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## **VISION VALUES HOLDINGS LIMITED**

### **遠見控股有限公司**

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

**(Stock Code: 862)**

## **CONNECTED TRANSACTION IN RELATION TO THE SALE OF A YACHT**

### **SALE OF A YACHT**

The Board is pleased to announce that, on 29 October 2021 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Yacht at the Consideration of HK\$92.12 million.

### **LISTING RULES IMPLICATION**

As at the date of this announcement, the Purchaser is solely and beneficially owned by Mr. Lo who is interested in approximately 31.80% of the issued Shares and is also the chairman, chief executive officer and executive Director of the Company. In view of Mr. Lo's interest in the Purchaser and the Company as well as his corporate position in the Company, the Purchaser is therefore a connected person of the Company. The Yacht is classified as an inventory in the Group's financial statements. Accordingly, the Sale constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios for the Sale exceeds 5%, the Sale is subject to reporting, announcement and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Mr. Lo and his associates will abstain from voting at the EGM in respect of the proposed resolution approving the Sale. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Mr. Lo and his associates, no other Shareholders have any material interest in the Sale and Purchase Agreement. As such, no other Shareholders will be required to abstain from voting on the proposed resolution approving the Sale at the EGM. The Sale will be subject to approval by the Independent Shareholders at the EGM by way of poll.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Sale. The Independent Financial Advisor has also been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Sale; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report on the Yacht; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 26 November 2021, as additional time is required by the Company for the preparation of certain relevant information for inclusion in the circular.

**As Completion is subject to and conditional upon fulfilment of the Conditions Precedent, the Sale may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.**

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## **THE SALE AND PURCHASE AGREEMENT**

### **Date:**

29 October 2021

### **Parties to the Sale and Purchase Agreement:**

- (i) Silver Value Global Limited, being the Vendor and a wholly-owned subsidiary of the Company; and
- (ii) Cambo Management Limited, being the Purchaser.

### **Subject matter**

The Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Yacht free from all encumbrances.

### **Consideration**

The Consideration of HK\$92.12 million shall be paid by the Purchaser to the Vendor in the following manner:

- (i) the Initial Deposit has been paid upon the signing of the Sale and Purchase Agreement; and
- (ii) HK\$64.484 million, being the balance of the Consideration shall be paid in full upon Completion.

All outgoings and expenses in respect of the Yacht including berthing fee, licence fee, insurance, etc. shall be paid and discharged by the Vendor up to and exclusive of the Completion Date and as from and inclusive of the Completion Date, all outgoings and expenses in respect of the Yacht shall be paid and discharged by the Purchaser.

### **Conditions Precedent**

Completion shall be conditional upon fulfilment of the following conditions:–

- (i) the passing of the requisite resolution(s) by the Shareholders at a general meeting (other than those persons who are precluded from voting under the Listing Rules) approving the entering into of the Sale and Purchase Agreement by the Vendor and the performance by the Vendor of the transactions contemplated under the Sale and Purchase Agreement; and
- (ii) all necessary consents, authorisations, approvals (or waivers), permission, order and exemptions of any kind (including but not limited to any governmental or regulatory authorities and recognised stock exchange) having been obtained by the Vendor and the Purchaser for completion of the transactions contemplated under the Sale and Purchase Agreement.

The Vendor shall use its reasonable endeavours to procure the Company to hold the EGM for the purpose as set out in (i) above. Each of the Vendor and the Purchaser shall use its reasonable endeavours to procure the Conditions Precedent set out in (ii) above (in so far as obtaining consents, authorisations and approvals (or waivers) by it is concerned) shall be fulfilled by the Long Stop Date.

The Conditions Precedent are not waivable. If any of the Conditions Precedent has not been fulfilled by the Long Stop Date, the Vendor shall refund the Initial Deposit to the Purchaser forthwith whereupon all the rights and obligations of the Vendor and the Purchaser under the Sale and Purchase Agreement (other than relevant surviving provisions) shall lapse and be of no further force and effect and no party shall have any liability under them (without prejudice to the rights of the parties in respect of any antecedent breaches).

### **Completion**

Subject to all the Conditions Precedent being fulfilled, Completion shall take place on the third Business Day after the fulfilment of the last of the Conditions Precedent or such other date as the Vendor and the Purchaser may agree in writing. Upon Completion (i) the Vendor shall (among other things) deliver the Yacht to the Purchaser; and (ii) the Purchaser shall (among other things) pay the remaining balance of the Consideration to the Vendor.

## **Warranties**

The Vendor has given representations and warranties to the Purchaser including (among other things) the Vendor's power to enter into the Sale and Purchase Agreement, compliance of law and regulations, the ownership and condition of the Yacht and the entitlement of the Purchaser to inspect the Yacht prior to Completion.

The Purchaser also acknowledges and confirms that the Yacht is sold on "as is where is" basis.

## **BASIS OF CONSIDERATION**

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to (i) the indicative valuation of the Yacht of HK\$92.12 million as at 30 September 2021 conducted by an independent valuer; and (ii) the prevailing market condition.

Roma Appraisals Limited, an independent valuer to the Company, has carried out the valuation of the Yacht as at 30 September 2021. The valuer valued the Yacht by the market approach, which considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect conditions utility of the Yacht relative to the market.

## **USE OF PROCEEDS**

The expected net proceeds of approximately HK\$90.98 million from the Sale will improve the overall cash position of the Group. The Group intends to use the net proceeds thereof for loan repayment and with the remaining amount to be utilized for general working capital purposes.

## **REASONS FOR AND BENEFITS OF THE SALE**

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

The Group via the Vendor had commenced construction of the Yacht in 2014 and completion thereof took place in the first half of 2021. The Yacht is classified as an inventory in the Group's financial statements. To facilitate the sale of the Yacht, the Group had entered into a sales agency agreement on 8 March 2021 (the "Sales Agency Agreement") to appoint an independent sales agent to market and sell the Yacht for a term of six months. As a result of the COVID-19 implication in Hong Kong, during the six-month term of the Sales Agency Agreement, the sales agent has yet to identify any potential purchaser for the Yacht.

With the travel restrictions and social distancing restrictions for COVID-19 prevention currently in place in Hong Kong which hindered the marketing and sale of the Yacht, the Company considers the Sale represents a good opportunity for the Group to facilitate realisation of an existing inventory and unlock its working capital in the Yacht. The Sale will also increase the working capital of the Group and enhance its cashflow. As the Group intends to utilize part of the net proceeds from the Sale for loan repayment, the Sale would improve gearing and reduce the finance cost of the Group. In addition, the Sale will enable the Group to save the maintenance expenses to be incurred from time to time in order to maintain the Yacht at a reasonable saleable condition.

In view of the above, the Directors (excluding the independent non-executive Directors who would express their view based on the advice from the Independent Financial Advisor) consider that the Sale is in the interests of the Company and its Shareholders as a whole and the terms thereof are on normal commercial terms, which are fair and reasonable.

### **INFORMATION OF THE YACHT**

The Yacht is a wooden pleasure yacht of 43 meters in length with a gross tonnage of 398 tons and a net tonnage of 119 tons. The construction of the Yacht was completed in the first half of 2021 in Hong Kong. As at 30 June 2021, audited carrying value of the Yacht stated in the audited financial statements of the Group as at 30 June 2021 was amounted to HK\$92.12 million.

### **INFORMATION OF THE PURCHASER AND THE VENDOR**

The Purchaser is a company solely and beneficially owned by Mr. Lo, the controlling Shareholder interested in approximately 31.80% of the issued Shares as at the date of this announcement and the chairman, chief executive officer and executive Director of the Company. The Purchaser is principally engaged in investment holdings.

The Vendor is a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and principally engaged in yacht building and trading business.

### **FINANCIAL EFFECTS OF THE SALE**

Upon Completion, the Group will cease to hold any interests in the Yacht. The gross proceeds from the Sale would be recorded as revenue of the Group while the cost on book of the Yacht will be accounted for as cost of sales of the Group. Taking into account the Consideration and the audited carrying value of the Yacht as at 30 June 2021 amounting to HK\$92.12 million, no gross margin is expected to be recognized as a result of the Sale. Any expenses in association with the Sale will be recorded as administrative expenses of the Group.

The above presentation is for illustration only, the actual profit or loss arising from the Sale will depend on the then net realizable value on book of the Yacht upon Completion.

As the Group will apply the net proceeds from the Sale for repayment of loans, gearing of the Group is expected to be improved and the Group's finance costs are expected to decrease.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is solely and beneficially owned by Mr. Lo who is interested in approximately 31.80% of the issued Shares and is also the chairman, chief executive officer and executive Director of the Company. In view of Mr. Lo's interest in the Purchaser and the Company as well as his corporate position in the Company, the Purchaser is therefore a connected person of the Company. The Yacht is classified as an inventory in the Group's financial statements. Accordingly, the Sale constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios for the Sale exceeds 5%, the Sale is subject to reporting, announcement and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Mr. Lo and his associates will abstain from voting at the EGM in respect of the proposed resolution approving the Sale. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Mr. Lo and his associates, no other Shareholders have any material interest in the Sale and Purchase Agreement. As such, no other Shareholders will be required to abstain from voting on the proposed resolution approving the Sale at the EGM. The Sale will be subject to approval by the Independent Shareholders at the EGM by way of poll.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Sale. The Independent Financial Advisor has also been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## GENERAL

A circular containing, among other things, (i) further details of the Sale; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report on the Yacht; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 26 November 2021, as additional time is required by the Company for the preparation of certain relevant information for inclusion in the circular.

**As Completion is subject to and conditional upon fulfilment of the Conditions Precedent, the Sale may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.**

## DEFINITIONS

*In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:*

“associate(s)”	has the meanings given to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks are generally open for business in Hong Kong
“Company”	Vision Values Holdings Limited 遠見控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability and whose issued Shares are listed on the Main Board of the Stock Exchange, being the holding company of the Vendor
“Completion”	completion of the Sale in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which Completion takes place, being the third Business Day after the fulfilment of the last of the Conditions Precedent or such other date as the Vendor and the Purchaser may agree in writing on which Completion shall take place
“Conditions Precedent”	the conditions for Completion as set forth in the paragraph headed “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning given to it under the Listing Rules
“Consideration”	HK\$92.12 million, being the purchase price for the Yacht payable by the Purchaser to the Vendor
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve the Sale
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, which has been formed for the purpose of advising the Independent Shareholders in respect of the Sale
“Independent Financial Advisor”	Somerley Capital Limited, a licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial advisor to the Independent Board Committee and the Independent Shareholders in respect of the Sale
“Independent Shareholders”	Shareholders other than those who have material interest in the Sale and Purchase Agreement and are required to abstain from voting on the proposed resolution approving the Sale at the EGM
“Initial Deposit”	an initial deposit in the sum of HK\$27.636 million which has been paid by the Purchaser to the Vendor in accordance with the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 April 2022 or such other date as the Vendor and Purchaser may agree in writing
“Mr. Lo”	Mr. Lo Lin Shing, Simon (魯連城), being the controlling Shareholder interested in approximately 31.80% of the issued Shares as at the date of this announcement, and the chairman, chief executive officer and executive Director of the Company
“Purchaser”	Cambo Management Limited, a company incorporated in Hong Kong with limited liability and solely and beneficially owned by Mr. Lo as at the date of this announcement
“Sale”	the sale of the Yacht by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the agreement dated 29 October 2021 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Yacht

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Silver Value Global Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Yacht”	the yacht together with the fixtures, fittings, furniture, chattels and equipment to be sold by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 29 October 2021

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