

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). 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.

VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 862)

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

Underwriter of the Rights Issue



VMS Securities Limited

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 9:00 a.m. on Wednesday, 8 March 2017 to 4:00 p.m. on Thursday, 16 March 2017 (both dates and time 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, 21 March 2017. 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.

6 March 2017

CONTENTS

	<i>Page</i>
Definitions	1
Expected timetable	6
Termination of the Underwriting Agreement	8
Letter from the Board	10
Appendix I — Financial information of the Group	I-1
Appendix II — Unaudited pro forma financial information of the Group .	II-1
Appendix III — General information	III-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 24 January 2017 in relation to the Rights Issue
“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
“Capital Reduction”	the 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 (details of which were set out in the announcements of the Company dated 15 September 2016, 15 November 2016 and 23 January 2017, and the circular of the Company dated 6 October 2016)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Committed Shares”	the aggregate of 415,750,545 Rights Shares which Mr. Lo and Moral Glory are entitled to subscribe under the Rights Issue, each of Mr. Lo and Moral Glory has irrevocably undertaken to take up, or procure the taking up, pursuant to Mr. Lo’s Undertaking and Moral Glory Undertaking, respectively
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong

DEFINITIONS

“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
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertakings”	collectively, Mr. Lo’s Undertaking, Moral Glory Undertaking and the Other Directors’ Undertaking
“Last Trading Day”	Tuesday, 24 January 2017, being the last full trading day of the Shares 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 application and payment for excess Rights Shares, which is currently expected to be 4:00 p.m. on Tuesday, 21 March 2017
“Latest Lodging Date”	4:30 p.m. on Tuesday, 28 February 2017, being the latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue
“Latest Practicable Date”	28 February 2017, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein

DEFINITIONS

“Latest Time for Termination”	4:00 p.m. on the third Business Day following the Latest Acceptance Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Moral Glory”	Moral Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Lo
“Moral Glory Undertaking”	the irrevocable undertaking letter dated 24 January 2017 executed by Moral Glory in favour of the Company and the Underwriter
“Mr. Lo”	Mr. Lo Lin Shing, Simon, being an executive Director and Chairman of the Board, the controlling Shareholder (directly and indirectly holding an aggregate of approximately 32.08% of the issued share capital of the Company as at the Latest Practicable Date)
“Mr. Lo’s Undertaking”	the irrevocable undertaking letter dated 24 January 2017 executed by Mr. Lo in favour of the Company and the Underwriter
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Board, based on opinions provided by 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)
“Optionholder(s)”	holder(s) of the Share Option(s)
“Other Directors’ Undertaking”	the irrevocable undertaking letters all dated 24 January 2017 executed by each of the Directors, except for Mr. Lo, in favour of the Company and the Underwriter
“Other Optionholder(s)”	holder(s) of the Share Option(s), except for the Directors

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Prospectus”	the prospectus to be despatched by the Company in relation to the Rights Issue
“Prospectus Documents”	collectively, the Prospectus, the PAL(s) and the EAF(s)
“Prospectus Posting Date”	Monday, 6 March 2017, 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”	Friday, 3 March 2017, being the record date to determine the entitlements of the Shareholders to participate in the Rights Issue
“Registrar”	Tricor Abacus Limited, the branch share registrar and transfer office of the Company in Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares 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 by Qualifying Shareholders on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents, payable in full upon acceptance
“Rights Share(s)”	new Share(s) to be issued and allotted under the Rights Issue, being 1,295,919,446 Shares
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company prior to the Capital Reduction becoming effective and ordinary share(s) of HK\$0.01 each in the share capital of the Company thereafter
“Share Option(s)”	the share option(s) held by the holder(s) under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 23 November 2011
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.18 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 24 January 2017 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
“%”	percentage or per centum

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is as follows:

2017

Record Date	Friday, 3 March
Register of members of the Company reopens	Monday, 6 March
Despatch of the Prospectus Documents	Monday, 6 March
First day and time of dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 8 March
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 13 March
Last day and time of dealings in nil-paid Rights Shares	4:00 p.m. on Thursday, 16 March
Latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares	4:00 p.m. on Tuesday, 21 March
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Friday, 24 March
Announcement of the allotment results of the Rights Issue to be posted on the Stock Exchange's website	Tuesday, 28 March
Despatch of refund cheques for wholly and partially unsuccessful excess applications for excess Rights Shares	Wednesday, 29 March
Share certificates for the Rights Shares to be posted	Wednesday, 29 March
Dealings in the Rights Shares commence	9:00 a.m. on Thursday, 30 March

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.

EXPECTED TIMETABLE

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 as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) 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 hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any materially adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (e) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally for more than 14 consecutive trading days on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (3) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to 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.

LETTER FROM THE BOARD

VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 862)

Executive Directors:

Mr. Lo Lin Shing, Simon
Mr. Ho Hau Chong, Norman

Non-executive Director:

Mr. Lo, Rex Cze Kei

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, 9th Floor
Shui Hing Centre
13 Sheung Yuet Road
Kowloon Bay
Hong Kong

6 March 2017

*To the Qualifying Shareholders and, for information purpose only,
the Non-Qualifying Shareholders and the Optionholders*

Dear Sir or Madam,

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

INTRODUCTION

On 24 January 2017, the Board announced that the Company proposed to raise not less than approximately HK\$233.3 million but not more than approximately HK\$237.7 million, before expenses, by way of a rights issue of not less than 1,295,919,446 Rights Shares but not more than 1,320,633,731 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\$0.18 per Rights Share. In this regard, the Company and the Underwriter has entered into the Underwriting Agreement after trading hours on 24 January 2017.

The total number of Shares in issue at the close of business of the Record Date was 2,591,838,892 Shares.

The purpose of this Prospectus is to provide you with, among others, further details on the Rights Issue and certain financial information and other general information on the Group.

LETTER FROM THE BOARD

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	:	2,591,838,892 Shares
Number of Rights Shares	:	1,295,919,446 Rights Shares
Subscription Price	:	HK\$0.18 per Rights Share
Underwriter	:	VMS Securities Limited
Enlarged issued share capital of the Company upon completion of the Rights Issue	:	3,887,758,338 Shares

From the date of the Underwriting Agreement and up to the Latest Practicable Date, there had not been any Share Option being exercised. Accordingly, an aggregate of 1,295,919,446 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\$6.2 million, the net price per Rights Share is expected to be approximately HK\$0.175.

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\$0.18 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.

LETTER FROM THE BOARD

The Subscription Price represents:

- (a) a discount of approximately 39.0% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 40.4% to the average closing price of HK\$0.302 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 40.5% to the average closing price of approximately HK\$0.303 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 29.9% to the theoretical ex-rights price of approximately HK\$0.257 per Share based on the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a premium of approximately 65.1% over the unaudited consolidated net assets value per Share as at 31 December 2016 of approximately HK\$0.109 per Share based on the unaudited consolidated net assets value attributable to owners of the Company as at 31 December 2016 and the 2,591,838,892 Shares in issue as at 31 December 2016; and
- (f) a discount of approximately 46.3% to the closing price of HK\$0.335 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, the trading liquidity of the Shares under the prevailing market conditions and the rights issue conducted by other listed companies in the past six months immediately preceding the date of the Underwriting Agreement (with subscription price ranging from a discount to the closing price on the relevant last trading day prior to date of announcement of such rights issue of approximately 76.19% to a premium over the closing price on the relevant last trading day prior to date of announcement of such rights issue of approximately 5.30%) and the financial position of the Group including the audited consolidated net assets value per Share as at 30 June 2016 of approximately HK\$0.115 per Share.

Based on the above, 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 Group and the Shareholders as a whole.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualified Shareholders, the Company will send copies of the Prospectus to them for their information only. Please take special note that the Company will send the PAL(s) and EAF(s) to the Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must be (i) registered as a member of the Company at the close of business on the Record Date; and (ii) a Qualifying Shareholder.

LETTER FROM THE BOARD

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) on or prior to the Record Date.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must have lodged any transfers of Shares (together with the relevant share certificates) with the Registrar for registration by no later than 4:30 p.m. on Tuesday, 28 February 2017.

Optionholders who wish to participate in the Rights Issue should have exercised the Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company on or before 4:30 p.m. on Tuesday, 28 February 2017.

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

Rights of Overseas Shareholders

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 made enquiries and have obtained advice from its legal advisers as to the laws of Australia regarding the legal restrictions under the applicable securities laws and the requirements of the relevant regulatory body with respect to the offer of the Rights Shares to such Overseas Shareholder pursuant to Rule 13.36(2)(a) of the Listing Rules.

Based on the legal advice on the applicable laws in Australia obtained by the Company, the exemption under Corporations (Foreign Rights Issues) Instrument 2015/356 is applicable to the Company. Accordingly, the Company is advised that the Company is not required to issue an Australian prospectus and there are no filing requirements (including the filing of this Prospectus) and/or other application procedures required to be performed by the Company in order to extend the Rights Issue to such Overseas Shareholder. In view of this, the Directors have decided to extend the Rights Issue to such Overseas Shareholder. As such, the Company did not have any Non-Qualifying Shareholder as at the Record Date.

LETTER FROM THE BOARD

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.

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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Tuesday, 21 March 2017. 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, 21 March 2017, 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, 13 March 2017 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 Level 22, Hopewell Centre, 183 Queen's Road East, 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

LETTER FROM THE BOARD

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.

Save as described in the paragraph headed "Rights of Overseas Shareholders" above, 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 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 Wednesday, 29 March 2017.

Application for excess Rights Shares

Any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders, will be available for excess application by the Qualifying Shareholders. Application may be made only by the Qualifying Shareholders by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Rights Shares being applied for under each application.

LETTER FROM THE BOARD

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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong at or before 4:00 p.m. on Tuesday, 21 March 2017. 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 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 Tuesday, 28 March 2017.

However, no preference will be given to topping-up odd lots to whole board lots. Qualifying Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Any Rights Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. Investors whose Shares are held by a nominee (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company, must have lodged all necessary documents with the Registrar by 4:30 p.m. on Tuesday, 28 February 2017.

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.

Dealings in the Rights Shares in their nil-paid forms will be in board lots of 20,000 Shares.

LETTER FROM THE BOARD

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 Wednesday, 29 March 2017. Applicant(s) will receive one share certificate for all the Rights Shares allotted and issued to him/her/it/them.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 29 March 2017 by ordinary post to the applicants at their own risk.

LETTER FROM THE BOARD

UNDERWRITING ARRANGEMENT

After trading hours on 24 January 2017, the Company and the Underwriter entered into the Underwriting Agreement and the major terms of which are set out below:

The Underwriting Agreement

Date	:	24 January 2017
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 880,168,901 Rights Shares and not more than 904,883,186 Rights Shares, being all Rights Shares under the Rights Issue excluding the Committed Shares and after taking into account of the Irrevocable Undertakings.
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.

The Company has approached the Underwriter and two other licensed corporations under the SFO in relation to the potential underwriting arrangements of the Rights Issue. In considering to the appointment of VMS Securities Limited as the underwriter of the Rights Issue, the Company has taken into account of the prior experience in working with the Underwriter in relation to the rights issue of the Company conducted in 2013, the relevant experience of the Underwriter in being the underwriter and placing agent of other companies listed on the Stock Exchange and the underwriting terms of the Rights Issue offered by the Underwriter (including the Subscription Price and the underwriting commission of the Rights Issue) which are the most favourable available quotation to the Company.

The Board (including the independent non-executive Directors) considers the terms of the Underwriting Agreement (including the underwriting commission) accord with the market price and are fair and reasonable so far as the Company and the Shareholders are concerned.

As advised by the Underwriter, sub-underwriting arrangement had been made in relation to the Rights Issue as at the Latest Practicable Date, with five sub-underwriters, each sub-underwriting approximately 20% of the maximum Underwritten Shares under the Underwriting Agreement of 904,883,186 Rights Shares, and the sub-underwriters are third parties independent of the Company and its connected persons. The Company confirmed that it will maintain the minimum public float requirement in compliance with Rule 8.08 of the Listing Rules upon completion of the Rights Issue.

LETTER FROM THE BOARD

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):

- (1) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (2) the filing and registration of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (WUMP) Ordinance and, where necessary, the filing of all documents relating to the Rights Issue, which are required to be filed with the Registrar of Companies in the Cayman Islands in accordance with the Companies Law of the Cayman Islands;
- (3) the posting of the Prospectus Documents to Qualifying Shareholders;
- (4) the Underwriter having received on or before the date of the Underwriting Agreement the Irrevocable Undertakings duly executed by each of Mr. Lo and Moral Glory, Mr. Ho Hau Chong, Norman, Mr. Lo, Rex Cze Kei, Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank and the compliance with and performance of such Irrevocable Undertakings and obligations by each of them;
- (5) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (6) the trading of the Shares on the Stock Exchange has not been suspended from the date of the Underwriting Agreement up to and including the Latest Acceptance Date for a period of more than fourteen (14) consecutive trading days (save and except any suspension for the clearing of any announcement or Prospectus of the Company in relation to the Rights Issue); and
- (7) the Shares remaining listed on the Stock Exchange at all times up to and including the Latest Acceptance Date and the current listing of the Shares not having been withdrawn and no indication being received from the Stock Exchange before the Latest Acceptance 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.

Neither the Company nor the Underwriter may waive the Conditions Precedent (1), (2), (3), (4) and (7) set out above. The Underwriter may waive the conditions (5) and (6) above at any time before 4:00 p.m. on the Latest Acceptance Date or such later date or dates as the Underwriter may agree with the Company in writing.

LETTER FROM THE BOARD

In the event that the conditions above have not been satisfied or waived (as applicable) in whole or in part by the Underwriter on or before the Latest Time for Termination or such later date or dates as the Underwriter may agree with the Company in writing, 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

As at the date of the Underwriting Agreement, Mr. Lo was holding 1,170,000 Shares, representing approximately 0.04% of the Company's issued share capital as at the date of the Underwriting Agreement, and was also beneficially holding outstanding Share Options carrying the right to subscribe for in total 13,800,000 new Shares. Mr. Lo has executed Mr. Lo's Undertaking and irrevocably undertaken to the Company and the Underwriter:

- (i) to accept by 4:00 p.m. of the Latest Acceptance Date of the 585,000 Rights Shares which will be provisionally allotted to him in respect of the 1,170,000 Shares registered in his name or the name of his nominee on the date of the Underwriting Agreement;
- (ii) to procure that provisional allotment letters in respect of the 585,000 Rights Shares to be provisionally allotted to him and/or his nominees shall be lodged with the Registrar with payment in accordance with the terms of the Prospectus Documents on or before 4:00 p.m. of the Latest Acceptance Date;
- (iii) not to exercise any of his outstanding Share Options from the date of the Underwriting Agreement and up to the Record Date;
- (iv) that in the event he should fail to comply with the undertakings given in (i) and (ii) above, to authorise the Company (unless otherwise agreed in writing by the Underwriter):
 - (a) to treat the Mr. Lo's Undertaking as an application by him and/or his nominees for all the Rights Shares to be provisionally allotted to him and/or his nominees;
 - (b) to allocate and procure the issue of the same to him and/or his nominees; and
 - (c) to procure the registration of the same in his name and/or the names of his nominees (as the case may be),

and that he shall forthwith make payment for the same (on behalf of himself and/or his nominees);

LETTER FROM THE BOARD

- (v) that the 1,170,000 Shares will remain registered in the same names or be registered in the name of his nominee until the close of business on the Record Date and will continue to have registered address in Hong Kong;
- (vi) that, he shall not, and shall procure that his nominees and/or companies controlled by him or by any of his nominees (whether directly or indirectly) shall not, during the period from immediately after the execution of the Underwriting Agreement and prior to or on the date being the fourth business day after the Latest Acceptance Date, transfer or otherwise dispose of (including without limitation the creation of any option, charge or other encumbrances or rights over or inspect of) or acquire any Shares (including the exercise of any outstanding Share Options by him that are granted to him by the Company under its share option schemes) or any interests therein (except the acceptance of Rights Shares provisionally allotted pursuant to the Rights Issue) and notwithstanding the foregoing unless any third party to whom such Shares or interests are to be transferred shall undertake to give similar undertakings in favour of the Company and the Underwriter to those set out in the Mr. Lo's Undertaking; and
- (vii) that, without prejudice to paragraph (v) above, written notice will be given to the Company (and, where applicable, its advisers) within 24 hours immediately after any dealing by him, his nominees and/or companies controlled by him or by any of his nominees (whether directly or indirectly) in the Shares or any securities in the Company or any interests therein, and that he shall, and shall procure his nominees and/or companies controlled by him or by any of his nominees (whether directly or indirectly) to, provide the Company (and, where applicable, its advisers) as soon as practicable with all information, explanations and documents as requested by the Company (and, where applicable, its advisers) in relation to or arising from any such dealing.

As at the date of the Underwriting Agreement, Moral Glory, a company wholly and beneficially owned by Mr. Lo, was holding 830,331,090 Shares, representing approximately 32.04% of the Company's issued share capital as at the date of the Underwriting Agreement. Moral Glory has executed the Moral Glory Undertaking and irrevocably undertaken to the Company and the Underwriter:

- (i) to accept the acceptance by 4:00 p.m. of the Latest Acceptance Date of the 415,165,545 Rights Shares which will be provisionally allotted to Moral Glory in respect of the 830,331,090 Shares registered in its name or the name of its nominee on the date of the Underwriting Agreement;
- (ii) to procure that provisional allotment letters in respect of the 415,165,545 Rights Shares to be provisionally allotted to it and/or its nominees shall be lodged with the Registrar with payment in accordance with the terms of the Prospectus Documents on or before 4:00 p.m. on the Latest Acceptance Date;

LETTER FROM THE BOARD

- (iii) that in the event it should fail to comply with the undertakings given in (i) and (ii) above, to authorise the Company (unless otherwise agreed in writing by the Underwriter):
 - (a) to treat the Moral Glory Undertaking as an application by it and/or its nominees for all the Rights Shares to be provisionally allotted to it and/or its nominees;
 - (b) to allocate and procure the issue of the same to it and/or its nominees; and
 - (c) to procure the registration of the same in its name and/or the names of its nominees (as the case may be),

and it shall forthwith make payment for the same (on behalf of itself and/or its nominees);

- (iv) that the 830,331,090 Shares will remain registered in the same names or be registered in the name of its nominee until the close of business on the Record Date and will continue to have registered address in Hong Kong;
- (v) that, it shall not, and shall procure that its nominees and/or companies controlled by it or by any of its nominees (whether directly or indirectly) shall not, during the period from immediately after the execution of the Underwriting Agreement and prior to or on the date being the fourth business day after the Latest Acceptance Date, transfer or otherwise dispose of (including without limitation the creation of any option, charge or other encumbrances or rights over or inspect of) or acquire any Shares (including the exercise of any outstanding Share Options by it that are granted to it by the Company (if any) under its share option schemes) or any interests therein (except the acceptance of Rights Shares provisionally allotted pursuant to the Rights Issue) and notwithstanding the foregoing unless any third party to whom such Shares or interests are to be transferred shall undertake to give similar undertakings in favour of the Company and the Underwriter to those set out in the Moral Glory Undertaking; and
- (vi) that, without prejudice to paragraph (v) above, written notice will be given to the Company (and, where applicable, its advisers) within 24 hours immediately after any dealing by it, its nominees and/or companies controlled by it or by any of its nominees (whether directly or indirectly) in the Shares or any securities in the Company or any interests therein, and that it shall, and shall procure its nominees and/or companies controlled by it or by any of its nominees (whether directly or indirectly) to, provide the Company (and, where applicable, its advisers) as soon as practicable with all information, explanations and documents as requested by the Company (and, where applicable, its advisers) in relation to or arising from any such dealing.

LETTER FROM THE BOARD

As at the date of the Underwriting Agreement, the Directors (excluding Mr. Lo) held outstanding Share Options carrying the right to subscribe for an aggregate of 39,732,142 Shares. Each Director (other than Mr. Lo) has executed the Other Directors' Undertaking and irrevocably undertaken to the Company and the Underwriter:

- (i) not to exercise the Share Options held by him (which will remain held in the same name) from the date of the Underwriting Agreement up to the Record Date; and
- (ii) that, without prejudice to paragraph (i) above, written notice will be given to the Company (and, where applicable, its advisers) within 24 hours immediately after any dealing by him, his nominees and/or companies controlled by him or by any of his nominees (whether directly or indirectly) in the Shares or any securities in the Company or any interests therein (including the exercise of any outstanding Share Options by him that are granted to him by the Company (if any) under its share option schemes), and that he shall, and shall procure his nominees and/or companies controlled by him or by any of his nominees (whether directly or indirectly) to, provide the Company (and, where applicable, its advisers) as soon as practicable with all information, explanations and documents as requested by the Company (and, where applicable, its advisers) in relation to or arising from any such dealing.

For illustration purpose, the table below set forth the Shares Options held by each of the Directors who is subject to the Irrevocable Undertakings as at the date thereof:

Director	Share Options held by the Director carrying the right to subscribe for
Mr. Lo	13,800,000 Shares
Mr. Ho Hau Chong, Norman	16,696,428 Shares
Mr. Lo, Rex Cze Kei	6,000,000 Shares
Mr. Tsui Hing Chuen, William <i>JP</i>	5,767,857 Shares
Mr. Lau Wai Piu	3,000,000 Shares
Mr. Lee Kee Wai, Frank	8,267,857 Shares

Save for Mr. Lo's Undertaking and Moral Glory Undertaking, the Board has not obtained undertakings from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) 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 hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any materially adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (e) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally for more than 14 consecutive trading days on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or

LETTER FROM THE BOARD

- (3) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

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

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

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

The Rights Issue is conditional, inter alia, upon the fulfillment or waiver (as applicable) of the conditions set out under the 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 Monday, 27 February 2017 and that the Rights Shares are expected to be dealt with in their nil- paid form from 9:00 a.m. on Wednesday, 8 March 2017 to 4:00 p.m. on Thursday, 16 March 2017 (both dates 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.

LETTER FROM THE BOARD

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.

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:

	As at the		Upon completion of the Rights Issue			
	Latest Practicable Date		Scenario I		Scenario II	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Shareholders						
Mr. Lo (Notes 3 and 4)	831,501,090	32.08	1,247,251,635	32.08	1,247,251,635	32.08
Other directors of the Company and its subsidiaries						
– Directors (Note 5)						
Mr. Ho Hau Chong, Norman	1,170,000	0.05	1,755,000	0.05	1,170,000	0.03
Mr. Tsui Hing Chuen, William JP	2,500,000	0.10	3,750,000	0.10	2,500,000	0.06
Mr. Lau Wai Piu	5,267,857	0.20	7,901,785	0.20	5,267,857	0.14
– Directors of the subsidiaries of the Company	5,260,000	0.20	7,890,000	0.20	5,260,000	0.14
Underwriter and sub-underwriters (Note 6)	-	-	-	-	880,168,901	22.64
Other public Shareholders	1,746,139,945	67.37	2,619,209,918	67.37	1,746,139,945	44.91
Total	2,591,838,892	100.00	3,887,758,338	100.00	3,887,758,338	100.00

LETTER FROM THE BOARD

Notes:

1. Scenario I illustrates the shareholding structure of the Company immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders under the Rights Issue.
2. Scenario II illustrates the shareholding structure of the Company immediately after completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders (except for Mr. Lo and Moral Glory) under the Rights Issue.
3. Among the 831,501,090 Shares, 1,170,000 Shares represent interest of Mr. Lo on an individual basis; while 830,331,090 Shares represent interest of Moral Glory. On the other hand, Mr. Lo was also legally and beneficially interested in outstanding Share Options carrying the right to subscribe for in total 13,800,000 new Shares as at the Latest Practicable Date. Pursuant to Mr. Lo's Undertaking, Mr. Lo has irrevocably undertaken to the Company and the Underwriter, among other things, to accept by 4:00 p.m. of the Latest Acceptance Date of the 585,000 Rights Shares which will be provisionally allotted to him in respect of the 1,170,000 Shares registered in his name or the name of his nominee on the date of the Underwriting Agreement; and not to exercise any of his outstanding Share Options from the date of the Underwriting Agreement and up to the Record Date. Pursuant to the Moral Glory Undertaking, Moral Glory has irrevocably undertaken to the Company and the Underwriter, among other things, to accept the acceptance by 4:00 p.m. of the Latest Acceptance Date of the 415,165,545 Rights Shares which will be provisionally allotted to Moral Glory in respect of the 830,331,090 Shares registered in its name or the name of its nominee on the date of the Underwriting Agreement.
4. Mr. Lo is an executive Director, Chairman of the Board and the controlling Shareholder.
5. Pursuant to the Other Directors' Undertaking, each of the Directors has given irrevocable undertaking to the Company and the Underwriter not to exercise the subscription rights attached to the Share Options held by him from the date of the Underwriting Agreement up to the Record Date.
6. As advised by the Underwriter, as at the Latest Practicable Date, sub-underwriting arrangement had been made in relation to the Rights Issue with five sub-underwriters each sub-underwriting approximately 20% of the maximum Underwritten Shares under the Underwriting Agreement of 904,883,186 Rights Shares.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in the provision of network solutions and project services, property investment, yacht construction and trading, and exploration and evaluation of mineral resources. Based on the annual report of the Company for the year ended 30 June 2016 (the "2016 Annual Report"), the Group recorded improvement in financial performance that the audited consolidated loss attributable to owners of the Company for the year reduced from approximately HK\$45.2 million for the year ended 30 June 2015 to approximately HK\$26.8 million for the year ended 30 June 2016. Each of the yacht building segment and minerals exploration segment was yet to contribute any revenue to the Group for the two years ended 30 June 2016, while the Group recorded segmental profit in each of the network solutions and project services segment and property investment segment. As further stated in the 2016 Annual Report, in order to enhance shareholder value, the Group would continue to seek new investment opportunities in Hong Kong and Mainland China from time to time.

Based on the audited consolidated statement of financial position of the Company as at 30 June 2016 as set out in the 2016 Annual Report, the cash and bank balances of the Group was approximately HK\$157.6 million as at 30 June 2016. The Group has been

LETTER FROM THE BOARD

identifying potential investment opportunities and since then acquired two commercial properties in Hong Kong with an aggregate consideration of approximately HK\$113.4 million (the “**Property Acquisitions**”), details of the relevant acquisitions are set out in the announcements of the Company dated 5 October 2016 and 16 December 2016, respectively. Given the Company financed the Property Acquisitions solely by internal resources and has not conducted any fund raising exercise subsequent to 30 June 2016, the cash and bank balances of the Group as at 30 June 2016 has been reduced by a considerable amount as a result of the Property Acquisitions. Furthermore, the Company would continue to identify and seize suitable investment opportunities, which includes investment and business opportunities within its principal business segments, namely network solutions and project services, property investment, yacht construction and trading, and the mineral exploration business and their respective industry chain, as and when they arise. After taking into account of the financial resources used in satisfying the Property Acquisitions, the Board considers that it is in the interest of the Shareholders and the Group as a whole to strengthen its financial position through the Rights Issue so as to capture suitable business and/or investment opportunities when they arise. To this end, the Company has explored the possibilities and effects of different fund raising exercises including, but not limited to, placing of new shares, bank borrowings and rights issue. Given the Group has still been loss making for each of the year ended 30 June 2015 and 2016, the Company considers that debt financing, which will increase the finance cost and gearing ratio of the Group, is not preferred and given bank borrowing would require the pledging of assets of the Group with market value of over 100% of the principal amount of the borrowing, the Company considers that, based on the existing asset base of the Group, the likelihood in obtaining bank borrowings with an amount comparable to the fund raising size under the Rights Issue is low. When comparing placing of new shares and rights issue, after taking into account the fact that both of them would lead to commission payable to placing agent or underwriter (as the case may be), while all Qualifying Shareholders will be provided an equitable means to participate in the future business development of the Group through the rights issue and the fact that the Rights Issue is fully underwritten by the Underwriter (except for the Committed Shares) while placing of new shares is usually conducted on a best-effort basis, the Company has decided to conduct the Rights Issue at a price lower than the current market price of the Shares.

As at 31 December 2016, the unaudited cash and bank balances of the Group was approximately HK\$66.7 million, approximately HK\$46.3 million of which had been subsequently utilised to settle the remaining consideration payable in relation to the acquisition of a property as announced by the Company on 16 December 2016 and completed on 18 January 2017. The remaining balance has been assigned for general working capital of the Group .

It is estimated that the net proceeds of the Rights Issue will be approximately HK\$227.1 million, after deducting all necessary expenses for the Rights Issue, which include the commission to the Underwriter and the relevant professional fees payable to professional advisers, financial printer and other parties involved in the Rights Issue incurred and to be borne by the Company.

LETTER FROM THE BOARD

The Group intends to apply the net proceeds from the Rights Issue as follows:

- (i) as to approximately 74.9% (being approximately HK\$170.0 million) for the strengthening of its investment property portfolio by acquiring additional commercial and/or residential properties should suitable opportunities become available; and
- (ii) as to the remaining approximately 25.1% (being approximately HK\$57.1 million) for general working capital for future development of other existing business segments of the Group comprising (a) corporate expenses (including directors and staff costs, office administrative expenses, legal and professional fees and other general expenses) of approximately HK\$25.2 million; (b) exploration projects of approximately HK\$15.2 million; and (c) yacht building project of approximately HK\$16.7 million.

On 5 October 2016 and 16 December 2016, the Group acquired two commercial properties, respectively, for investment purpose for a total sum of approximately HK\$113.4 million. As it has been the Group's intention to further strengthen its property portfolio through acquiring additional properties, the Group has been searching for commercial properties with potential investment returns and values.

It is the intention of the Group to further acquire two to three commercial properties in Hong Kong within 12 months after completion of the Rights Issue with a view to bringing in stable rental income and/or capital appreciation. In determining the amount of proceeds allocated for this purpose, the Company has taken into account of the commercial properties recently acquired by the Group. According to information provided by the property agents and to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, commercial properties in the prime business areas of the Hong Kong Island will have relatively better potential in capital appreciation and rental return as their availability is comparatively scarce. The Group will tend to look for office premises in the prime business districts in the Hong Kong Island as well as other districts with good growth potential, taking into account such prime factors as locations, demand and supply factors and quality of the buildings in which the properties located. The Directors believe that investment in properties could enhance its property portfolio and provide stable rental income as well as capital appreciation opportunities under the current market conditions, while the Rights Issue could provide the necessary funding needs for the Group when a target is identified. The Company will comply with the applicable Listing Rules requirements in respect of any proposed property acquisition as and when appropriate.

The Group has always been exploring and screening possible investment opportunities in relation to network solutions and project services, properties and mineral exploration from time to time, and as at the Latest Practicable Date, any such discussion was preliminary and there was no arrangement, agreement, understanding, negotiation which was discloseable under the requirements of the Listing Rules. If any of the investment opportunities materialize, the Company will comply with the relevant Listing Rules requirements as and when appropriate.

LETTER FROM THE BOARD

Taking into account the cash level of the Group subsequent to the settlement of the remaining consideration payable in relation to the acquisition of a property as announced by the Company on 16 December 2016 and completed on 18 January 2017, the prospects of the Hong Kong property market, the pace of the recent transactions of the Group and the time required in conducting a rights issue, the Board considers that it is an appropriate time for the Company to conduct the Rights Issue notwithstanding that no acquisition target has been identified for the time being given cash requirement will be imminent once and when an acquisition target is identified.

As at the Latest Practicable Date, in the absence of any unforeseeable circumstances and other than the potential acquisition of additional properties as mentioned above, to the best knowledge of the Company and based on the existing business operation and financial position of the Group, it was estimated that the working capital requirements for the next twelve months in respect of (i) network solutions and project services; (ii) the exploration and evaluation of mineral resources; (iii) the yacht construction; and (iv) the corporate expenses of the Group would be approximately HK\$3.7 million, HK\$15.2 million, HK\$16.7 million and HK\$23.6 million, respectively.

Shareholders should note that the above estimation was prepared based on a number of assumptions and factors which included but not limited to, (i) the expected operating expenses, contracts on hand and best estimation on sales with potential customers for the network solutions and project service segment of the Group; (ii) the expected corporate expenses of the Group projected with reference to the monthly average of actual cash expenses incurred for the six months ended 31 December 2016; (iii) the estimated exploration expenses to be incurred in 2017 by reference to actual expenses incurred in last financial year but the estimation was subject to change because the exploration plan for the year 2017 could only be formulated until completion of the data review and study of the 2016 exploration programs and the internal assessment was still ongoing at the Latest Practicable Date; (iv) the yacht construction would be completed by end of 2017; (v) there was no material change in economic environment or market conditions or unexpected circumstances occur in Hong Kong, PRC or Mongolia where the Group operated; and (vi) no other investments or business opportunities which would require additional funding which the Group had no concrete plan as at Latest Practicable Date. It is expected that the Rights Issue will be able to satisfy the expected funding needs of the Group's existing businesses and projects as anticipated for the next 12 months. Prior to the utilisation of the allocated proceeds arising from the Rights Issue, the Company will place them under deposits accounts with licensed banks in Hong Kong.

If the existing Shareholders (other than Mr. Lo and Moral Glory) elect not to participate in the Rights Issue, their aggregate shareholding interests in the Company would be reduced from approximately 67.9% to approximately 45.3%. Meanwhile, based on the theoretical ex-rights price of approximately HK\$0.257 per Share and the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day, the dilution effect of the Rights Issue on the Share price is approximately 12.9%. Based on the aforesaid and taking into account that (i) the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company; (ii) to continue to participate in the future development of the Group; (iii) the Rights Issue would strengthen the capital base of the Group and enhance its financial

LETTER FROM THE BOARD

position without increasing finance costs; (iv) the discount of the Subscription Price to the market price of the Share was necessary to encourage the Qualifying Shareholders to participate in the Rights Issue; (v) the inherent dilutive nature of rights issue if the existing Shareholder did not take up his/her/its provisional allotment under the Rights Issue in full; (vi) the Rights Issue provides an exit to the Qualifying Shareholders who elect not to subscribe the Rights Shares by selling their nil-paid Rights Shares in the market for economic benefits, the Board (including the independent non-executive Directors) considers that, having taken into account of the potential dilution impact of the Rights Issue, the terms of the Underwriting Agreement are fair and reasonable and fund raising through the Rights Issue is in the interests of the Group and the Shareholders as a whole.

As the interests of the Directors were same as all other Shareholders under the Rights Issue, no Directors had abstained from voting on the resolution relating to the Rights Issue in the Board meeting.

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.

ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF THE SHARE OPTIONS

Adjustments to the exercise price and number of the outstanding Share Options may be required under the relevant terms of the Share Option Scheme. Further announcement will be made by the Company in this regard.

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
Tang Chi Kei
Company Secretary

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 30 June 2014, 2015 and 2016 and the six months ended 31 December 2016 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.visionvalues.com.hk):

- (a) the audited consolidated financial statements included in the annual report of the Company for the year ended 30 June 2014 published on 6 October 2014 (pages 27–82);
- (b) the audited consolidated financial statements included in the annual report of the Company for the year ended 30 June 2015 published on 6 October 2015 (pages 28–82);
- (c) the audited consolidated financial statements included in the annual report of the Company for the year ended 30 June 2016 published on 5 October 2016 (pages 27–80); and
- (d) the unaudited consolidated financial statements included in the announcement of interim results of the Company for the six months ended 31 December 2016 published on 27 February 2017 (pages 1–12).

2. INDEBTEDNESS

As at the close of business on 31 January 2017, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, apart from intra-group liabilities and normal trade payables in the ordinary course of the business, the Group did not have any outstanding mortgage, charge, debenture or other loan capital, bank overdraft or loan, other similar indebtedness, finance lease or hire purchase commitment, liability under acceptance or acceptable credit, guarantee or any material contingent liability.

3. 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 2016, the date to which the latest published audited consolidated financial statements of the Group were made up.

4. 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.

5. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in the provision of network solutions and project services, property investment, yacht construction and trading, and exploration and evaluation of mineral resources. As stated in the section headed "Letter from the Board" in this Prospectus, the Company has acquired two commercial properties in Hong Kong subsequent to 30 June 2016 at an aggregate consideration of approximately HK\$113.4 million, which were satisfied solely by internal resources. One of such commercial properties (including a car parking space) has been leased to independent third parties while the other was putting up for lease as at the Latest Practicable Date.

Network solutions and project services ("NSPS")

A strong local currency and an anticipated interest rise in the United States of America have been affecting the economic fundamentals of Hong Kong. The potential clients of the NSPS have become more cautious in making new capital investments and/or major improvements to their telecommunication infrastructures. Under such prevailing market conditions, the management of NSPS expects its business to remain stagnant. By the end of 2016, the total contracts on hand for NSPS were approximately HK\$8.1 million, of which HK\$2.1 million belonged to network solutions business and maintenance while the remaining HK\$6.0 million belonged to project services.

Property investment

In order to enhance Shareholders value, the Group continues to seek new investment opportunities in Hong Kong and Mainland China from time to time. The Group is interested in the Hong Kong property market, in particular the office sector. The overall performance of the office property market was considerably positive from 2011 to the third quarter of 2016, with generally upward trends of the price and rental indices. Though the price indices have shown a sign of decline after reaching their peak in the third quarter of 2015, they are still footing at a relatively high level. The favourable factors supporting the demand in offices include (i) a strong market demand for quality offices by the growing financial sector; (ii) relocation of offices from traditional central districts under costs consideration; (iii) an increasing presence of Mainland corporations to set up offices in the prominent central business districts; (iv) office investments are attractive to Mainland investors as a means to diversify the Renminbi currency risks; and (v) high investment demand in spite of the property cooling measures laid down by the Hong Kong government. On the other hand, the supply of offices varies from district to district. The natural constraint of scarce developable land serves to boost the performance of offices in the traditional central districts while increasing supply of office spaces in non-core areas may lead to increase in vacancy rates and decline in rentals. The long term investment strategy popularly adopted by the Mainland investors will also limit the supply of offices available in the market for lease and sale. The Group believes the prospects of the office market to be affirmative based on the analysis of the general factors.

Exploration and evaluation of mineral resources

In respect of the business of mineral exploration and evaluation, the exploration plan for the year 2017 could only be formulated until completion of the data review and study of the 2016 exploration programs. Up to the Latest Practicable Date, the internal assessment is still ongoing.

Yacht construction

In respect of yacht construction, the Group anticipated the first model yacht will be completed by the end of 2017. The Group may conduct an overall review on the yacht construction business after completion of the first model yacht by the Group.

For illustrative purposes only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “**Unaudited Pro Forma Financial Information**”) after completion of the Rights Issue. Although reasonable care has been exercised in preparing the Unaudited 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) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The Unaudited Pro Forma Financial Information prepared in accordance with 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 2016.

The Unaudited 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 immediately after the completion of the Rights Issue or at any future dates.

The following Pro Forma Financial Information is based on the unaudited consolidated net tangible assets of the Group as at 31 December 2016, adjusted as described below:

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2016 <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i>	Unaudited proforma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue <i>HK\$'000</i>
Based on 1,295,919,446 Rights Shares to be issued	251,594	227,100	478,694
	<u> </u> <i>(Note 1)</i>	<u> </u> <i>(Note 2)</i>	<u> </u>

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2016 <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i>	Unaudited proforma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue <i>HK\$'000</i>
Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share before the completion of the Rights Issue (Note 3)		<u>HK\$0.10</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after the completion of the Rights Issue (Note 4)		<u>HK\$0.12</u>

Notes:

1. It represents the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$282,358,000 less goodwill of approximately HK\$3,334,000 and exploration and evaluation assets of approximately HK\$27,430,000 attributable to owners of the Company as at 31 December 2016, which are extracted from the published unaudited condensed consolidated statement of the financial position of the Group as at 31 December 2016.
2. The estimated net proceeds from the Rights Issue of approximately HK\$227,100,000 is calculated based on 1,295,919,446 Rights Shares to be issued at the subscription price of HK\$0.18 per Rights share after deduction of estimated related expenses.
3. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after the completion of Rights Issue is calculated based on HK\$251,594,000 divided by 2,591,838,892 Shares, being the number of Shares in issue as at 31 December 2016.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after the completion of the Rights Issue is calculated based on HK\$478,694,000 divided by 3,887,758,338 Shares, comprising 2,591,838,892 Shares, being the number of Shares in issue as at 31 December 2016, and 1,295,919,446 Rights Shares to be issued.
5. No adjustments have been made to reflect any trading results of other transactions of the Group entered into or completed subsequent to 31 December 2016.

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

Set forth below is the independent 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 unaudited pro forma statement of adjusted consolidated net tangible assets of the Group set out in this Appendix:

Independent Reporting Accountants' Assurance Report on the Compilation of the Unaudited Pro Forma Financial Information

To the Directors of Vision Values Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") of Vision Values Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The Unaudited Pro Forma Financial Information consists of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2016, and related notes as set out in Appendix II to the prospectus issued by The Company dated 6 March 2017 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one rights share for every two shares held on the Record Date (as defined in the Prospectus at a subscription price of HK\$0.18 per rights share (the "**Rights Issue**") on the unaudited consolidated net tangible assets attributable to owners of the Company as at 31 December 2016 as if the Rights Issue had taken place on 31 December 2016. As part of this process, information about the Group's unaudited consolidated net tangible assets has been extracted by the Directors from the Group's unaudited condensed consolidated statement of financial position for the six months ended 31 December 2016, on which no auditor's report or review conclusion has been published.

The Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" (the "**AG7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 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 accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information on the basis of the applicable criteria in accordance with the paragraph 29 of Chapter 4 of the Listing Rules and with reference AG7 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 Unaudited 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 Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited 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 Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which Unaudited the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited 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 Unaudited Pro Forma Financial Information has been properly compiled 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 Unaudited 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
Hong Kong

6 March 2017

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 and change to the share capital of the Company 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>2,591,838,892</u>	Shares	<u>259,183,889.20</u>

Immediately after completion of the Rights Issue (assuming Capital Reduction is not yet effective)

<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>		
2,591,838,892	Shares in issue as at the Latest Practicable Date	259,183,889.20
<u>1,295,919,446</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>129,591,944.60</u>
<u>3,887,758,338</u>	Shares in issue immediately after completion of the Rights Issue	<u>388,775,833.80</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 102,960,713 Share Options (conferring rights to subscribe for 102,960,713 new Shares) granted to the Directors, employees and consultants of the Group and the details of which are set out below:

Date of grant	Exercise price HK\$ (subject to adjustment)	Exercise period	Number of Share Options
11 January 2013	0.181	11 January 2013 to 10 January 2018	21,740,713
5 March 2014	0.730	5 March 2014 to 4 March 2019	18,800,000
20 May 2015	0.680	20 May 2015 to 19 May 2020	57,420,000
19 October 2016	0.41	19 July 2017 to 18 October 2018	2,500,000
19 October 2016	0.41	19 January 2018 to 18 October 2018	2,500,000

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 Director	Capacity	Number of Shares interested (Note 1)	Approximate percentage of interest in Shares (Note 2)
Mr. Lo	Beneficial owner	1,170,000 (L) (Note 3)	0.045%
	Interest of a controlled corporation	830,331,090 (L) (Note 4)	32.036%
Mr. Ho Hau Chong, Norman	Beneficial owner	1,170,000 (L)	0.045%
Mr. Tsui Hing Chuen, William JP	Beneficial owner	2,500,000 (L)	0.096%
Mr. Lau Wai Piu	Beneficial owner	5,267,857 (L)	0.203%

Notes:

- The letter "L" denotes long position in the Shares.
- The percentage is calculated on the basis of that the number of issued Shares of 2,591,838,892 as at the Latest Practicable Date.
- In addition to these 1,170,000 Shares, Mr. Lo was also interested in 585,000 Committed Shares to be subscribed by Mr. Lo in the Rights Issue pursuant to the Mr. Lo's Undertaking he made in favour of the Company and the Underwriter.
- These 830,331,090 Shares were held by Moral Glory, the entire issued share capital of which was owned by Mr. Lo. In addition to these 830,331,090 Shares, Moral Glory was also interested in 415,165,545 Committed Shares to be subscribed by Moral Glory in the Rights Issue pursuant to the Moral Glory Undertaking it made in favour of the Company and the Underwriter. Mr. Lo was deemed to be interested in all the Shares in which Moral Glory was interested by virtue of the SFO.

(ii) Associated corporations of the Company

As at the Latest Practicable Date, the following Director had interests in the shares of the associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity/ Nature of Interest	Number and class of securities interested	Approximate percentage of shareholding in the associated corporation
Mr. Lo	Mission Wealth Holdings Limited (<i>Note</i>)	Beneficial owner	49 ordinary shares of US\$1.00 each	49%

Note: Mission Wealth Holdings Limited was a company incorporated in the British Virgin Islands which was a 51%-owned subsidiary 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 Director	Capacity	Number of underlying Shares interested by virtue of holding the Share Options (<i>Note 1</i>)	Approximate percentage of interest in Shares (<i>Note 2</i>)
Mr. Lo	Beneficial owner	13,800,000 (L)	0.53%
Mr. Ho Hau Chong, Norman	Beneficial owner	16,696,428 (L)	0.64%
Mr. Lo, Rex Cze Kei	Beneficial owner	6,000,000 (L)	0.23%
Mr. Tsui Hing Chuen, William JP	Beneficial owner	5,767,857 (L)	0.22%
Mr. Lau Wai Piu	Beneficial owner	3,000,000 (L)	0.12%
Mr. Lee Kee Wai, Frank	Beneficial owner	8,267,857 (L)	0.32%

Notes:

1. The letter "L" denotes long position in the Shares.
2. The percentage is calculated on the basis of that the number of issued Shares of 2,591,838,892 as at the Latest Practicable Date.

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	Number of Shares interested (Note 1)	Approximate percentage of interest in Shares (Note 2)
Ms. Ku Ming Mei, Rouisa (Note 3)	Interest of spouse	845,301,090 (L)	32.61%
Moral Glory (Note 4)	Beneficial owner	830,331,090 (L)	32.04%

Notes:

1. The letter "L" denotes long position in the Shares.
2. The percentage is calculated on the basis of that the number of issued Shares of 2,591,838,892 as at the Latest Practicable Date.
3. Ms. Ku Ming Mei, Rouisa was the spouse of Mr. Lo and therefore was deemed to be interested in all the Shares in which Mr. Lo was interested by virtue of the SFO.
4. Moral Glory was 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. DIRECTOR'S SERVICE CONTRACT

As at the Latest Practicable Date, Mr. Lo had entered into a director service contract with the Company for a fixed term of three years, particulars of which are as follows:

Name	Term	Commencement Date	Expiry Date	Monthly Remuneration	Early termination compensation
Mr. Lo	3 years	1 April 2016	31 March 2019	HK\$500,000.00	Either party may early terminate the service contract by a compensation equivalent to twelve months' remuneration

Save as disclosed above, 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

- (a) the Irrevocable Undertakings;
- (b) that the Company had an indirect 51% interest in a joint venture company ("**JV**", together with its subsidiaries, the "**JV Group**") with the remaining 49% interest owned by Mr. Lo. The JV Group has certain exploration licences in Mongolia and the purpose of the JV is to discover whether there is any existence of mineral resources and development potential on the mineral interests owned by the JV Group in Mongolia. The JV Group commenced its exploration activities in 2014. The capital injection and expenses are shared between the joint venture parties in proportion to their respective equity interests in the JV; and

- (c) that a subsidiary of the Company had a facility rental arrangement with a company ("**Lessor**") which was wholly-owned by Mr. Lo for a term of one month, and renewable on a monthly basis, at a monthly fee at HK\$93,000.00. Under such arrangement, the Company could make use of the facilities and the shipyard owned by the Lessor for the Group's yacht construction. Either party shall be entitled to terminate the arrangement by serving not less than 7 days' written notice to the other,

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 2016, 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 subscription agreement (the "**P&P Subscription Agreement**") dated 11 August 2015 and entered into between the Company (as issuer), and Philosophy Quantum Investment Co. Limited ("**PQ Investment**") and the People's Insurance Company (Group) of China Limited (stock code: 1339) ("**PICC**") (together with PQ Investment, as subscribers), and Mr. Lo for the subscription of new Shares by PQ Investment and PICC at the subscription price of HK\$0.18 per Share pursuant to the terms and conditions thereto;
- (c) the subscription agreement (the "**PC Subscription Agreement**") dated 11 August 2015 and entered into between the Company (as issuer) and Pearl Charm Investments Limited ("**Pearl Charm**") (as subscriber) for the subscription of new Shares by Pearl Charm at the subscription price of HK\$0.18 per Share pursuant to the terms and conditions thereto;

- (d) the termination agreement dated 12 January 2016 and entered into between the parties to the P&P Subscription Agreement for terminating the P&P Subscription Agreement; and
- (e) the termination agreement dated 12 January 2016 and entered into between the parties to the PC Subscription Agreement for terminating the PC Subscription Agreement.

8. EXPERT AND CONSENT

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

Name	Qualification
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 2016 (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	17th Floor 118 Connaught Road West Hong Kong
Mr. Ho Hau Chong, Norman	1001 Admiralty Centre Tower 18 Harcourt Road Hong Kong
<i>Non-executive Director</i>	
Mr. Lo, Rex Cze Kei	17th Floor 118 Connaught Road West 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	Suite 1507-08, 15th Floor Two Chinachem Exchange Square 338 King's Road, North Point 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 Lin Shing, Simon**

Mr. Lo, aged 61, joined the Company in March 2000 and is currently the chairman of the Board and an Executive Director. He possesses over 30 years of experience in the financial, securities and futures industries, including many trans-border transactions. Mr. Lo has been a member of Chicago Mercantile Exchange and International Monetary Market (Division of Chicago Mercantile) since 1986. Mr. Lo is the father of Mr. Lo, Rex Cze Kei, a non-executive Director of the Company. He is also the chairman and executive director of Mongolia Energy Corporation Limited, the deputy chairman and executive director of International Entertainment Corporation, both of which are listed on the Stock Exchange.

Mr. Ho Hau Chong, Norman

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 and an independent non-executive director of Hong Kong Ferry (Holdings) Company Limited, Lee Hing Development Limited and Shun Tak Holdings Limited respectively, all of which are listed on the Stock Exchange. 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.

*Non-executive Director***Mr. Lo, Rex Cze Kei**

Mr. Rex Lo, aged 35, was appointed as a Non-executive Director in November 2016. He has over 7 years of experience in property business and general management. Mr. Rex Lo holds a Master of Science in Electronic Commerce and Internet Computing. He is the son of Mr. Lo, the chairman of the Company. Mr. Rex Lo joined the Group in 2014 and is a director of a subsidiary of the Company being responsible for the management of this subsidiary. He is also a non-executive director of Mongolia Energy Corporation Limited which is listed on the Stock Exchange.

*Independent Non-executive Directors***Mr. Tsui Hing Chuen, William JP**

Mr. Tsui, aged 65, has been an Independent Non-executive Director since September 2006. He is the founding partner of Messrs. Lo, Wong & Tsui, Solicitors & Notaries, which was established in 1980. Mr. Tsui has been a solicitor of the High Court of Hong Kong since 1977, a solicitor of the Supreme Court of England & Wales since 1981, and a barrister and solicitor of the Supreme Court of Victoria, Australia since 1983. He has been an advocate and solicitor in Singapore since 1985. He has also been a notary public appointed by the Archbishop of Canterbury, England. Mr. Tsui was appointed as a Justice of the Peace by the Government of Hong Kong in 1997. He was admitted to the Roll of Honour of The Law Society of Hong Kong in 2013. Mr. Tsui is also an independent non-executive director of Mongolia Energy Corporation Limited, International Entertainment Corporation and Haitong International Securities Group Limited respectively, all of which are listed on the Stock Exchange.

Mr. Lau Wai Piu

Mr. Lau, aged 52, has been an Independent Non-executive Director since March 2007. He has over 20 years of extensive experience in accounting and financial management. Mr. Lau 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, International Entertainment Corporation and Haitong International Securities Group Limited respectively, all of which are listed on the Stock Exchange.

Mr. Lee Kee Wai, Frank

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 (Australia). He is also a China-Appointed Attesting Officer and a member of the Chartered Institute of Arbitrators. Mr. Lee is also an independent non-executive director of Mongolia Energy Corporation Limited and Pico Far East Holdings Limited, both of which are listed on the Stock Exchange.

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

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
Principal bankers	Public Bank (Hong Kong) Limited 1st Floor, Public Bank Centre 120 Des Voeux Road Central Hong Kong Standard Chartered Bank 15th Floor, Two International Finance Centre 8 Finance Street, Central Hong Kong
Auditors	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22nd Floor, Prince's Building Central Hong Kong
Reporting accountants	Simon Y.P. Chan & Co <i>Certified Public Accountants</i> 14/F, Greatmany Centre 109-115 Queen's Road East Wanchai, Hong Kong

Principal share registrar and transfer office in the Cayman Islands	Tricor Services (Cayman Islands) Limited P.O. Box 10008, Willow House Cricket Square Grand Cayman KY1-1001 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Tricor Abacus Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives	Mr. Lo 17/F, 118 Connaught Road West Hong Kong Mr. Ho Hau Chong, Norman 1001, Admiralty Centre Tower 18 Harcourt Road Hong Kong
Financial adviser	Halcyon Capital Limited 11th Floor, 8 Wyndham Street Central Hong Kong
Underwriter	VMS Securities Limited 49th Floor, One Exchange Square 8 Connaught Place Central, Hong Kong
Legal advisers	<i>As to Hong Kong law</i> Chiu & Partners 40th Floor, Jardine House 1 Connaught Place 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 (WUMP) Ordinance so far as applicable.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “8. 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 (WUMP) 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 Units 902–03, 9/F, Shui Hing Centre, 13 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, 21 March 2017:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 30 June 2015 and 2016;
- (c) the interim results announcement of the Company for the six months ended 31 December 2016;
- (d) the report on the pro forma financial information on the Group as set out in Appendix II to this Prospectus;
- (e) the service contract referred to in the paragraph headed “Director’s service contract” in this Appendix;
- (f) the material contracts referred to in the paragraph headed “Material contracts” in this Appendix;
- (g) the written consent referred to under the paragraph headed “Expert and consent” in this Appendix; and
- (h) the Prospectus Documents.