Acquisition, the valuation report of the Property and the notice of the EGM will be despatched to the Shareholders within 21 days after the publication of this announcement.

The Board wishes to announce that on 12 July 2017 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor for the Acquisition.

THE AGREEMENT

Date: 12 July 2017

Parties:

Vendor: Pacific International Lines (Hong Kong) Limited

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

Purchaser: Golden Union Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

Property to be acquired

19th Floor otherwise known as 15th Floor above the car park podium and two car park spaces nos. 64 and 65 on the 3rd Floor of Fortis Bank Tower, Nos. 77-79 Gloucester Road, Hong Kong. The Property is currently used and occupied by the Vendor and subject to a legal charge which shall be discharged upon Completion.

Consideration

The Consideration for the Acquisition is HK\$141,525,000 which shall be paid by the Purchaser by way of cash in the following manner:

- (i) the Deposit in the sum of HK\$2,830,500 (equivalent to 2% of the Consideration) has been paid to the Vendor's solicitors as stakeholder upon signing of the Agreement, and subject to the fulfillment of the conditions set out below and the balance of the Consideration being sufficient to discharge the legal charge in respect of the Property, the Deposit shall be released to the Vendor upon Completion; and
- (ii) the balance of the Consideration in the sum of HK\$138,694,500 shall be paid upon Completion.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations, and after taking into account, among other things, the recent market conditions of office property in the area and the preliminary valuation of the Property by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent third party property valuer to the Company. A full valuation report on the Property will be prepared for inclusion in the circular to be despatched to the Shareholders as required under the Listing Rules.

The Consideration will be satisfied by the net proceeds of the Rights Issue.

Conditions

Completion is subject to and conditional upon fulfillment of the following conditions:

- (i) the approval having been obtained from the Shareholders for the entering into, and completion of the transactions contemplated under, the Agreement by the Purchaser at the EGM;
- (ii) all necessary consents authorisations and approvals of any kind having been obtained by the Purchaser and the Company (including but not limited to any regulatory authority and the Stock Exchange) (the "**Regulatory Consent**"); and
- (iii) the Vendor having proved, given and shown a good title to the Property in accordance with Sections 13 and 13A of the CPO.

If the above conditions are not fulfilled on or before 9 October 2017 or such later date as the Vendor and the Purchaser may agree in writing, the Agreement shall cease to have any further force and effect and the parties thereto shall forthwith at their respective own costs enter into a cancellation agreement of the Agreement and the Deposit paid shall forthwith be returned to the Purchaser in full (without interest) except that if approval of the Shareholders cannot be obtained at the EGM or if the Regulatory Consent cannot be obtained on or before 9 October 2017 or such later date as the Vendor and the Purchaser may agree in writing, the Deposit will be forfeited by the Vendor as and for agreed liquidated damages, whereupon the parties thereto shall have no further liability against each other.

Default

If the Purchaser shall fail to complete the purchase of the Property in accordance with the terms and conditions of the Agreement by reason of its sole default (other than due to the Vendor's default or the non-fulfillment of the conditions set out above), the Deposit shall be absolutely forfeited to the Vendor as and for agreed liquidated damages. The Vendor shall be at liberty to rescind the Agreement and to retain the Property or any part thereof or to resell the same as the Vendor may think fit. On resale of the Property, any increase in price realised by any such resale shall belong to the Vendor.

If the Vendor shall for any cause (other than due to the default of the Purchaser or the non-fulfilment of the conditions set out above) fail to complete the sale of the Property in accordance with the terms of the Agreement, then the Deposit and any further sum or sums of money paid thereunder shall forthwith be returned to the Purchaser and the Vendor shall forthwith pay to the Purchaser a sum equivalent to the amount of the Deposit as and for agreed liquidated damages.

Nothing contained in the Agreement shall be so construed as to prevent either the Vendor or the Purchaser from bringing an action and obtaining a decree for specific performance of the Agreement either in lieu of the damages or in addition to such damages as the party bringing such action may have sustained by reason of the breach by the other party to the Agreement.

Lease Back

The Property is currently being used and occupied by the Vendor. It is a term of the Agreement that subject to Completion, the Vendor shall lease the Property from the Purchaser who will then be the owner in the principal terms and conditions, among others, as follows:

- (a) for a term of three years commencing from the date immediately after Completion;

- (b) rental amount of the office premises at 19th Floor of the Property: HK\$254,000 per calendar month (exclusive of management fees and rates and other outgoings) payable monthly in advance by the Vendor during the term of the tenancy agreement; and
- (c) rental amount of the car park spaces of the Property: HK\$9,000 per calendar month (inclusive of rates and management fees) payable monthly in advance by the Vendor during the term of the tenancy agreement.

Completion

Subject to the fulfillment (or waiver, where applicable) of all the conditions set out in the Agreement, Completion is scheduled to take place on or before 12 October 2017 or such later date as the Vendor and the Purchaser may agree in writing.

INFORMATION ON THE GROUP, PURCHASER AND THE VENDOR

The Group is principally engaged in the provision of network solutions and project services, property investment, yacht building in Hong Kong and minerals exploration.

The Purchaser is an indirect wholly-owned subsidiary of the Company and its principal activity is investment holding.

To the best knowledge of the Directors, the Vendor is engaged in shipping business.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the Rights Issue Prospectus, the Group has been interested in the Hong Kong property market, in particular, the office premises sector, and would utilise approximately 75% of the proceeds (approximately HK\$170 million) raised from the Rights Issue for acquiring potential properties to strengthen its property portfolio. Since then, the Group has been looking for a suitable investment and potential target.

The Property is an office premises located at Gloucester Road, which is one of the prime office locations in Hong Kong. It is also a term of the Agreement that, subject to Completion, the Vendor shall lease the Property from the Purchaser immediately after Completion. As such, the Board believes that the Acquisition represents a good investment as immediately after Completion, the Property will generate a steady flow of rental income for the Group.

The Directors are of the view that the terms of the Agreement are on normal commercial terms, fair and reasonable, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the Agreement and the Acquisition and therefore, none of them have abstained or was required to abstain from voting on the Board meeting approving the Agreement.

CHANGE OF INTENDED USE OF NET PROCEEDS OF THE RIGHTS ISSUE

As disclosed in the Rights Issue Prospectus, approximately HK\$170 million of the net proceeds from the Rights Issue were intended to be used for acquisition of properties.

After Completion and taking into account the costs and expenses including stamp duty payable in relation to the Acquisition, the estimated remaining balance of the net proceeds of the Rights Issue allocated for property investment will be in the approximate amount of HK\$14.7 million. Such Unutilised Amount may not be sufficient to acquire additional property for the Group's investment purpose, and adhering strictly to the intended use of the net proceeds of the Rights Issue as mentioned in the Rights Issue Prospectus may not be in the interest of the Group in its business developments. As such, subject to Completion, the Unutilised Amount will be re-allocated as general working capital of the Group. The Board considers such change in the intended use of such net proceeds is in the best interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios (as defined under the Listing Rules) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement and Shareholders' approval requirements.

A circular containing, among other information, further particulars of the Acquisition, the valuation report of the Property and the notice of the EGM will be dispatched to the Shareholders within 21 days after the publication of this announcement.

DEFINITIONS

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the terms and conditions of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 12 July 2017 entered into between the Vendor as vendor and the Purchaser as purchaser in relation to the sale and purchase of the Property subject to the terms and conditions therein
“Board”	board of Directors
“Company”	Vision Values Holdings Limited (stock code: 862), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person”	has the meaning as ascribed in the Listing Rules
“Consideration”	the sum of HK\$141,525,000 payable by the Purchaser to the Vendor for the Acquisition
“CPO”	the Conveyancing and Property Ordinance, Chapter 219 of the Laws of Hong Kong
“Deposit”	the initial deposit in the sum of HK\$2,830,500 (equivalent to 2% of the Consideration) paid by the Purchaser to the Vendor’s solicitors as stakeholder upon signing of the Agreement
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	19th Floor otherwise known as 15th Floor above the car park podium and two car park spaces nos. 64 and 65 on the 3rd Floor of Fortis Bank Tower, Nos. 77-79 Gloucester Road, Hong Kong
“Purchaser”	Golden Union Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Rights Issue”	the issue of the rights shares on the basis of one (1) rights share for every two (2) issued shares of the Company held by the Shareholders, the details of which are set out in the Rights Issue Prospectus
“Rights Issue Prospectus”	the prospectus of the Company dated 6 March 2017 relating to the Rights Issue
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unutilised Amount”	the estimated remaining unutilised amount of approximately HK\$14.7 million originally allocated for the strengthening of the Group’s investment property portfolio as mentioned in the Rights Issue Prospectus
“Vendor”	Pacific International Lines (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

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

Hong Kong, 12 July 2017

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

* As at the date of this announcement, Mr. Lo, Rex Cze Kei was out of town and could not be reached.