

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its 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 this circular.

VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, PROPOSED CAPITAL REDUCTION, AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting to be held at 22nd Floor, United Centre, 95 Queensway, Hong Kong on Tuesday, 15 November 2016 at 11:00 a.m. is set out on pages 18 to 22 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting (or any adjournment thereof) should you so wish.

6 October 2016

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
EXPECTED TIMETABLE FOR THE CAPITAL REDUCTION	3
LETTER FROM THE BOARD	
1. Introduction	5
2. Re-election of Directors	5
3. General Mandates	6
4. The Capital Reduction	7
(a) Effect of the Capital Reduction	8
(b) Conditions for the Capital Reduction	9
(c) Status of the New Shares	9
(d) Board lot size	10
(e) Free exchange of share certificates	10
(f) Reasons for the Capital Reduction	10
5. AGM	11
6. Voting by Poll	12
7. Responsibility Statement	12
8. Recommendation	12
9. General	12
APPENDIX I — PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION ...	13
APPENDIX II — EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE	15
NOTICE OF ANNUAL GENERAL MEETING	18

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 22nd Floor, United Centre, 95 Queensway, Hong Kong on Tuesday, 15 November 2016 at 11:00 a.m.
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the share capital of the Company by (i) reducing the par value of each issued Share from HK\$0.10 to HK\$0.01 by cancelling the paid up share capital to the extent of HK\$0.09 per issued Share, such that each issued Share shall become one fully paid up share of par value HK\$0.01 in the capital of the Company; and (ii) reducing the par value of each authorised but unissued share from HK\$0.10 to HK\$0.01, such that the authorised share capital of the Company shall be reduced from HK\$2,000,000,000.00 to HK\$200,000,000.00
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	the Companies Law (as revised) of the Cayman Islands
“Company”	Vision Values Holdings Limited (stock code: 862), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“Existing Share Certificate(s)”	the share certificate(s) for the Share(s)
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares in the manner as set out in the ordinary resolution numbered 4 of the Notice of AGM
“Latest Practicable Date”	30 September 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company
“New Share(s)”	the ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company immediately following the Capital Reduction becoming effective
“New Share Certificate(s)”	the share certificate(s) for the New Share(s)
“Notice of AGM”	the notice convening the AGM as set out on pages 18 to 22 of this circular
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in the ordinary resolution numbered 5 of the Notice of AGM
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Capital”	the issued ordinary share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) or the New Share(s), as the case may be
“Share(s)”	the ordinary shares, with voting rights, of HK\$0.10 each in the share capital of the Company, which are listed on the Stock Exchange or the New Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

EXPECTED TIMETABLE FOR THE CAPITAL REDUCTION

Set out below is the expected timetable for the implementation of the Capital Reduction and the relevant trading arrangements, which is subject to satisfaction of the conditions set out in the paragraph headed “Conditions for the Capital Reduction” in the Letter from the Board of this circular:

2016

*(Hong Kong dates and time
unless otherwise specified)*

Despatch of the Circular (including the notice of
the AGM and the related form of proxy) on or before Thursday, 6 October

Latest time for lodging the form of
proxy for the AGM..... 11:00 a.m. on Sunday, 13 November

AGM 11:00 a.m. on Tuesday, 15 November

Publication of an announcement of the poll results of the AGM Tuesday, 15 November

The following events are conditional on the poll results of the AGM and the approval from the Court and therefore the dates are indicative only and subject to change:

2017

*(Hong Kong dates and time
unless otherwise specified)*

Expected date of registration of a copy of the order from
the Court confirming the Capital Reduction and the minutes
approved by the Court pursuant to the Companies Law Tuesday, 24 January
(Cayman Islands date)

Expected effective date of the Capital Reduction Tuesday, 24 January
(Cayman Islands date), which will
take effect on Wednesday, 25 January
in Hong Kong due to time difference

First day of the free exchange of the Existing Share Certificates
for the New Share Certificates for the New Shares Wednesday, 25 January

Commencement of the dealings in the
New Shares..... 9:00 a.m. on Wednesday, 25 January

Last day for the free exchange of the Existing Share
Certificates for the New Share Certificates..... 4:30 p.m. on Friday, 24 February

EXPECTED TIMETABLE FOR THE CAPITAL REDUCTION

Dates or times specified in this circular for events in the timetable for (or otherwise in relation to) the Capital Reduction are indicative only and may be extended or varied due to the timetable and availability of the Court, additional time required for compliance with the regulatory requirements in the Cayman Islands and/or with any requirements imposed by the Court or varied by the Company. Further announcement(s) will be made by the Company if there is any change made to the expected period of the free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares.

LETTER FROM THE BOARD

VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

Executive Directors:

Mr. Lo Lin Shing, Simon (*Chairman*)
Mr. Ho Hau Chong, Norman

Independent Non-executive Directors:

Mr. Tsui Hing Chuen, William *JP*
Mr. Lau Wai Piu
Mr. Lee Kee Wai, Frank

Registered office:

P.O. Box 10008
Willow House, Cricket Square
Grand Cayman KY1-1001
Cayman Islands

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

Units 902-03, 9/F
Shui Hing Centre
13 Sheung Yuet Road
Kowloon Bay
Hong Kong

6 October 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROPOSED CAPITAL REDUCTION,
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the AGM to be held on 15 November 2016. The Notice of AGM is set out on pages 18 to 22 of this circular.

Reference is also made to the announcement dated 15 September 2016 in relation to the Capital Reduction.

2. RE-ELECTION OF DIRECTORS

At the forthcoming AGM, Mr. Ho Hau Chong, Norman and Mr. Lee Kee Wai, Frank shall retire from office in accordance with Article 116 of the Articles and being eligible, offer themselves for re-election. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the brief biographical and other details of any Directors proposed to be re-elected under Rule 13.51(2) of the Listing Rules are set out in Appendix I.

LETTER FROM THE BOARD

Mr. Lee Kee Wai, Frank, being an independent non-executive Director of the Company eligible for re-election at the AGM, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Lee has served as an independent non-executive Director for more than nine years. Notwithstanding his years of service as an independent non-executive Director of the Company, the Board is of the view that Mr. Lee is able to continue to fulfill his independence role as required and thus recommends him for re-election at the AGM. Further, the Company is of the view that Mr. Lee meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

3. GENERAL MANDATES

The current general mandates granted to the Directors to issue and repurchase Shares will expire at the conclusion of the AGM. In order to provide flexibility and discretion to the Directors to issue new Shares and repurchase Shares, ordinary resolutions will be proposed at the AGM to grant to the Directors general mandates authorising them (i) to exercise the powers of the Company to allot and issue new Shares up to an amount not exceeding 20% of the Share Capital as at the date of the passing of such resolution; (ii) to repurchase Shares not exceeding 10% of the Share Capital as at the date of the passing of such resolution; and (iii) subject to the passing of the ordinary resolutions approving the General Mandates at the AGM, to extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, there were 2,591,838,892 Shares in issue. Subject to the passing of the ordinary resolutions to approve the General Mandates at the AGM and on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 518,367,778 Shares under the Issue Mandate and to repurchase up to a maximum of 259,183,889 Shares under the Repurchase Mandate.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the General Mandates are granted at the AGM. The Issue Mandate provides the Directors with flexibility to issue Shares especially in the context of a fund raising exercise in a timely manner or a transaction involving an acquisition by the Group where Shares are to be issued as consideration and which has to be completed speedily. As at the Latest Practicable Date, the Directors had no present intention of any acquisition by the Company nor any present plan for raising capital by issuing new Shares under the proposed Issue Mandate.

The Company at present does not have any plan for repurchases of Shares. Repurchase will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Repurchase Mandate can provide more flexibility to the Directors to enhance the net asset value of the Company and/or its earnings per Share. The General Mandates, if approved by the Shareholders at the AGM, will continue until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of such authority by the Shareholders.

An explanatory statement providing all the requisite information concerning the Repurchase Mandate required under the Listing Rules is set out in the Appendix II to this circular.

4. THE CAPITAL REDUCTION

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$2,000,000,000.00 divided into 20,000,000,000 Shares of a nominal or par value of HK\$0.10 each, of which 2,591,838,892 Shares have been issued and are fully paid or credited as fully paid.

The Board proposes that:

- (i) the share capital of the Company be reduced in the following manner: (i) the issued share capital of the Company be reduced by the cancellation of HK\$0.09 paid up capital on each issued share so that each issued share shall be treated as one fully paid up share of par value HK\$0.01 in the capital of the Company; and (ii) the par value of each authorised but unissued share be reduced from HK\$0.10 to HK\$0.01, such that the authorised share capital of the Company shall be reduced from HK\$2,000,000,000.00 to HK\$200,000,000.00; and
- (ii) the credit arising from the Capital Reduction be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company, and the balance (if any) be transferred to the share premium account of the Company which may be applied as a distributable reserve in accordance with the Memorandum and Articles of Association of the Company and all applicable laws and rules including the Listing Rules and as the Board considers appropriate.

LETTER FROM THE BOARD

(a) Effect of the Capital Reduction

The following table sets out the share capital structure of the Company: (i) as at the Latest Practicable Date; and (ii) as it will be immediately upon the Capital Reduction taking effect (assuming for such purposes that no further Shares will be issued and allotted or repurchased between the Latest Practicable Date and the date on which the Capital Reduction takes effect):

	As at the Latest Practicable Date	Immediately upon the Capital Reduction taking effect
Nominal or par value	HK\$0.10 per Share	HK\$0.01 per New Share
Amount of the authorised share capital	HK\$2,000,000,000.00	HK\$200,000,000.00
Number of authorised shares	20,000,000,000 Shares	20,000,000,000 New Shares
Number of issued shares	2,591,838,892 Shares	2,591,838,892 New Shares
Amount of the issued share capital	HK\$259,183,889.20	HK\$25,918,388.92
Number of unissued shares	17,408,161,108 Shares	17,408,161,108 New Shares
Amount of the unissued share capital	HK\$1,740,816,110.80	HK\$174,081,611.08

As at the Latest Practicable Date, the Company's issued and paid up share capital is HK\$259,183,889.20, consisting of 2,591,838,892 issued and fully paid or credited as fully paid Shares of HK\$0.10 each. By cancelling HK\$0.09 paid up capital on each issued share, the issued and paid up share capital will be reduced by HK\$233,265,500.28 to HK\$25,918,388.92 (assuming that no further Shares will be issued and allotted or repurchased between the Latest Practicable Date and the date on which the Capital Reduction takes effect). The number of issued and fully paid or credited as fully paid Shares is subject to change if Shares are either repurchased or issued and allotted between the Latest Practicable Date and the date on which the Capital Reduction takes effect, including as a result of the potential issue of up to 97,960,713 Shares pursuant to the exercise of share options granted under the share option scheme of the Company to subscribe for Shares that are currently outstanding and exercisable. The final HK\$ amount by which the issued and paid up share capital of the Company will be reduced by the Capital Reduction will therefore be determined by the number of Shares in issue and fully paid or credited as fully paid Shares at the time the Capital Reduction takes effect. The Capital Reduction will also result in the authorised share

LETTER FROM THE BOARD

capital of the Company being reduced from HK\$2,000,000,000.00 (consisting of 20,000,000,000 Shares of a nominal or par value of HK\$0.10 each) to HK\$200,000,000.00 (consisting of 20,000,000,000 Shares of a nominal or par value of HK\$0.01 each).

(b) Conditions for the Capital Reduction

The Capital Reduction is conditional upon:

- (i) the passing by the Shareholders at the AGM of a special resolution approving the Capital Reduction;
- (ii) the approval of the Capital Reduction by the Court;
- (iii) the compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (iv) the registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law with respect to the Capital Reduction; and
- (v) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reduction.

The Capital Reduction will take effect, and trading in the New Shares will commence, upon all the above-mentioned conditions having been satisfied. Upon approval by the Shareholders of the Capital Reduction at the AGM, the legal adviser to the Company (as to Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company on the progress of the Capital Reduction as and when appropriate.

(c) Status of the New Shares

The New Shares shall rank *pari passu* in all respects with each other within the same class and have the same rights and be subject to the restrictions in respect of ordinary shares contained in the Articles of Association of the Company. The Capital Reduction will not result in any change in the rights of the Shareholders.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares arising from the Capital Reduction. No application is required to be sought from any other stock exchange for the listing of, and permission to deal in, the New Shares.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in

LETTER FROM THE BOARD

the New Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

(d) Board lot size

The board lot size for trading of the New Shares will remain unchanged at 20,000 shares upon the Capital Reduction taking effect.

(e) Free exchange of share certificates

Subject to the Capital Reduction having taken effect, Shareholders may, within one month from the effective date of the Capital Reduction, submit their Existing Share Certificates for the Shares (in Green colour) to the Company's Branch Share Registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the New Share Certificates for the New Shares (in Purple colour) at the expense of the Company. As the Court hearing date(s) have yet to be fixed, the exact effective date of the Capital Reduction is not ascertainable at present. Further details of such free exchange of share certificates will be announced as soon as the effective date of the Capital Reduction is ascertained.

Following the expiry of the period for free exchange of share certificates, Existing Share Certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such amount as may from time to time prescribed in the Listing Rules) payable by the Shareholders for each Existing Share Certificate or New Share Certificate, whichever number of certificates is higher.

Nevertheless, Existing Share Certificates will continue to be good evidence of legal title and will be valid for delivery, trading and settlement purposes after the Capital Reduction has taken effect.

(f) Reasons for the Capital Reduction

As noted, the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company.

As at 30 June 2016, the accumulated losses of the Company amounted to approximately HK\$192,958,000.00 and it is expected that the credit arising from the Capital Reduction will amount to HK\$233,265,500.28 (assuming that no further Shares will be issued and allotted or repurchased between the Latest Practicable Date and the date on which the Capital Reduction takes effect). The Capital Reduction would, if implemented and to the extent that the credit arising from the Capital Reduction exceeds the accumulated losses of the Company as at and

LETTER FROM THE BOARD

following the effective date of the Capital Reduction, facilitate the Company in its ability to make payment of dividends out of, and/or to undertake corporate exercises requiring the use of, distributable reserves of the Company as and when the Board of Directors considers appropriate in the future.

Accordingly, the Board is of the opinion that the Capital Reduction will give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers if appropriate to do so in the future. In addition, the Board considers that the Capital Reduction will enable the nominal or par value of the Shares to be reduced from HK\$0.10 to HK\$0.01 each, thus giving greater flexibility to the Company to raise funds, should the Board consider it prudent or advisable to do so, through the issue of New Shares in the future given that the Company is not permitted, pursuant to the Articles, to issue new Shares below their nominal or par value. It is important for Shareholders to note that, at this stage, there can be no assurance that any dividends will be declared or paid in the future, or that the Company will look to raise funds through the issue of New Shares, even if the Capital Reduction takes effect.

Save for the expenses to be incurred by the Company in implementing the Capital Reduction, the Board considers that the Capital Reduction will have no impact on the underlying assets, business operations, management or financial position of the Group or the proportionate interests of the Shareholders in the Company and their respective voting rights. Further, the Capital Reduction does not involve the diminution of any liability in respect of any unpaid capital of the Company nor does it involve the repayment to the Shareholders of any paid up capital of the Company. The Board considers that the Capital Reduction will not have any material adverse effect on the financial position of the Company or on the ability of the Company to continue to meet its obligations to creditors as they fall due.

In view of the above, the Board considers that the Capital Reduction is in the interests of the Company and the Shareholders at a whole.

5. AGM

The AGM is convened by the Company for the Shareholders to consider and, if thought fit, approve, together with other ordinary business, the re-election of Directors, the granting of the Issue Mandate, the Repurchase Mandate and the Capital Reduction.

The Notice of AGM is set out on pages 18 to 22 of this circular. A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so desire.

LETTER FROM THE BOARD

6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of such meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM will therefore put all resolutions to be proposed at the AGM to be voted by way of poll. An announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. None of the Shareholders is required to abstain from voting on the resolutions to be proposed at the AGM pursuant to the Listing Rules and/or the Articles.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this circular 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 herein or this circular misleading.

8. RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the granting of the Issue Mandate, the Repurchase Mandate and the Capital Reduction are in the interests of the Group and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of all the resolutions proposed at the AGM.

9. GENERAL

The Capital Reduction is conditional upon, amongst other things, the passing of a special resolution approving the Capital Reduction by the Shareholders at the AGM. An application will be made to the Listing committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares arising from the Capital Reduction.

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

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

The biographical and other details of the Directors proposed to be re-elected at the AGM are set out below:

(1) Mr. Ho Hau Chong, Norman — Executive Director

Mr Ho, aged 61, was appointed as a Non-executive Director in November 2000 and re-designated as Executive Director in January 2007. He is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company, Limited and has over 30 years of experience in management and property development. Mr. Ho is also an executive director of Miramar Hotel and Investment Company, Limited (Stock Code: 71) and an independent non-executive director of Hong Kong Ferry (Holdings) Company Limited (Stock Code: 50), Lee Hing Development Limited (Stock Code: 68) and Shun Tak Holdings Limited (Stock Code: 242), which are listed on The Stock Exchange of Hong Kong Limited. Mr. Ho 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.

Save as disclosed above, Mr. Ho did not hold any directorship in any other listed public company in the past three years immediately prior to the Latest Practicable Date. He has no relationship with any director, senior management or substantial or controlling shareholder of the Company.

Mr. Ho has not entered into any service contract with the Company and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. He is entitled to a remuneration of HK\$120,000 per annum, which is determined by reference to his duties and responsibilities with the Company, subject to review by the Board from time to time. Save as aforesaid, Mr. Ho has not had other remuneration such as bonus and other kinds of benefits.

As at the Latest Practicable Date, Mr. Ho holds 13,696,428 shares options held under the Share Option Scheme and 1,170,000 Shares which are required to be notified to the Company and the Stock Exchange under Part XV of the SFO.

Mr. Ho was a director of St. Betty Limited (“**St. Betty**”), a limited company incorporated in Hong Kong, with the nature of business in food and beverage industry, and that St. Betty has been put in creditors’ voluntary winding up proceedings since 24 March 2015 pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of Laws of Hong Kong). Mr. Ho was not involved in the day to day management and operation of St. Betty and confirmed that there was no wrongful act on his part leading to the liquidation of St. Betty and he is not aware of any actual or potential claim that has been or will be made against him. St. Betty is not related to the Company or to the Group.

Save as disclosed above, there are no other matters concerning Mr. Ho that need to be brought to the attention of the Shareholders nor any information required to be disclosed to the requirement of 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

(2) Mr. Lee Kee Wai, Frank — Independent Non-executive Director

Mr. Lee, aged 57, has been an Independent Non-executive Director since April 2007 and is the Senior Partner of Messrs. Vincent T.K. Cheung, Yap & Co., Solicitors and Notaries. He holds a Bachelor of Laws from the London School of Economics & Political Science and a Master of Law from University of Cambridge. 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 also a non-executive director of Pico Far East Holdings Limited (stock code: 752) which is listed on Stock Exchange.

Save as disclosed above, Mr. Lee did not hold any directorship in any other listed public company in the past three years immediately prior to the Latest Practicable Date. He has no relationship with any director, senior management or substantial or controlling shareholder of the Company.

Mr. Lee has not entered into any service contract with the Company and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Lee is entitled to a remuneration of HK\$120,000 per annum, which is determined by reference to his duties and responsibilities with the Company, subject to review by the Board from time to time. Save as aforesaid, Mr. Lee has not had other remuneration such as bonus and other kinds of benefits.

As at the Latest Practicable Date, Mr. Lee holds 8,267,857 share options under the Share Option Scheme, representing approximately 0.32% of the Share Capital of the Company. Apart from this, he has no personal interest which is required to be notified to the Company and the Stock Exchange under Part XV of the SFO.

Save as disclosed above, there are no other matters concerning Mr. Lee that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

This is an explanatory statement given to the Shareholders relating to proposed resolution granting the Repurchase Mandate to the Directors to be passed by the Shareholders at the AGM.

This explanatory statement contains a summary of the information required pursuant to Rule 10.06(1)(b) of the Listing Rules which is set out as follows:

(1) EXERCISE OF THE REPURCHASE MANDATE

Resolution numbered 5 set out in the Notice of AGM will, if passed, give a general unconditional mandate to the Directors authorising the repurchase by the Company of the issued and fully paid Shares up to a maximum of 10% of the nominal amount of the Share Capital of the Company as at the date of the AGM. It will be valid until the next annual general meeting unless revoked or varied before such meeting.

Assuming that no further Shares are issued or repurchased after the Latest Practicable Date and before the date of the AGM, there will be 2,591,838,892 Shares in issue and exercise in full of the Repurchase Mandate would result in up to a maximum of 259,183,889 Shares being repurchased by the Company.

(2) REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

(3) FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the applicable laws of the Cayman Islands and the Memorandum and Articles of Association. The laws of the Cayman Islands provide that the amount to be paid in connection with a share repurchase may be paid out of profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, provided the Company can, immediately following such payments, pay its debts as they fall in the ordinary course of business.

There might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(4) STATUS OF REPURCHASED SHARES

The Listing Rules provide that the listing of all the Shares repurchased by the Company will automatically be cancelled and the Company must ensure that the corresponding certificates are cancelled and destroyed. Under the Cayman Islands law, the Shares so repurchased will be treated as having been cancelled.

(5) SHARE REPURCHASES

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six (6) months preceding the Latest Practicable Date.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

(6) SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
October	0.920	0.620
November	0.830	0.480
December	0.630	0.430
2016		
January	0.500	0.260
February	0.500	0.260
March	0.580	0.395
April	0.510	0.390
May	0.410	0.310
June	0.380	0.300
July	0.380	0.305
August	0.345	0.270
September (Up to the Latest Practicable Date)	0.440	0.285

(7) EFFECT OF THE TAKEOVERS CODE

If, as a result of a share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could, depending upon the level of increase in shareholding, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Lo Lin Shing, Simon ("**Mr. Lo**"), chairman and executive Director, by himself and through his wholly-owned subsidiary, Moral Glory International Limited, held approximately 32.08% of the Share Capital. In the event that the Directors exercise in full the Repurchase Mandate, the aggregate shareholding of Mr. Lo in the Company would increase to approximately 35.65% of the Share Capital. The Directors consider that such increase may give rise to an obligation on the part of Mr. Lo to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in such takeover obligation. Besides, the Directors have no present intention to repurchase Shares to an extent which will result in the number Shares held by the public being reduced to less than 25%.

(8) GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention to sell any Shares to the Company under the Repurchase Mandate if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

NOTICE OF ANNUAL GENERAL MEETING

VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Vision Values Holdings Limited (the “**Company**”) will be held at 22nd Floor, United Centre, 95 Queensway, Hong Kong on Tuesday, 15 November 2016 at 11:00 a.m. to transact the following ordinary business:

1. To receive and consider the audited financial statements and the reports of the directors and independent auditor of the Company for the year ended 30 June 2016;
2. (a) To re-elect Mr. Ho Hau Chong, Norman as executive director;
(b) To re-elect Mr. Lee Kee Wai, Frank as independent non-executive director; and
(c) To authorise the board of directors to fix the directors’ remuneration;
3. To re-appoint Messrs. PricewaterhouseCoopers as independent auditor and to authorise the board of directors to fix its remuneration;

and, by way of special business to consider and, if thought fit, pass with or without modification, of which resolutions numbered 4, 5 and 6 will be proposed as ordinary resolutions, and resolution numbered 7 will be proposed as special resolution:

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, and to make or grant offers, agreements or options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares pursuant to any existing specific authority, including upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any bonds, notes, debentures or securities convertible into shares of the Company; (iii) the exercise of options granted under any share option scheme adopted by the Company; and (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of passing this resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors made to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**
- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“**Recognised Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, or of any other Recognised Stock Exchange and the articles of association of the Company be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the shares which the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the shares in the capital of the Company in issue as at the date of passing this resolution; and
 - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of passing this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
 - (3) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
6. **“THAT** subject to the passing of resolutions numbered 4 and 5 as set out in the notice convening this meeting (the “**Notice**”), the general mandate granted to the Directors to allot, issue and deal with additional shares of the Company pursuant to resolution numbered 4 set out in the Notice be and is hereby extended by the addition to it of an amount representing the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and since the granting to the Company of the general mandate to repurchase shares in accordance with resolution numbered 5 set out in the Notice.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

7. **“THAT** subject to and conditional upon: (i) the approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the **“Court”**); (ii) the compliance with any conditions which the Court may impose in relation to the Capital Reduction; (iii) the registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law (as revised) of the Cayman Islands with respect to the Capital Reduction; and (iv) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reduction, with effect from the date on which these conditions are satisfied (the **“Effective Date”**):
- (a) The capital of the Company be reduced as follows (the **“Capital Reduction”**):
 - (i) the issued share capital of the Company be reduced by the cancellation of HK\$0.09 paid up capital on each of the shares in the capital of the Company in issue on the Effective Date, so that each such issued share shall become one fully paid up share of par value HK\$0.01 in the capital of the Company (the **“New Shares”**); and
 - (ii) the par value of each of the remaining authorised but unissued shares in the capital of the Company as at the Effective Date be reduced from HK\$0.10 to HK\$0.01 by way of: (x) the subdivision of each such authorised but unissued share of par value HK\$0.10 into ten (10) authorised but unissued shares of par value HK\$0.01 each; and (y) immediately thereafter, the cancellation of nine (9) out of every ten (10) of such resulting authorised but unissued shares of HK\$0.01 each (such that authorised share capital of the Company shall become HK\$200,000,000.00 divided into 20,000,000,000 shares of par value HK\$0.01 each in the capital of the Company);
 - (b) the Directors be and are hereby authorised to apply the credit arising from the Capital Reduction to set off against the accumulated losses of the Company as at the Effective Date, thereby reducing the accumulated losses of the Company, and the balance (if any) be transferred to the share premium account of the Company which may be applied as a distributable reserve in accordance with the memorandum and articles of association of the Company and all applicable laws and rules including the Listing Rules and as the Board considers appropriate;
 - (c) all of the New Shares resulting from the Capital Reduction shall rank *pari passu* in all respect with each other within the same class and have the same rights and be subject to the restrictions in respect of the ordinary shares contained in the articles of association of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) the Directors be and are hereby generally authorised for and on behalf of the Company to do all such acts and things, including but not limited to execution of all documents, which the Directors deem necessary, appropriate or desirable or expedient to complete, implement and give effect to any matters relating to or in connection with the Capital Reduction.”

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

Hong Kong, 6 October 2016

Registered office:

P.O. Box 10008
Willow House, Cricket Square
Grand Cayman KY1-1001
Cayman Islands

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

Units 902–03, 9/F
Shui Hing Centre
13 Sheung Yuet Road
Kowloon Bay
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person(s) as his/her proxy to attend and vote instead of him/her. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
4. Where there are joint holders of any share, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he/she were solely entitled to vote; but if more than one of such joint holders be present at the meeting in person or by proxy, then the one of such holders whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
5. In accordance with the articles of association of the Company, Mr. Ho Hau Chong, Norman and Mr. Lee Kee Wai, Frank will retire at the meeting and being eligible, offer themselves for re-election. Details of the directors seeking for re-election have been set out in the circular of the Company dated 6 October 2016.