
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Advisor to the Independent Board Committee and
the Independent Shareholders**



A letter from the board of directors of Vision Values Holdings Limited is set out on pages 5 to 13 of this circular.

A letter from Somerley Capital Limited, the Independent Financial Advisor, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 34 of this circular.

A notice convening the extraordinary general meeting of Vision Values Holdings Limited to be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 10 January 2022 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting (or any adjournment thereof) should you so wish.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the pandemic of COVID-19, precautionary measures will be implemented at the extraordinary general meeting of Vision Values Holdings Limited (or any adjournment thereof) to protect the Shareholders from the risk of infection. For details please refer to page 4 of this circular.

17 December 2021

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 29 October 2021 relating to the Sale
“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 the section headed “Letter from the Board” of this circular
“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 to be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on 10 January 2022 at 11:00 a.m. for the Independent Shareholders to consider and, if thought fit, approve the Sale

DEFINITIONS

“Group”	collectively, the Company and its subsidiaries, and “a member of the Group” means any one of them
“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” or “Sommerley Capital Limited”	Sommerley Capital Limited, a licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, 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
“Latest Practicable Date”	14 December 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“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 Latest Practicable Date, and the chairman, chief executive officer and executive Director of the Company

DEFINITIONS

“Purchaser”	Cambo Management Limited, a company incorporated in Hong Kong with limited liability and solely and beneficially owned by Mr. Lo as at the Latest Practicable Date
“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
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the 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.

PRECAUTIONARY MEASURES AT THE EGM

Depending on the ongoing development of Novel Coronavirus (COVID-19) epidemic in Hong Kong, the Company will implement the following preventive measures at the EGM to protect all attendees from the risk of infection and all attendees are expected to comply with the following:

- (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the EGM venue. Any person with a body temperature of over 37.3 degrees Celsius will be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) All attendees may be asked whether (a) they have travelled outside of Hong Kong within the 14-day period immediately before the EGM; and (b) they have been subject to any Hong Kong Government prescribed quarantine or have close contact with any person under quarantine. Anyone who responds positively to any of these questions will be denied entry into the meeting venue or be required to leave the meeting venue.
- (iii) Every attendee is required to wear surgical face mask inside the EGM venue at all times, and to maintain a safe distance between seats.
- (iv) Every attendee shall submit a complete health declaration form before entering the EGM venue.

No refreshments will be served and there will be no corporate gifts.

The Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue at any time before and during the EGM in order to ensure the safety of the attendees at the EGM.

To the extent permitted under the laws of Hong Kong, the Company reserves the right to limit the number of attendees at the EGM venue. The number of attendees allowed in the EGM venue is subject to the requirements and restrictions under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong).

Shareholders who would like to physically attend the EGM will be admitted to the EGM venue on a “first-come-first-served” basis.

In the interest of all Shareholders’ health and safety and consistent with recent COVID-19 guidelines issued by the Government of Hong Kong, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using forms of proxy with voting instructions inserted, Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

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 (*Chairman*)

Mr. Ho Hau Chong, Norman

Ms. Yvette Ong

Mr. Lo, Rex Cze Kei

Mr. Lo, Chris Cze Wai

Independent Non-executive Directors:

Mr. Tsui Hing Chuen, William *JP*

Mr. Lau Wai Piu

Mr. Lee Kee Wai, Frank

Registered office:

Second Floor, Century Yard, Cricket
Square, P.O. Box 902, Grand Cayman,
KY1-1103, Cayman Islands

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

Unit 902, 9th Floor
Shui Hing Centre
13 Sheung Yuet Road
Kowloon Bay
Hong Kong

17 December 2021

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
IN RELATION TO THE SALE OF A YACHT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Announcement in relation to 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.

The purpose of this circular is to provide the Shareholders with information in respect of the Sale and to enable the Independent Shareholders to make their informed decision as to how to vote on relevant resolution at the EGM.

LETTER FROM THE BOARD

2. 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 Independent Shareholders at the EGM 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

LETTER FROM THE BOARD

- (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).

As at the Latest Practicable Date, none of the Conditions Precedent had been fulfilled.

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.

LETTER FROM THE BOARD

3. 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, Roma Appraisals Limited; and (ii) the prevailing market condition.

Roma Appraisals Limited, an independent valuer to the Company, has also updated the valuation of the Yacht as at 30 November 2021 with the valuation of HK\$92.12 million. The valuer valued the Yacht by way of market approach, under which the prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect conditions and utility of the Yacht relative to the market was considered. For summary of the valuation report, please refer to Appendix I to this circular.

When selecting the independent valuer, the Directors have considered, among other things, (i) the professional qualifications of the independent valuer including being a Chartered Surveyor, Registered Valuer, Member of the Australasian Institute of Mining & Metallurgy and Associate of Chartered Institute of Plumbing and Heating Engineering; and (ii) the past experience of the independent valuer in valuing yachts including 14 years' experience in valuation of plant and machinery in the PRC as well as relevant experience on purpose-built vessels, yachts, vehicle carriers, liquefied gas carriers, shipyards and docks in the Asia-Pacific region.

In respect of the valuation methodology, the Directors concurred with the view of the independent valuer by adopting the market approach. As the Yacht is classified as an inventory of the Group and according to relevant accounting standards, the Yacht should be valued on a mark-to-market approach as of each reporting date to the lower of the cost or the net realisable value. As such, the Yacht has been valued by market approach for accounting purposes. By applying the same and consistent valuation approach for the purpose of the Sale, the Directors considered that the method of valuation was appropriate. Furthermore, as the Yacht was not intended to be for leasing, no leasing income has been generated by the Yacht since completion of the construction. As such, the Directors considered that valuation of the Yacht by the income approach was inappropriate.

In respect of the comparable yachts referred to in the valuation of the Yacht, the Directors considered that given the comparable yachts were chosen pursuant to the criteria that (i) sale/listing of the relevant yachts were conducted in 2021; (ii) similar to the Yacht, construction of the relevant yachts was recently completed in 2020 or 2021; and (iii) the resemblance in luxuriousness (e.g. quality of configurations, specifications, appliances and furnishing) of the relevant yachts, which were best available comparable features to the Yacht, as such the comparable yachts are considered as appropriate and representative comparable for valuing the Yacht.

LETTER FROM THE BOARD

Certain adjustments have been made by the independent valuer in valuing the Yacht. Adjustment factors made to the Yacht from the other yacht comparables selected by the independent valuer mainly include, among other things, length of the yacht and design appearance (i.e. materials which the yacht was built). As the above mentioned adjustment factors have direct implication towards the construction cost and hence the pricing of the Yacht, the Directors considered that the relevant upward/ downward adjustments made to the prices of the comparable yachts were appropriate.

4. USE OF PROCEEDS

The expected net proceeds of the Sale of approximately HK\$90.98 million will improve the overall cash position of the Group. The Group intends to use the net proceeds thereof (i) as to HK\$50.0 million for repayment of bank loan bearing interest rate of HIBOR plus 1.5% which bank loan will mature by July 2022; and (ii) as to approximately HK\$40.98 million for the general working capital of the Group (including payment of capital injection for the newly established joint venture of HK\$26.7 million and staff costs and administrative expenses of HK\$14.28 million). Taking into account the due date and the finance cost in respect of the borrowing, the Directors expect to repay the above-mentioned outstanding amount of borrowing when it falls due and estimate that all net proceeds will be utilized by December 2022.

5. REASONS FOR AND BENEFITS OF THE SALE

The Group is principally engaged in the provision of network solutions and project services (which include the provision of telecom solutions, enterprise solutions, project services and system maintenance), property investment (which holds investment properties to earn rentals and/or for capital appreciation), yacht building (which mainly comprises the construction and trading of the Yacht) minerals exploration (which holds a mining license number MV-021621 with gold and other mineral resources in Mongolia with an area covering approximately 7,120 hectares) and aircraft management (which includes the management of three private jets pursuant to the aircraft management contracts and two aircrafts pursuant to the ad hoc management contracts as at 30 June 2021).

The Group 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, an independent sales agent was appointed to market and sell the Yacht for a term of six months under a sales agency agreement on 8 March 2021 (the "Sales Agency Agreement"). As a result of the global outbreak of COVID-19 and its effect on Hong Kong, during the six-month term of the Sales Agency Agreement, the sales agent was unable to identify any potential purchaser for the Yacht as no yacht exhibition, on-site visit or face-to-face negotiation could be carried out due to quarantine and social distancing requirements, such as work from home polices in overseas countries which discouraged face-to-face in person meetings. International travel and quarantine restrictions also made it difficult for buyers from overseas or mainland China to travel to Hong Kong for any on-site visit.

LETTER FROM THE BOARD

In light of the aforesaid, the marketing and sale of the Yacht was hindered. The Company considers that the Sale represents a good opportunity for the Group to realise an existing inventory and unlock its working capital in the Yacht. As the Group had been injecting working capital to the yacht construction segment since 2014 and has yet to generate any cash inflow from the yacht construction business, the Sale will allow the Group to realise cashflow from the net proceeds of the Sale whereby the working capital of the Group will be increased. 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, which is estimated to cost around HK\$4.1 million per annum.

6. 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. Construction of the Yacht commenced in 2014 and the Group had invested HK\$126.1 million to construct and furnish the Yacht through-out the years, aiming to develop the Group's yacht construction business. 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.

7. INFORMATION OF THE PURCHASER AND THE VENDOR

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

As at the Latest Practicable Date, the Vendor was a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and principally engaged in yacht building and trading business.

8. FINANCIAL EFFECTS OF THE SALE

Upon Completion, the Group will cease to hold any interests in the Yacht. The gross proceeds from the Sale will 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.

LETTER FROM THE BOARD

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.

9. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Purchaser was solely and beneficially owned by Mr. Lo who was interested in approximately 31.80% of the issued Shares and was 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.

In view of the interest of Mr. Lo, being the sole and beneficial owner of the Purchaser and Mr. Lo, Rex Cze Kei ("**Mr. Rex Lo**") and Mr. Lo, Chris Cze Wai ("**Mr. Chris Lo**") both being the sons of Mr. Lo, Mr. Lo, Mr. Rex Lo, and Mr. Chris Lo were not present at the board meeting and accordingly had not casted any vote in relation to the Sale.

Mr. Lo and his associates will also 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.

LETTER FROM THE BOARD

10. EGM

A notice convening the EGM to be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 10 January 2022 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

11. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 5 January 2022 to Monday, 10 January 2022, both dates inclusive. During such period, no transfer of Shares will be registered. For the purposes of ascertaining the Shareholders' entitlement to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 4 January 2022.

12. RECOMMENDATION

The Directors (including the independent non-executive Directors, who have provided their opinions in this circular after taking into account the advice of the Independent Financial Advisor) are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable, and the entering into of the Sale and Purchase Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

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.

LETTER FROM THE BOARD

13. ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
Vision Values Holdings Limited
Tang Chi Kei
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

17 December 2021

To the Independent Shareholders,

Dear Sir/Madam

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

We refer to the circular dated 17 December 2021 (the “**Circular**”) to the Shareholders, of which this letter forms part. Unless specified otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

In accordance with the requirements under the Listing Rules, we have been appointed to consider and advise the Independent Shareholders as to whether the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Sale is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Somerley Capital Limited has been appointed as the Independent Financial Advisor to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board as set out on pages 5 to 13 in the Circular and the letter from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders as set out on pages 16 to 34 in the Circular which contains its advice to us and the Independent Shareholders in respect of the Sale. Your attention is also drawn to the valuation report issued by Roma Appraisals Limited and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the information contained in the letter from the Board and taking into account the advice and recommendation given by the Independent Financial Advisor, we consider that the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Sale is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,

**Independent Board Committee of
Vision Values Holdings Limited**

Mr. Tsui Hing Chuen,
William JP

Mr. Lau Wai Piu

Mr. Lee Kee Wai, Frank

Independent Non-executive Directors

LETTER FROM SOMERLEY CAPITAL LIMITED

The following is the text of a letter of advice from Somerley Capital Limited prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Sale and the transactions contemplated thereunder.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

17 December 2021

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO THE SALE OF A YACHT

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the Sale, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 17 December 2021 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 29 October 2021, the Vendor and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Yacht at the Consideration of HK\$92.12 million.

As at the Latest Practicable Date, 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.

LETTER FROM SOMERLEY CAPITAL LIMITED

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, namely Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank, has been established to advise the Independent Shareholders on the Sale. We, Somerley Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Sale. Details of the Sale are set out in the Circular.

We are not associated or connected with the Company, the Purchaser or their respective substantial shareholders or associates and, accordingly, are considered eligible to give independent advice on the Sale. Apart from normal professional fees payable by the Company to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Purchaser or their respective substantial shareholders or associates.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the "**Management**"), which we have assumed to be true, accurate, complete and not misleading as at the date of this letter. We have reviewed the published information on the Company, including the annual report of the Company for the year ended 30 June 2020 (the "**2020 Annual Report**") and annual report of the Company for the year ended 30 June 2021 (the "**2021 Annual Report**"), the valuation report prepared by Roma Appraisals Limited as set out in Appendix I of the Circular and other information contained in the Circular. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed by them. We consider that the information we have received is sufficient for us to reach our opinion and advice as set out in this letter. We have no reason to doubt the truth, accuracy or completeness of the information provided to us or to believe that any material facts have been omitted or withheld. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Sale, we have taken into account the following principal factors and reasons:

1. Information on the Group

1.1 Background information of the Group

The Company is a limited liability company incorporated in the Cayman Islands. The Shares have been listed on the Stock Exchange since 14 October 1998.

The Group is principally engaged in the provision of network solutions and project services. The Group operates through five segments: (i) the network solutions and project services segment, which provides telecom solutions, enterprise solutions, system maintenance and project services; (ii) the property investment segment, which provides services for the leasing of investment properties; (iii) the yacht building segment; (iv) the minerals exploration segment; and (v) the private jet management segment. The Group owns one mining license in Mongolia.

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1.2 Financial performance of the Group

Set out below is key financial information on the Group as extracted from the consolidated income statement for the year ended 30 June 2019 (“FY2019”), 30 June 2020 (“FY2020”), and 30 June 2021 (“FY2021”), details of which are set out in the 2020 Annual Report and the 2021 Annual Report:

	For the financial year ended 30 June		
	2021	2020	2019
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
Revenue	55,120	64,895	54,020
Segment revenue:-			
– network solutions and project services	20,171	18,197	19,831
– property investment	6,672	6,624	6,124
– yacht building	–	–	–
– minerals exploration	–	–	–
– private jet management services	28,277	40,074	28,065
Segment results:-			
– network solutions and project services	3,363	3,099	3,935
– property investment	5,472	5,277	5,130
– yacht building	–	–	–
– minerals exploration	–	–	–
– private jet management services	11,095	14,342	11,814
Other losses, net	(10,999)	(17,823)	(55,852)
Changes in inventories of finished goods and work in progress	(2,868)	(2,912)	(7,043)
Subcontracting fees for project services	(13,484)	(11,569)	(8,124)
Direct operating costs for private jet management services	(17,182)	(25,732)	(16,252)
Fair value losses on investment properties	(24,870)	(40,190)	(6,172)
Employee benefit expenses	(29,151)	(51,441)	(33,256)
Depreciation	(2,547)	(2,546)	(1,028)
Other expenses	(22,843)	(21,098)	(23,600)
Operating loss	(68,824)	(108,416)	(97,307)
Finance (costs)/income (net)	(1,800)	(1,319)	236
Loss before income tax	(70,624)	(109,735)	(97,071)
Income tax expense	(296)	(454)	(89)
Loss for the year	<u>(70,920)</u>	<u>(110,189)</u>	<u>(97,160)</u>
Losses attributable to:			
Owners of the Company	(68,934)	(108,328)	(66,613)
Non-controlling interests	(1,986)	(1,861)	(30,547)
	<u>(70,920)</u>	<u>(110,189)</u>	<u>(97,160)</u>

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Revenue

The private jet management segment has contributed over 50% of the total revenue for each of the three years ended 30 June 2021. The second largest business segment of the Group namely network solutions and project services (“NSPS”), has contributed around 36.7%, 28.0% and 36.6% of the total revenue for the FY2019, FY2020 and FY2021 respectively. The remaining revenue was generated from property investment. As shown in the table above, the Company’s yacht building segment (“**Yacht Building Business**”) has not reported any segment revenue or results for each of FY2019, FY2020 and FY2021.

The Group’s total revenue increased from approximately HK\$54.0 million in FY2019 to approximately HK\$64.9 million in FY2020, or by approximately 20.2%, as a result of significant improvements in the Group’s private jet management segment, which showed an increase in segment revenue from approximately HK\$28.1 million in FY2019 to approximately HK\$40.1 million in FY2020. Such increase was mainly due to increase in management income arisen from two more aircrafts.

Total revenue declined by approximately 15.1% to approximately HK\$55.1 million in FY2021 as compared to that of HK\$64.9 million in FY2020 mainly because of the decline in segment revenue reported for the private jet management business of the Company to approximately HK\$28.3 million, or by approximately 29.4%, despite the fact that segment revenue of the network solutions and project services segment marginally grew by approximately 10.8% in the same year. The decline in segment revenue from the private jet management segment in FY2021 was resulted from (1) negative impact arising from the continuously worldwide travel restriction; and (2) COVID-19 related fee concessions of approximately HK\$4.5 million granted to customers.

Other losses, net

For FY2019, other losses, net amounted to approximately HK\$55.9 million which were mainly attributable to the impairment loss of HK\$56.6 million recognized as a result of the three exploration licenses owned by the Group having either surrendered or returned to Mongolian government during the year. The other losses, net for each of FY2020 and FY2021 were approximately HK\$17.8 million and HK\$11.0 million respectively, which were mainly attributable to the impairment loss on the Yacht recognised for the respective year in the amount of approximately HK\$19.8 million in FY2020 and HK\$14.1 million in FY2021. According to the Group’s accounting policies, the management of the Group should assess the net realizable value of the yacht inventory on an annual basis, taking the estimated costs to completion and the latest market prices of comparable yachts net of selling expenses into consideration. According to the valuations relating to the Yacht

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prepared by an independent valuer for FY2020 and FY2021 respectively, it was concluded that the assessed net realizable value of the Yacht as at 30 June 2020 and 30 June 2021, respectively, was below the carrying amount in the respective year. Accordingly, impairment of approximately HK\$19.8 million in FY2020 and HK\$14.1 million in FY2021 were made according to the Group's accounting policies.

Loss before income tax

The Group has been loss-making for the past three financial years.

The Group reported a loss attributable to owners of the Company of approximately HK\$108.3 million for FY2020, representing an increase in loss of approximately HK\$41.7 million from HK\$66.6 million in FY2019. The main reason for the increase in loss reported for FY2020 was because of (i) increase in fair value losses on investment properties for FY2020 as compared to FY2019 from approximately HK\$6.2 million to approximately HK\$40.2 million losses reported; (ii) increase in employee benefit expenses reported for FY2020 from approximately HK\$33.3 million in FY2019 to approximately HK\$51.4 million due to share based payment expenses of HK\$21.4 million in respect of share options granted on 25 March 2020; and (iii) the impairment loss made in relation to the yacht inventory in the amount of approximately HK\$19.8 million in FY2020, despite improvements in revenue in FY2020 and the one-off impairment loss of HK\$56.6 million relating to surrender of three exploration licenses in Mongolia was recognised in FY2019.

We note that the Company reported a loss attributable to owners of the Company of approximately HK\$70.9 million for FY2021, down from approximately HK\$108.3 million in the previous year. Despite the decrease in revenue and the impairment loss made in relation to the yacht inventory of approximately HK\$14.1 million in FY2021, the decrease in net loss reported in FY2021 was mainly due to the decreases in (i) direct operating costs for private jet management services by approximately HK\$8.5 million in FY2021 mainly correlating with the decrease in revenue reported; (ii) decrease in fair value losses recognised on investment properties in FY2021; and (iii) decreases in employee benefit expenses recognised in FY2021.

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1.3 Financial position of the Group

Set out below is a summary of the condensed consolidated balance sheet of the Group as at 30 June 2020 and 2021 as extracted from the 2021 Annual Report:

	As at	
	30 June 2021 (Audited) HK\$'000	30 June 2020 (Audited) HK\$'000
Non-current assets		
Property, plant and equipment	6,216	6,752
Right-of-use assets	2,408	1,089
Investment properties	279,570	301,070
Exploration and evaluation assets	69,268	53,785
Rental deposit	<u>192</u>	<u>–</u>
	<u>357,654</u>	<u>362,696</u>
Current assets		
Inventories	93,584	84,110
Trade receivables	4,515	5,814
Prepayments, deposits and other receivables	7,218	9,247
Contract assets	2,949	3,897
Cash and cash equivalents	<u>30,819</u>	<u>15,940</u>
	<u>139,085</u>	<u>119,008</u>
Total assets	<u>496,739</u>	<u>481,704</u>
Current liabilities		
Trade payables	3,594	1,468
Accrued charges and other payables	52,040	31,711
Contract liabilities	3,395	4,599
Bank borrowings	68,000	38,000
Advances from a Director	–	8,732
Lease liabilities	<u>1,398</u>	<u>1,124</u>
	<u>128,427</u>	<u>85,634</u>

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	As at	
	30 June 2021	30 June 2020
	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities		
Deferred income tax liabilities	3,200	2,951
Advances from a Director	29,124	–
Lease liabilities	<u>1,046</u>	<u>–</u>
	<u>33,370</u>	<u>2,951</u>
Total liabilities	<u>161,797</u>	<u>88,585</u>
Capital and reserves attributable to owners of the Company		
Share capital	39,242	39,242
Other reserves	493,001	489,616
Accumulated losses	<u>(232,963)</u>	<u>(164,029)</u>
	299,280	364,829
Non-controlling interests	<u>35,662</u>	<u>28,290</u>
Total Equity	<u>334,942</u>	<u>393,119</u>

Total assets of the Group were around approximately HK\$496.7 million as at 30 June 2021, in which total non-current assets amounted to approximately HK\$357.7 million and total current assets amounted to approximately HK\$139.1 million.

Non-current assets of the Group as at 30 June 2020 and 30 June 2021 mainly comprised, among other things, investment properties and exploration and evaluation assets. Balance of total non-current assets decreased from approximately HK\$362.7 million as at 30 June 2020 to approximately HK\$357.7 million as at 30 June 2021. The marginal decline of approximately 1.4% was mainly due to a decrease in the carrying value for investment properties from approximately HK\$301.1 million to approximately HK\$279.6 million as a result of the fair value loss on investment properties of approximately HK\$24.9 million recognised during FY2021.

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Current assets of the Group as at 30 June 2020 and 30 June 2021 mainly comprised, among other things, inventories and cash and cash equivalents. Balance for total current assets increased from approximately HK\$119.0 million as at 30 June 2020 to approximately HK\$139.1 million as at 30 June 2021 and such increase was mainly attributable to the increases in (i) cash and cash equivalents from approximately HK\$15.9 million as at 30 June 2020 to approximately HK\$30.8 million as at 30 June 2021; and (ii) the carrying value for inventories from approximately HK\$84.1 million as at 30 June 2020 to approximately HK\$93.6 million as at 30 June 2021, comprising mainly the net realisable value of the yacht inventory as at 30 June 2021 of approximately HK\$92.12 million which was transferred from work in progress following the completion of the yacht construction in the first half of 2021.

Total liabilities of the Group was around approximately HK\$161.8 million as at 30 June 2021, in which total current liabilities amounted to approximately HK\$128.4 million and total non-current liabilities amounted to approximately HK\$33.4 million.

Current liabilities of the Group as at 30 June 2020 and 30 June 2021 mainly comprised, among other things, accrued charges and other payables and bank borrowings. The balance for current liabilities increased by approximately HK\$42.8 million to approximately HK\$128.4 million as at 30 June 2021 and such increase was mainly due to the increases in (i) bank borrowings by approximately HK\$30.0 million; and (ii) amounts due to related company of approximately HK\$7.3 million under accrued charges and other payables. The maturity date of bank borrowings of approximately HK\$68 million as at 30 June 2021 is 23 July 2022.

Non-current liabilities of the Group increased from approximately HK\$3.0 million as at 30 June 2020 to approximately HK\$33.4 million as at 30 June 2021 and such increase was mainly due to the advances from a Director which are revolving standby facilities, with a carrying value of approximately HK\$29.1 million. As disclosed in the 2021 Annual Report, the amounts are unsecured, interest-bearing and repayable by 30 June 2023 and the current undrawn amount as at 30 June 2021 was approximately HK\$21.2 million.

The gearing ratio of the Group was around 19.6% as at 30 June 2021, which was measured by the Group's total borrowings to total assets, represented an increase from around 9.7% as at 30 June 2020 mainly due to the higher total liabilities reported for the Group as discussed above.

Equity attributable to owners of the Company decreased from approximately HK\$364.8 million as at 30 June 2020 to approximately HK\$299.3 million as at 30 June 2021. Based on total number of issued Shares of 3,924,190,467 as at the Latest Practicable Date, the net asset attributable to owners of the Company per Share was approximately HK\$0.076 as at 30 June 2021.

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2. Information of the Yacht

The Yacht is a wooden pleasure yacht of 43m in length with a gross tonnage of 398 tons and a net tonnage of 119 tons. Construction of the Yacht was commenced in 2014 and completed in the first half of 2021 in Hong Kong. The Group had invested HK\$126.1 million to construct and furnish the Yacht through-out the years, aiming to develop the Group's yacht construction business. As at 30 June 2021, the Yacht was classified as an inventory in the Group's financial statement and its carrying value stated in the audited financial statements of the Group as at 30 June 2021 amounted to HK\$92.12 million.

3. Reasons for and benefits of the Sale

As disclosed in the letter from the Board in the Circular, the Group had commenced construction of the Yacht since 2014 and based on disclosures made in the 2021 Annual Report, the construction work relating to the Yacht was completed in the first half of 2021. To facilitate the sale of the Yacht, an independent sales agent was appointed to market and sell the Yacht for a term of six months under a sales agency agreement on 8 March 2021 (the "**Sales Agency Agreement**"). However, it is our understanding that as a result of the COVID-19 travel restriction policies in Hong Kong, the sales agent was unable to identify any potential purchaser for the Yacht during the term of the Sales Agency Agreement. As a result of COVID-19, there has been no yacht exhibition, whilst on-site visit or face-to-face negotiation have been discouraged due to social distancing requirements, which have also impacted the potential sale of the Yacht. Furthermore, international travel and quarantine restrictions also made it difficult and impracticable for buyers from overseas or mainland China to travel to Hong Kong for any on-site visit and hence, hindered the marketing and sale of the Yacht.

In this regard, we have reviewed the Sales Agency Agreement and conducted interview with the independent sales agent and were given to understand that nil potential purchaser for the Yacht was successfully identified during the term of the Sales Agency Agreement. Further, we have noted from the public domain that the Hong Kong Yacht Show, being one of the principal marketing platforms, has been postponed since 2020 to a later date which is still yet to be confirmed as at the Latest Practicable Date, demonstrating the negative effect imposed by COVID to the Hong Kong yacht market.

We have further discussed and understand from the Management that in light of the situation as described above, the Sale represents a good opportunity for the Group to facilitate realisation of an existing inventory and unlock its working capital from the Yacht. As disclosed in the letter from the Board in the Circular, the Group intends to utilise part of the net proceeds from the Sale for loan repayment to improve gearing and reduce its overall finance costs. In addition, the Sale will enable the Group to save the maintenance expenses to be incurred from time to time to maintain the Yacht at a reasonable saleable condition, which is estimated to cost around HK\$4.1 million per annum.

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As disclosed in the letter from the Board in the Circular, the Group intends to use the net proceeds of approximately HK\$90.98 million (i) as to HK\$50.0 million for repayment of bank loan bearing interest rate of HIBOR plus 1.5% which will mature by July 2022; and (ii) as to approximately HK\$40.98 million for the general working capital of the Group (including payment of capital injection for the newly established joint venture of HK\$26.7 million and staff costs and administrative expenses of HK\$14.28 million). Taking into account the due date and the finance cost in respect of the borrowing, the Directors expect to repay the above-mentioned outstanding amount of borrowing when it falls due and estimate that all net proceeds will be utilized by December 2022.

We note that the Yacht Building Business of the Group was first commenced in 2014. We are given to understand that the original business strategy of the Group for developing the Yacht Building Business was to diversify the Group's then existing portfolio, which comprised of the network solutions and project services business and property investment business. Based on past disclosures made in the Company's annual reports since 2014, we note that completion date for the Yacht was delayed from the initially expected 2017 to 2021, and the Yacht Building Business has not reported any segment revenue up to and including the Latest Practicable Date as the Yacht is the first and only completed product of the Yacht Building Business. The Yacht was finally launched for sale in 2021, however, the ongoing implications resulting from COVID-19, including the continued implementation of travel restrictions and social distancing measures in Hong Kong has posed as a strong impediment for the Company from marketing and completing an actual sale with potential buyers, in particular, those from the PRC. The Company further explained that the berthing limitations of majority of marinas in Hong Kong which offer berthing only up to 35 meters, and the more expensive price tag for the 35-60 meters size range like the Yacht, have together made it more difficult for the Company to find a prospective interested buyer for the Yacht. As mentioned above, the Company has made efforts on selling the Yacht by appointing an independent sales agent to market and sell the Yacht, however, as provided by the Company, no potential buyers were referred by the sales agent during the validity period of the Sales Agency Agreement. Since then, we understand that the Purchaser, although being a connected person of the Company, has been the only willing buyer.

We have also reviewed the business prospect and recent financial position of the Group and noted that, as disclosed in the 2021 Annual Report, the Company has deep concern about the business prospects of NSPS, being one of the core business segments of the Group, due to the persistent worldwide pandemic which causes the shortage of semiconductor and disruption in global supply chain. It is further disclosed that not only the Company's key suppliers are adversely affected, these adverse factors have also caused more customers of the Group to delay or cancel their purchase decisions due to the price increment and long delivery time. In addition to the uncertain business outlook as discussed above, it is also noted that the Group has been loss-making in the past three years and reported cash and cash equivalents of approximately HK\$30.8 million as at 30 June 2021. Against such backdrop, given (i) the recent settlement of consideration of approximately

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RMB22.2 million in end of October 2021 for the formation of a joint venture company for starting a new logistics business in Xinjiang as disclosed in the Company's announcement dated 15 September 2021; (ii) as further advised by the Company, that the Company has been having monthly net cash outflow subsequent to 30 June 2021 and up to the Latest Practicable Date; and (iii) that the bank borrowing totaling approximately HK\$68 million as at 30 June 2021 is due to be paid by July 2022, it could be prudent for the Company to capture this opportunity to generate immediate working capital for strengthening its financial position and meeting any immediate and future funding needs.

Despite the investment of the Group in the Yacht of HK\$126.1 million, having considered that, amongst other things, as mentioned above, (i) the sale of the Yacht is conducted under the ordinary and usual course of business of the Group given its Yacht Building Business; (ii) the Company has made efforts on selling the Yacht in the market, however, no potential buyers were referred by the sales agent, and up to the Latest Practicable Date, the Purchaser is the only willing buyer of the Yacht; (iii) the Sale not only will allow the Group to facilitate realisation of an existing inventory and unlock its working capital for strengthening its financial position and meeting any immediate and future funding needs as discussed in details above, it will also allow the Group to save future maintenance expenses of the Yacht amounting to around HK\$4.1 million per annum and avoid any potential future impairment loss given that the liquidity and transaction volume in the luxury yacht market have been uncertain as resulted from the outbreak of COVID-19 as stated in the Valuation Report (as defined below); and (iv) as further discussed in the section headed "5. Evaluation of the Consideration" below, the Consideration is determined based on the indicative valuation of the Yacht of HK\$92.12 million as at 30 September 2021 conducted by an independent valuer and the Sale will not have material adverse effect on the financial performance and position of the Group immediately upon Completion, we agree with the Company and consider that the entering into of the Sale and Purchase Agreement is in the ordinary and usual course of business and in the interests of the Company and the Independent Shareholders as it represents a good opportunity for the Group to realise its inventory of the Yacht under the prevailing market condition.

4. Principal terms of the Sale and Purchase Agreement

4.1 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.

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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.

4.2 Conditions precedent

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

- (i) the passing of the requisite resolution(s) by the Independent Shareholders at the EGM 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).

As at the Latest Practicable Date, none of the above Conditions Precedent have been fulfilled.

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4.3 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.

4.4 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.

5. Evaluation of the Consideration

As disclosed in the letter from the Board in the Circular, 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, Roma Appraisals Limited ("**Roma**" or the "**Valuer**"); and (ii) the prevailing market condition.

Roma has also updated the valuation of the Yacht as at 30 November 2021 (the "**Valuation Report**") with the valuation of the Yacht of HK\$92.12 million. The Valuer valued the Yacht by the market approach, which considered the prices recently paid for similar assets, with adjustments made to the indicated prevailing market prices to reflect conditions and utility of the Yacht relative to the market. The full text of the Valuation Report is set out in Appendix I of the Circular.

In compliance with the requirements under note 1(d) to Rule 13.80 of the Listing Rules, we have assessed the qualification and experience of the responsible person of Roma for its engagement as the independent professional to value the Yacht. We note that Mr. Frank Wong, the responsible person for the purpose of the Valuation Report is qualified as a Registered Valuer, Chartered Surveyor and Member of the Australasian Institute of Mining & Metallurgy and is responsible for asset valuation works in Hong Kong, Macau and China as well as the Asia-Pacific Region of Roma Group. Mr. Frank Wong has handled various valuation and advisory assignments involving purpose-built vessels, yacht, vehicle carriers, liquefied gas carriers, shipyards and docks in the Asia-Pacific region.

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We understand that Roma has previously been engaged by Daisho Microline Holdings Limited (stock code: 567) and Asia Energy Logistics Group Limited (stock code: 351) for similar valuations involving vessels and/or ships (“**Roma Precedents**”) for their very substantial and major acquisition respectively. We understand that Roma has been engaged by the Company to value the Yacht regarding assessment of its net realisable value for the purpose of preparation of financial statements for each of FY2019, FY2020 and FY2021, nevertheless, both the Company and Roma have confirmed with us that neither of them is aware of any relationship which may render them not independent and we are satisfied that Roma is independent from the Company. Furthermore, Roma has confirmed that it is an independent third party to the parties to the Sale and Purchase Agreement and their respective core connected persons. In addition, we have also reviewed Roma’s terms of engagement and noted that the scope of work is appropriate for arriving at the opinion of the Yacht. Nothing has come to our attention that the parties to the Sale and Purchase Agreement had made formal or informal representation to Roma that contravenes with our understanding of the information, to a material extent, as set out in the Circular.

We have reviewed the Valuation Report and discussed with Roma the methodology of, and bases and assumptions adopted for and the valuations and adjustments made to arrive at the valuation of HK\$92.12 million. We noted that Roma has adopted the market approach for the purpose of valuing the Yacht. We understand the market approach considers prices recently paid for similar assets with adjustments made to the indicated market prices to reflect conditions and utility of the appraised asset relative to the market. We have discussed and concur with the use of this approach because we were given to understand that yachts in general have an established market for which yacht sales and relevant pricing information are generally available. In this regard, we have independently noted that there are public websites operated by agents for trading or selling yachts in the open market, including but not limited to Boat International and Superyacht Times, and details such as, among others, price and specifications, are generally available. In addition, as mentioned in the letter from the Board in the Circular, the Yacht has been valued in accordance with the relevant accounting standards for accounting purposes on annual basis by using market approach in the past. Whilst both cost approach and income approach are more often used for valuations of subjects without comparable transactions, income approach relies heavily on assumptions and inputs that are subjective and speculative, in addition to the facts that, as disclosed in the letter from the Board in the Circular, the Yacht was not intended to be leased out and no income has been generated by leasing of the Yacht since completion of the construction. Based on all the above, we consider the use of market approach by Roma for the purpose of valuation of the Yacht to be fair and reasonable.

LETTER FROM SOMERLEY CAPITAL LIMITED

We note that Roma has identified four recent similar yachts sale transactions/listing (“**Comparable Transactions**”) in the market, which is an exhaustive list based on selection criteria involving among others, that (i) sale/listing of the relevant yachts was conducted in 2021; (ii) similar to the Yacht, construction of the relevant yachts was recently completed in 2020 or 2021 and (iii) luxuriousness (e.g. quality of configurations, specifications, appliances and furnishing of the relevant yachts) are comparable to that of the Yacht. In this regard, we have conducted interviews with Roma and reviewed the list of over 20 sale transactions/listings of yacht in 2021 and based on which, discussion was also made with Roma on the satisfaction (or otherwise) of the abovementioned selection criteria by each of such sale transactions/listings in the list, which eventually led to the conclusion of the four Comparable Transactions. We consider such selection criteria, which were adopted based on particulars and characteristics of the Yacht, to be reasonable and accordingly, those four Comparable Transactions which were identified strictly based on the aforesaid criteria, are therefore considered representative for comparison purpose for arriving at the market value of the Yacht.

We have also noted that Roma has applied relevant adjustments to the listing prices involved under the Comparable Transactions, which were mainly applied to cater and adjust for differences in, amongst others, length and materials used for construction (e.g. metal as compared to timber and timber grade) of the relevant yachts under the Comparable Transactions so as to make them as close/similar as possible to the Yacht for estimating the market value of the Yacht. As the yachts under the Comparable Transactions varied in length as compared to the Yacht, proportionate upward adjustment has been applied to the listing price of a yacht with a shorter length and vice versa, where adjustments from around -6% to +30% (the “**Adjustments for Length**”) were applied to the respective yachts with lengths in the range between 46.0 meters to 28.7 meters. We understand that the Adjustments for Length represented a proportionate adjustment of around 2% per meter. In this regard, we note that such adjustment is generally in line with the percentage range of per meter price (being the listing price divided by their respective length) of the Comparable Transactions of around 2% to 3% to their respective listing prices and therefore, is considered reasonable.

LETTER FROM SOMERLEY CAPITAL LIMITED

We also understand from the Valuer that upward adjustment has been applied to the listing price of a yacht when particular part(s) of such yacht was/were made of materials with materially lower costs with reference to the difference in costs of such different materials, and vice versa (“**Adjustments for Materials**”). As stated in the Valuation Report, hull structure materials of the Comparable Transactions were built by fiberglass. We have discussed and understand from the Company and the Valuer that Adjustments for Materials in this case is necessary because in general, building of teakwood hull of a yacht (the Yacht in this case) could cost roughly 1.5 times of (i.e. 50% higher than) that of the fiberglass hull structure. In this regard, we have requested and was then provided by the Company with a quotation from an external fiberglass hull structure builder on the estimated cost of building a fiberglass hull structure for a yacht with size similar to the Yacht. When we compared the actual cost incurred in the teakwood hull structure construction of the Yacht as provided by the Company, we noted that the cost of building the teakwood hull structure was roughly 1.5 times as compared to the aforesaid quoted price for the building of fiberglass hull structure. According to the Valuer and the Company, given that costs for hull construction is one of the major costs for yacht building which could amount to roughly 20% of the overall costs of the yacht, if the 50% higher costs spent on the construction of teakwood hull was assumed and applied to the Comparable Transactions, it could accordingly be translated into a roughly 10% (i.e. 20% times 50%) upward adjustment on the listing price of each of the yachts with fiberglass hull structure under the Comparable Transactions. On such basis, we consider the Adjustments for Materials of 10% applied is not unreasonable.

The final valuation for the Yacht was then determined based on the average of the adjusted listing price under the Comparable Transactions as mentioned above. We have reviewed the abovementioned basis for adjustments and the calculation of the average adjusted listing price and we are of the view that the basis for adjustments and assumptions made in arriving at the valuation of the Yacht are considered not unreasonable.

6. Financial effects of the Sale

As discussed in the letter from the Board in the Circular, upon Completion, the Group will cease to hold any interests in the Yacht.

Earnings

The gross proceeds from the Sale would be recognised 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 being settled in cash and the audited carrying value of the Yacht as at 30 June 2021 amounted to HK\$92.12 million, no profit or loss 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.

LETTER FROM SOMERLEY CAPITAL LIMITED

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

Net assets

Given that the Consideration is roughly equivalent to the carrying value of the yacht inventory on the consolidated accounts of the Group as at 30 June 2021 and is to be settled in full in cash, it is expected that, save for the expenses associated with the Sale as discussed above, the Sale will not have material adverse impact on the net assets of the Group immediately upon Completion.

Working capital and gearing

Given that the Consideration will be settled in cash in its entirety, it is expected that the Group's working capital would be enhanced following Completion. As the Group will apply the net proceeds from the Sale partly for repayment of loans, gearing of the Group is expected to be improved and the Group's finance costs are expected to decrease following such loan repayment as mentioned in the section headed "3. Reasons for and benefits of the Sale" above.

Based on the above, we are of the view that the Sale will not have material adverse effect on the financial performance and position of the Group immediately upon Completion.

OPINION AND RECOMMENDATION

In summary, in reaching our opinion and recommendation, we have considered the above principal factors and reasons, in particular,

- (i) the Sale is conducted in the ordinary and usual course of the Yacht Building Business and the Company has made efforts on selling the Yacht in the market, however, no potential buyers were referred by the sales agent. Up to the Latest Practicable Date, the Purchaser was the only willing buyer of the Yacht;
- (ii) as discussed in details in the section headed "3. Reasons for and benefits of the Sale", the Sale will allow the Group to facilitate realisation of an existing inventory and unlock its working capital for strengthening its financial position and meeting any immediate and future funding needs in view of its uncertain business outlook. It will also allow the Group to save future maintenance expenses of the Yacht amounting to around HK\$4.1 million per annum and to avoid any potential future impairment loss in case of uncertainties on the luxury yacht market caused by COVID-19 or any adverse changes in macro economic environment;

LETTER FROM SOMERLEY CAPITAL LIMITED

- (iii) the Consideration was determined based on the appraised value of the Yacht of HK\$92.12 million as at 30 November 2021 conducted by an independent valuer; and
- (iv) as discussed in the section headed “6. Financial effects of the Sale” above, the Sale will not have material adverse effect on the financial performance and position of the Group immediately upon Completion.

Having taken into account the principal factors and reasons set out in our letter, we are of the view that the entering into of the Sale and Purchase Agreement is in the ordinary and usual course of business of the Company, and the terms of the Sale and Purchase Agreement, including the Consideration, are on normal commercial terms, and fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Lyan Tam
Director

Ms. Lyan Tam is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Somerley Capital Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 18 years of experience in corporate finance industry.

The following is the text of a report prepared for the purpose of incorporation in this circular received from Roma Appraisals Limited, an independent valuer, in connection with its valuations as at 30 November 2021 of the Yacht.



22/F, China Overseas Building,
139 Hennessy Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
<http://www.romagroup.com>

17 December 2021

Vision Values Holdings Limited

17th Floor,
118 Connaught Road West,
Hong Kong

Dear Sir/Madam,

Re: Valuation of the Yacht held by Vision Values Holdings Limited

In accordance with your recent instructions for us to value the yacht (the “**Yacht**”) held by Vision Values Holdings Limited (the “**Company**”), its subsidiaries and/or associate companies (hereinafter together referred to as the “**Group**”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the valuation as at 30 November 2021 (the “**Valuation Date**”) for circular purpose.

1. BASIS OF VALUATION

Our valuation of the Yacht is our opinion of the fair market value which we would define as intended to mean “the estimated amount expressed in terms of money that may be reasonably expected for assets in exchange between a willing buyer and a willing seller with equity to both, neither being under any compulsion to sell or buy, both fully aware of all relevant facts, as of the Valuation Date.”

Our estimate of fair market value is established based on the assumption that the asset could be sold in the open market for its continued use. An estimate of fair market value arrived at on the premise of continued use does not represent the amount that might be realized from piecemeal disposition of the assets in the marketplace or from an alternative use of the assets.

2. DESCRIPTION OF THE YACHT

Name of Yacht:	Family Day
Owner:	Silver Value Global Limited
Ship Type:	Pleasure Vessel/Yacht
Flag State:	Cook Islands
Registration No./Call sign:	E5U3876
Material of Hull:	Wood
Colour of Hull:	Teak
Length Overall (m):	43.0
Extreme Breadth (m):	8.2
Total no. of persons:	38
MD Ref. No.:	110283

Pursuant to a Miscellaneous Permit MD Permit No.CMO-1538 published by Marine Department, Hong Kong, China dated 5 October 2021, the Yacht is permitted to cruise in Hong Kong waters for leisure purpose from 15 October 2021 to 14 November 2021.

Pursuant to a test report, the Yacht had conducted the sea trial on 20 April 2021 and had been observed to be in generally good operating conditions. Tests have been conducted on (1) At Jetty: main engines, Genset, Navigation System, navigation lights, LSA, FFA, fore and astern operation remote control, radar and auto pilot system; and (2) Sea trial: maneuverability on various functions, Bow Thruster.

Silver Value Global Limited is a wholly-owned subsidiary of the Group.

We assume all the information provided by the Company is accurate and correct.

3. VALUATION APPROACH AND METHODOLOGIES

In valuing the Yacht held by the Group, we have valued it by the market approach. The market approach considers prices recently paid for similar yachts, with adjustments made to the indicated market prices to reflect condition and utility of the appraised yachts relative to the market. Comparative vessels for which there is established and the used market may be appraised by this approach.

Our valuation is prepared in accordance with the “RICS Valuation – Global Standards” published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the luxury yacht market, we recommend that you keep the valuation of the yacht under frequent review. As a consequence of the COVID-19 outbreak, the liquidity and transaction volume in the luxury yacht market have been significantly reduced which resulted in a lack of clarity as to pricing levels and market drivers. Together with general weakening of sentiment towards luxury yacht, there is less certainty with regard to valuations as market values might change rapidly in the current market conditions. The period required to negotiate a sale may also extend considerably beyond the normally expected period.

In arriving our valuation, we have adopted four recent similar yachts sales transactions/ listing in the market based on selection criteria involving among others, that (i) sale/listing of relevant yachts was conducted in 2021; (ii) similar to the Yacht, construction of the relevant yachts was recently completed in 2020 or 2021; and (iii) the resemblance in luxuriousness (e.g. quality of configurations, specifications, appliances and furnishing) of the relevant yachts, which are comparable to that of the Yacht. These criteria are relatively most significant in affecting the value of a yacht and therefore the four selected comparable yachts are the most suitable for comparison on exhaustive basis among those recently transacted yachts. The details of the comparable yacht transactions are sourced from Boat International which is a media providing updated news in relation to super yachting, including yacht listing information.

The details of the comparable yachts we have made referenced are summarized as below:

Yacht Name	NiniPop XL[#]	The Rock[#]	Adamaris	Irresistible[#]
Listing Price	USD8,750,000	USD9,600,000	EUR9,500,000	USD8,000,000
(appx. equivalent to HK\$)	HK\$68,075,000	HK\$74,688,000	HK\$85,120,000	HK\$62,240,000
Year of Construction	2021	2021	2021	2020
Length (m)	29.3	28.7	46.0	31.70
Material	Fiberglass	Fiberglass	Fiberglass	Fiberglass

* Listing price represents the latest reported asking price from the Seller.

Comparable yacht sold pursuant to information in public domain. Listing price represent latest prices listed in public domain.

Adjustments factors include year of construction, length, and luxury design appearance and adjustment ranges between -6% and +30%, details of which are set out below:

Age: 0% – 0.5%

Size: -6% – +30%

Material: +10%

After making appropriate adjustments to address the differences between the Yacht and the comparable yachts, we have applied equal weighting on the adjusted value on the comparable yachts and arrived at the market value conclusion of the Yacht.

Valuation comments and assumptions

We have carried out on-site inspection to verify the general condition of the Yacht on 28 June 2021 and 15 November 2021.

While we have not carried out an independent investigation of the documents and information provided to us, we have no reason to doubt the truth and accuracy of these information and we were not aware of any material facts that may have been omitted. We have assumed that all material information that would affect the value of Yacht has been properly disclosed.

We have not carried out a mechanical testing survey, nor have we inspected covered or inaccessible areas of the Yacht. Also no investigation was conducted as to whether the operation of the Yacht complied with the relevant marine regulations and ordinances; we have assumed that the Yacht will continue to comply with the current marine regulations and ordinances.

We did not investigate any financial data pertaining to the present or prospective earning capacity of the operation in which the Yacht is used. It was assumed that prospective earnings would provide a reasonable return on the appraised value of the Yacht, plus the value of any assets not included in the valuation, and adequate net working capital. We did not attempt to arrive at a conclusion of value of the Yacht as a total business entity.

We have not made investigation and assume no responsibility for the titles or liabilities against the Yacht.

We have not investigated any safety regulations regarding the Yacht. It is assumed that all necessary licenses, procedures and measures were implemented in accordance with the relevant government legislation and guidance.

We have not made any deduction in respect of any grant either available or received, neither has any adjustment made for any outstanding amounts owing under financing agreements.

To the best of our knowledge, all data set forth in this report are true and accurate. The data, opinions, or estimates, identified as being furnished by others which have been used in formulating this analysis are gathered from reliable sources, yet, no guarantee is made nor liability assumed for the accuracy.

No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters, including title or encumbrances. Titles to the Yacht is assumed to be good and marketable unless otherwise stated. The Yacht is further assumed to be free and clear of any or all liens, easements or encumbrances, unless otherwise stated. We have assumed a prompt charter-free delivery of the Yacht and have not considered the impact of any delays in effecting a sale.

4. REMARK

Unless otherwise stated, all monetary amounts stated in our valuation is in Hong Kong Dollar (HK\$).

5. OPINION OF VALUE

Our opinion of the fair market value of the Yacht assuming all outstanding costs have been fully paid and settled, based on the aforesaid basis, assumptions and considerations, as at 30 November 2021 was **HK\$92,120,000 (HONG KONG DOLLAR NINETY-TWO MILLION ONE HUNDRED TWENTY THOUSAND ONLY)**.

Yours faithfully,

For and on behalf of

Roma Appraisals Limited

Frank F Wong

BA (Business Admin in Acct/Econ) MSc (Real Est)

MRICS Registered Valuer MAusIMM ACIPHE

Director

Contributing Valuers:

Mr. Jack Zhou *MSc BA*, **Mr. Calum Cheung** *BS*

Note:

Mr. Frank F Wong is a Chartered Surveyor, Registered Valuer, Member of the Australasian Institute of Mining & Metallurgy and Associate of Chartered Institute of Plumbing and Heating Engineering who has 22 years' experience in valuation of plant machinery in Hong Kong and 14 years' experience in valuation of plant and machinery in the PRC as well as relevant experience on purpose-built vessels, yacht, vehicle carriers, liquefied gas carriers, shipyards and docks in the Asia-Pacific region.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or 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:

Long positions in the Shares and underlying Shares

Name of Directors	Number of Shares				Total interests	Percentage of shareholding
	Personal interests	Spouse interests	Corporate interests	Number of underlying Shares pursuant to share options		
Mr. Lo	1,755,000	-	1,246,054,889 (Note)	35,000,000	1,282,809,889	32.69%
Mr. Ho Hau Chong, Norman	17,821,973	-	-	20,000,000	37,821,973	0.96%
Ms. Yvette Ong	-	-	-	15,000,000	15,000,000	0.38%
Mr. Lo, Rex Cze Kei	-	-	-	20,000,000	20,000,000	0.51%
Mr. Lo, Chris Cze Wai	-	-	-	5,000,000	5,000,000	0.13%
Mr. Tsui Hing Chuen, William JP	1,365,131	-	-	10,000,000	11,365,131	0.29%
Mr. Lau Wai Piu	-	-	-	10,000,000	10,000,000	0.25%
Mr. Lee Kee Wai, Frank	6,404,605	-	-	10,000,000	16,404,605	0.42%

Note: Moral Glory International Limited (“**Moral Glory**”), a company wholly-owned by Mr. Lo.

Associated corporation of the company

The following Director had interests in the shares of the associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity	Number and class of securities interested	Percentage of shareholding in the associated corporation
Mr. Lo	Mission Wealth Holdings Limited <i>(Note)</i>	Beneficial owner	490 ordinary shares with no par value	49%

Note: Mission Wealth Holdings Limited is a company incorporated in the British Virgin Islands which is a 51% owned subsidiary of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives and their respective associates had any interests in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Discloseable interests and short positions of substantial shareholders/other persons under the SFO

The register of interests in shares and short positions maintained under section 336 of the SFO showed that as at the Latest Practicable Date, the Company had been notified of the following interests in Shares representing 5% or more of the Company's issued share capital:

Long position and short position of substantial shareholders/other persons in the Shares and/or underlying Shares

Name of substantial shareholders	Capacity	Number of Shares	Percentage of nominal value of issued share capital
Ms. Ku Ming Mei, Rouisa <i>(Note)</i>	Interest of spouse	1,282,809,889	32.69%
Moral Glory	Beneficial owner	1,246,054,889	31.75%

Note: Ms. Ku Ming Mei, Rouisa is the spouse of Mr. Lo and accordingly, she was deemed to be interested in 1,282,809,889 shares under the SFO.

3. DISCLOSURE OF OTHER INTERESTS**(a) Directors' service contracts**

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 2019	31 March 2022	HK\$500,000	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).

(b) Interests in competing business

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors and their respective associates were considered to have any interests in the businesses which compete or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

(c) **Directors' interests in contracts and assets**

As at the date of this circular, save and except the Sale and Purchase Agreement, 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 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. 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.

6. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Group since 30 June 2021, the date to which the latest published combined financial statements of the Group were made up.

7. MATERIAL CONTRACTS

Save and except the Sale and Purchase Agreement, no member of the Group had, within the two years immediately preceding the Latest Practicable Date, entered into any contract (other than contracts in the ordinary course of business of the Group) which was or might be material.

8. EXPERTS AND CONSENTS

The followings are the qualification of the experts who have given opinion or advice contained in this circular:

Name	Qualification
Roma Appraisals Limited ("Roma")	Independent professional valuer
Somerley Capital Limited ("Somerley")	A licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Each of Roma and Somerley has respectively given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and report in the form and context in which it is included and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, neither Roma nor Somerley had 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, neither Roma nor Somerley had any direct or indirect interest in any assets which had been, since 30 June 2021 (being the date to which the latest published audited consolidated financial statements 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. GENERAL

- (a) The 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) The registered office of the Company is located at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and the principal place of business of the Company in Hong Kong is at Unit 902, 9th Floor, Shui Hing Centre, 13 Sheung Yuet Road, Kowloon Bay, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English texts of this circular, the notice of the EGM and the form of proxy for use at the EGM shall prevail over their respective Chinese texts in case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.visionvalues.com.hk>) from the date of this circular up to and including the date of the EGM:

- (a) the Sale and Purchase Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 14 to 15 of this circular;
- (c) the letter from the Independent Financial Advisor, the text of which is set out on pages 16 to 34 of this circular;
- (d) the valuation report from Roma Appraisals Limited as set out in Appendix I to this circular;
- (e) the written consents of the experts referred to in the paragraph headed “Experts and Consents” in this appendix; and
- (f) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Vision Values Holdings Limited (the “**Company**”) will be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 10 January 2022 at 11:00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) the entering into of the conditional sale and purchase agreement dated 29 October 2021 (the “**Agreement**”, which expression shall include any amendment or supplement thereto from time to time) between Silver Value Global Limited, an direct wholly-owned subsidiary of the Company, as vendor and Cambo Management Limited as purchaser in relation to the sale and purchase of the yacht together with the fixtures, fittings, furniture, chattels and equipment (copy of the Agreement marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) at the consideration of HK\$92.12 million upon the terms and subject to the conditions therein contained and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the board of the directors of the Company (the “**Board**”) be and is hereby authorised to do all such acts and things, execute and deliver all such documents and take all such steps as it considers necessary, appropriate, desirable or expedient in connection with or to give effect to the Agreement and the transactions contemplated thereunder, and to make or agree to such variations, amendments or waivers as are, in the opinion of the Board, in the interests of the Company.”

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

Hong Kong, 17 December 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:

Second Floor, Century Yard,
Cricket Square, P.O. Box 902,
Grand Cayman, KY1-1103,
Cayman Islands

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

Units 902, 9th Floor
Shui Hing Centre
13 Sheung Yuet Road
Kowloon Bay
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person(s) as his/her proxy to attend and vote instead of him/her. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the Meeting and vote in its stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
4. Where there are joint holders of any share, any one of such holders may vote at the Meeting either personally or by proxy in respect of such share as if he/she were solely entitled to vote; but if more than one of such joint holders be present at the Meeting in person or by proxy, then the one of such holders whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
5. For the purpose of ascertaining shareholders' entitlement to attend and vote at the Meeting to be held on Monday, 10 January 2022, the register of members of the Company will be closed from Wednesday, 5 January 2022 to Monday, 10 January 2022, both dates inclusive, during which period no transfer of the shares of the Company will be registered. In order to be eligible to attend and vote at the Meeting, all transfers of the shares of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 4 January 2022.
6. If typhoon signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 8:00 a.m. on the date of the Meeting, the Meeting will be postponed. Details of alternative meeting arrangements will be published on the Company's website (www.visionvalues.com.hk) and Hong Kong Exchanges and Clearing Limited's website (<http://www.hkexnews.hk>).

The Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the Meeting under the bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

Shareholders who have any queries concerning the alternative meeting arrangements, please call the Customer Service Hotline of Tricor Abacus Limited at telephone number (852) 2980 1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays).