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## **VISION VALUES HOLDINGS LIMITED**

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

**(Stock code: 862)**

### **MAJOR TRANSACTION**

### **DISPOSAL OF AIRCRAFT**

#### **THE DISPOSAL**

The Company is pleased to announce that on 12 September 2011 (after trading hours), the Vendor (being a wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Aircraft free from all encumbrances at the Consideration of US\$8,825,000 (equivalent to HK\$68,835,000) subject to the terms and conditions therein contained.

The Consideration shall be paid to the Vendor in cash upon Completion. The Group intends to apply the net proceeds from the Disposal as general working capital of the Group and for financing new investment opportunities (if any).

#### **GENERAL**

As the relevant percentage ratios (as defined in the Listing Rules) are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, none of the Shareholders has a material interest in the Agreement. Therefore, no Shareholder is required to abstain from voting on the proposed resolution to approve the Agreement and the transactions contemplated thereunder at the EGM. A circular containing, among others, details of the Disposal, the financial information of the Group and a notice of EGM will be dispatched to the Shareholders on or before 3 October 2011.

#### **THE DISPOSAL**

##### **The Agreement**

##### **Date**

12 September 2011 (after trading hours)

## **Parties**

Vendor: Glory Key Investments Ltd. (a wholly-owned subsidiary of the Company)

Purchaser: The Purchaser

The Purchaser engages in gaming, hotel and entertainment business. The Directors confirm that, to the best of their knowledge, information and belief, after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

## **Assets to be disposed of**

A Gulfstream G200 aircraft. The Aircraft has two engines, auxiliary power unit, loose and ground support equipment and spare parts, and is capable of carrying up to 10 passengers in typical luxury arrangement. Its maximum traveling range is up to 6,300 k.m..

## **Consideration**

The Consideration of US\$8,825,000 (equivalent to HK\$68,835,000) shall be payable by the Purchaser to the Vendor in cash in the following manner:

- (a) a deposit in the amount of US\$500,000 (equivalent to HK\$ 3,900,000) (the “Deposit”) has been placed in escrow with the Escrow Agent (as defined in the Agreement); and
- (b) the balance of the Consideration in the amount of US\$8,325,000 (equivalent to HK\$64,935,000) will be placed in escrow with the Escrow Agent on or before Completion.

The Consideration shall be released to the Vendor by the Escrow Agent at Completion in accordance with the terms of the Agreement.

Pursuant to the Agreement, the Purchaser’s inspection of the Aircraft shall commence no later than the 2<sup>nd</sup> Business Day after the date of passing of the resolution by the Shareholders approving the Disposal and the Technical Inspection Report shall be issued within seven (7) days after such inspection. The parties agree that on the issue of the Technical Inspection Report with the discrepancies reported therein, the Deposit will become non-refundable except as provided in the Agreement.

The Consideration was determined after arm’s length negotiation between the Vendor and the Purchaser on normal commercial terms with reference to the state of the Aircraft, the current market conditions of the private jet industry and a draft valuation report on the market value of the Aircraft of approximately US\$8,800,000 (equivalent to HK\$68,640,000) as of 30 June 2011 (pending finalization by the independent valuer and audit by the Company’s independent auditor). The Directors consider that the terms and conditions of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Conditions precedent**

Completion shall be conditional upon:

- (a) the compliance by the Company with all applicable requirements under the Listing Rules including but not limited to the passing of an ordinary resolution by the Shareholders (other than those who are required to abstain from voting under the Listing Rules) at a general meeting of the Company approving the entering into the Agreement and the performance of all the transactions contemplated thereunder by the Vendor;
- (b) all necessary consents, authorisations and approvals (or waivers) of any kind having been obtained by the Vendor and the Purchaser for completion of the transactions contemplated under the Agreement; and
- (c) the parties to the Agreement having satisfied all its pre-closing obligations specified in the Agreement.

All the conditions precedent cannot be waived. If any of the conditions precedent has not been fulfilled by 30 November 2011, either party may terminate the Agreement by giving written notice to the other party and the Escrow Agent and the Escrow Agent shall, within three (3) days of such notice, release the Deposit to the Purchaser whereupon the provisions of the Agreement shall from such date have no further force and effect and no party shall have any liability under them (without prejudice to the rights of the parties in respect of any antecedent breaches).

Pursuant to the Agreement, the Company is required to warrant to the Purchaser that the Aircraft will be sold to the Purchaser free from all encumbrances.

## **Completion**

Completion shall take place within three (3) Business Days after, among others, fulfillment of the conditions precedent set out in the Agreement.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS**

The Group is principally engaged in the provision of network solutions and project services, aircraft leasing and property investment business.

The Aircraft was acquired by the Group on 1 March 2010. Since the acquisition of the Aircraft, the continuous downturns in broad global economic trend exerts negative effect on the private jet industry. As such, the Disposal provides an opportunity to realize the value of the Aircraft in an unstable market environment.

As disclosed in the announcements of the Company dated 1 September 2010 and 3 January 2011, the Vendor as lessor leased the Aircraft to the Lessee pursuant to the Lease Agreement. By a termination deed dated 12 September 2011 entered into between the Vendor and the Lessee, the Vendor and the Lessee have agreed to terminate the Lease Agreement with effect from the date of such deed.

The Group intends to apply the net proceeds from the Disposal as general working capital of the Group and for financing new investment opportunities (if any).

Taking into account the abovementioned reasons, the Directors are of the view that the terms and conditions of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

As a result of the Disposal, the Company will incur a loss of approximately HK\$12.8 million, being calculated by reference to the consideration of HK\$68,835,000 and the net asset value of the Aircraft of HK\$81,601,000 as at 30 June 2011 (based on the management accounts and before adjustment of any impairment provision). Save as aforesaid, there will be no material impact to the assets and liabilities of the Group.

For completeness, the Company is required under the Hong Kong Financial Reporting Standards to conduct impairment tests on the assets of the Company when it prepares its annual financial statements for the year ended 30 June 2011. An impairment loss of approximately HK\$13.0 million for the Aircraft will be made based on a draft valuation report prepared by an independent valuer. The Company is still in the process of preparing its annual results for the year ended 30 June 2011. Information contained in this announcement is based on unaudited financial information which is subject to the finalization of the valuation report to be prepared by the independent valuer and audit by the Company's independent auditor.

## **GENERAL**

As the relevant percentage ratios (as defined in the Listing Rules) are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, none of the Shareholders has a material interest in the Agreement. Therefore, no Shareholder is required to abstain from voting on the proposed resolution to approve the Agreement and the transaction contemplated thereunder at the EGM. A circular containing, among others, details of the Disposal, the financial information of the Group and a notice of EGM will be dispatched to the Shareholders on or before 3 October 2011.

## **DEFINITIONS**

“Agreement”	the conditional agreement dated 12 September 2011 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Aircraft
“Aircraft”	the Gulfstream G200 aircraft as described in the Agreement
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business

“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
“Completion”	completion of the Disposal
“Consideration”	the sum of US\$8,825,000 (equivalent to HK\$68,835,000) payable by the Purchaser to the Vendor in respect of the purchase of the Aircraft under the Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Aircraft by the Vendor pursuant to the terms and conditions of the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who, to the best of the Directors’ knowledge and information and having made all reasonable enquiries, is(are) not connected person(s) of the Company and is(are) independent of and not connected with the Company and its connected persons
“Lease Agreement”	the lease agreement dated 3 December 2009 as amended by a letter dated 30 December 2010 made between the Vendor as lessor and the Lessee as lessee in respect of the leasing of the Aircraft, the details of which were disclosed in the announcements of the Company dated 1 September 2010 and 3 January 2011
“Lessee”	亞聯公務機有限公司 Business Aviation Asia Limited, a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”	Glory Key Investments Ltd., a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“k.m.”	kilometer
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 12 September 2011.

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

*For the purpose of illustration only, amounts denominated in US\$ in this announcement have been translated into HK\$ at the rate of US\$1.00 = HK\$7.80. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.*