VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

The directors (the "**Directors**") of Vision Values Holdings Limited (the "**Company**") announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 31 December 2010 together with the comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2010

		Six months ended 31 December	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*2*	**15,966**	16,688
Other income		**177**	57
Other loss		**(78)**	(2)
Employee benefit expenses		**(3,339)**	(3,920)
Depreciation		**(4,022)**	(151)
Other expenses	*3*	**(11,259)**	(13,586)
Fair value gain on investment properties		**816**	–
Loss before taxation		**(1,739)**	(914)
Income tax expense	*4*	**(354)**	–
Loss for the period attributable to equity holders of the Company		**(2,093)**	(914)
Loss per share attributable to equity holders of the Company	*5*		
– Basic loss per share (HK cents)		**(0.1)**	(0.9)
– Diluted loss per share (HK cents)		**(0.1)**	(0.9)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2010

	Six months ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period	**(2,093)**	(914)
Other comprehensive expense for the period		
– Currency translation differences	**(38)**	(25)
Total comprehensive expense for the period	**(2,131)**	(939)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Notes	As at 31 December 2010 HK$'000 (unaudited)	As at 30 June 2010 HK$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**85,829**	89,819
Investment properties		**18,132**	17,214
Goodwill		**3,628**	3,628
		107,589	110,661
Current assets			
Trade receivables	6	**5,680**	8,988
Inventories		**2,220**	1,857
Prepayments, deposits and other receivables		**1,283**	1,776
Cash and bank balances		**65,202**	61,378
		74,385	73,999
Total assets		**181,974**	184,660
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**141,038**	140,960
Other reserves		**118,493**	118,511
Accumulated losses		**(90,171)**	(88,078)
Total equity		**169,360**	171,393
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**715**	641
Current liabilities			
Trade payables	7	**4,880**	6,801
Accrued charges, other payables, deposits received and deferred revenue		**6,576**	5,382
Amount due to a related company		**443**	443
		11,899	12,626
Total liabilities		**12,614**	13,267
Total equity and liabilities		**181,974**	184,660
Net current assets		**62,486**	61,373
Total assets less current liabilities		**170,075**	172,034

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim accounts (the "**Interim Accounts**") for the six months ended 31 December 2010 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair value.

The basis of preparation and accounting policies used in the preparation of the Interim Accounts are consistent with those used in the annual accounts for the year ended 30 June 2010.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**"), HKASs and interpretations (collectively the "**new HKFRSs**") which are effective for accounting periods beginning on or after 1 July 2010. The adoption of these new and revised HKFRSs has no material impact on the results and financial positions of the Group.

The Group has not early adopted the following new and revised standards, amendments or interpretations to existing standards that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 24 (Revised)	Related Party Disclosures[1]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time adopters[3]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HK (IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirment[1]

1 Effective for annual periods beginning on or after 1 January 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2011
4 Effective for annual periods beginning on or after 1 January 2013

The Directors anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. TURNOVER AND SEGMENT INFORMATION

As at 31 December 2010, based on information reported to the chief operating decision maker (i.e. the executive Directors) for the purpose of resource allocation and performance assessment, the Group's reportable operating segments are (i) network solutions and project services; (ii) aircraft leasing; and (iii) property investment.

The executive Directors assess the performance of operating segments based on a measure of segment results. This measurement basis is revenue less direct attributable expenses to revenue but excluding depreciation. Other information provided, except as noted below, to the Directors is measured in a manner consistent with that in the financial statements.

Segment assets exclude other assets that are managed on a central basis.

The segment revenue and results for the six months ended 31 December 2010

	Network solutions and project services HK$'000	Aircraft leasing HK$'000	Property investment HK$'000	Total HK$'000
Segment revenue	**14,118**	**1,685**	**163**	**15,966**
Segment results	**4,190**	**1,664**	**106**	**5,960**
Depreciation on property, plant and equipment	**(31)**	**(3,915)**	**–**	**(3,946)**
Unallocated expenses *(Note)*				**(4,590)**
Interest income from bank deposits				**99**
Fair value gain on investment properties				**816**
Other loss				**(78)**
Loss before taxation				**(1,739)**
Income tax expense	**(273)**	**–**	**(81)**	**(354)**
Loss for the period				**(2,093)**

Note: Unallocated expenses mainly include unallocated depreciation and unallocated employee benefit expenses.

The segment revenue and results for the six months ended 31 December 2009

	Network solutions and project services HK$'000	Property investment HK$'000	Total HK$'000
Segment revenue	16,661	27	16,688
Segment results	4,215	(45)	4,170
Depreciation on property, plant and equipment	(33)	(8)	(41)
Unallocated expenses *(Note)*			(5,090)
Interest income from bank deposits			49
Other loss			(2)
Loss before taxation			(914)
Income tax expense			–
Loss for the period			(914)

Note: Unallocated expenses mainly include unallocated depreciation and unallocated employee benefit expenses.

The following is an analysis of the Group's assets by operating segments:

	At 31 December 2010			
	Network solutions and project services *HK$'000*	**Aircraft leasing** *HK$'000*	**Property investment** *HK$'000*	**Total** *HK$'000*
Total segment assets	**8,803**	**85,516**	**18,169**	**112,488**
Unallocated:				
Cash and bank balances				**65,202**
Other unallocated assets				**4,284**
Consolidated total assets				**181,974**

	At 30 June 2010			
	Network solutions and project services *HK$'000*	Aircraft leasing *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Total segment assets	15,655	89,725	17,308	122,688
Unallocated:				
Cash and bank balances				61,378
Other unallocated assets				594
Consolidated total assets				184,660

3. EXPENSES BY NATURE

Major expenses included in other expenses are analysed as follows:

	Six months ended 31 December	
	2010 *HK$'000*	2009 *HK$'000*
Cost of inventories	**6,008**	8,353
Subcontracting fees for project services	**3,168**	3,370
Independent auditor's remuneration	**390**	400
Direct operating expenses from investment property that generate rental income	**11**	1
Direct operating expenses from investment property that do not generate rental income	**38**	38
Operating lease rentals for land and building	**218**	218

4. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period.

	Six months ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Current tax		
– Hong Kong profits tax	**280**	–
Deferred tax		
– Origination of temporary differences	**74**	–
Total income tax expense	**354**	–

5. LOSS PER SHARE

The calculations of basic and diluted loss per share are based on the following data:

	Six months ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Loss attributable to equity holders of the Company, as used in the calculation of basic and diluted loss per share	**(2,093)**	(914)
Number of shares		
Weighted average number of ordinary shares in issue for calculation of basic and diluted loss per share *(Note)*	**1,409,732,103**	104,276,199

Note: The diluted loss per share is the same as basic loss per share presented as there was no dilutive effect from the assumed exercise of share options on the loss attributable to equity holders of the Company.

6. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 60 days to customers. The ageing analysis of the trade receivables was as follows:

	As at 31 December 2010 *HK$'000*	As at 30 June 2010 *HK$'000*
1 – 30 days	**1,650**	1,625
31 – 60 days	**1,935**	1,305
61 – 90 days	**1,133**	1,315
Over 90 days	**962**	4,743
	5,680	8,988

As of 31 December 2010, trade receivables of HK$2,935,000 (30 June 2010: HK$6,459,000) were past due but not impaired.

7. TRADE PAYABLES

The ageing analysis of trade payables was as follows:

	As at 31 December 2010 *HK$'000*	As at 30 June 2010 *HK$'000*
1 – 30 days	**3,684**	4,114
31 – 60 days	**612**	100
61 – 90 days	**251**	153
Over 90 days	**333**	2,434
	4,880	6,801

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended 31 December 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

1. *Network Solutions and Project Services ("**NSPS**")*

   The overall operating business remained stable throughout the six months period ended 31 December 2010 (the "**Financial Period**") though the market is highly competitive.

   Among the achieved revenue, approximately HK$9.1 million was generated from the sales of both telecom and enterprise networking solutions and the remaining was originated from project services.

   During the Financial Period, the revenue generated by the telecom network solutions and project services was steady but the revenue from enterprise solutions was sluggish. During the reporting period, the project services division was mainly concentrated on the business of replacement and installation of 3G base stations on behalf of Nokia Siemens Networks. For the business of enterprise solutions, the Group was concentrated in the development and promotion of networking solutions in Hong Kong building on Motorola's Wi-Fi system and Cayin Technology's Digital Signage system. Currently, successful client references for these networking solutions from these two vendors are still pending to establish. In view of this, the Group during the Financial Period was spending additional time and effort in order to build up credentials in order to attract potential customers and eventually leading towards more business opportunities. For the telecom solution division, the business was quite successful especially on the sales of synchronization system to telecom network operators. Some of these telecom operators needed to upgrade their obsolete synchronization systems in order to keep pace with new technologies and industry standard.

2. *Aircraft Leasing*

   The Group's sole private jet was leased out during the Financial Period in pursuant to a lease agreement.

3. *Property Investment*

   During the Financial Period, the Group leased out its office unit in Beijing, the PRC to an independent third party. The villa in Beijing remained vacant.

Financial Review

1. *Results Analysis*

   For the Financial Period, revenue for the Group dropped slightly by 4.2% to HK$16.0 million (2009: HK$16.7 million). Over 88% of the Group's total revenue was generated from the business segment of NSPS.

   The increase in depreciation to HK$4.0 million (2009: HK$0.2 million) was mainly due to the recognition of depreciation charge of a Gulfstream G200 aircraft which was acquired in March 2010.

   Loss for the period attributable to the equity holders of the Company was approximately HK$2.1 million (2009: HK$0.9 million).

2. *Liquidity and Financial Resources*

As at 31 December 2010, the capital and reserves attributable to the Company's equity shareholders were HK$169.4 million (30 June 2010: HK$171.4 million). During the Financial Period, share options to subscribe for 780,000 shares were exercised with net cash proceeds inflow of approximately HK$98,000.

As at 31 December 2010, the Group had no bank or other borrowings (30 June 2010: Nil). The Group has sufficient liquidity and finance resources to meet its daily operational needs.

3. *Gearing*

The Group has no gearing as at 31 December 2010 (30 June 2010: Nil).

4. *Foreign Exchange*

The key operations of the Group are located in Hong Kong and Mainland China. The Group's assets and liabilities are mainly denominated in Hong Kong dollars, United Stated dollars and Renminbi. The Group does not establish a foreign currency hedging policy. However, management of the Group continues to monitor foreign exchange exposure and will consider hedging significant currency exposures should the need arises.

5. *Contingent Liabilities*

As at 31 December 2010, the Group did not have significant contingent liabilities (30 June 2010: Nil).

Business Outlook

Looking ahead, we are going to meet more challenges and opportunities of our business.

First of all, the "minor works control system" was implemented on 31 December 2010. All installation works in relation to the building structure (e.g. installation of a radio base station or antenna pole on the roof of a building) must employ a registered minor work contractor. To meet the Government's latest requirements, our subsidiary has applied for and granted a provisional registered minor work contractor license by the Building Department in October 2010. The possession of this mandatory qualification enables us to explore more business opportunities in the near future in respect of our project services.

In addition to the opportunity of minor construction works in the market, our project service division is studying the feasibility in setting up TETRA base station for one of the system vendors in the first half of 2011.

For the business of network solutions, though the overall economic situation is much improved when compared to last year, we note that customers are still very cautious on project spending even though with approved budgets. In enterprise network solution business, we will continue our positioning strategy with focus in offering wireless solutions with emphasis on the applications and solutions instead of promoting the advantages of the features itself. With our first successful implementation of Motorola's Wi-Fi and Cayin Technology's Digital Signage system, we are going to take an aggressive stand to promote these two solutions and application by replication with our successful precedent case.

For the sales of telecom networking solutions, those mobile operators already awarded with the 4G LTE license are going to expand their existing networks to provide 4G service. We foresee that they may need some testing equipments to benchmark their network performance against other competitors as their existing test equipment may not have such features. Consequentially, we signed a reseller agreement with one of the leading vendors, SwissQual, for the sales and support of their products to mobile operators in Hong Kong and Macau. We believe that mobile operators with 4G LTE license granted by OFTA Hong Kong will show interest in these products before they launch their 4G services.

In addition to the above business development, we are also partnered with another Israel company, Channelot, to offer mobile TV transmitter solutions to one of the mobile operators that granted with the mobile TV license by OFTA Hong Kong in last year. If our solutions are accepted by this mobile TV operator, such partnership will further enhance our Group's positioning as a wireless solution provider.

Though the Group has signed the reseller agreement with SwissQual as well as granted with the registered minor work contractor license by Hong Kong Government, we are still actively looking for other suitable solutions and applications that are wireless related so that we can increase our solution portfolio to better serve our customers' needs.

For the aircraft charter business, we have renewed the lease agreement for another period of 12 months commencing from 1 January 2011 to 31 December 2011. For details of the renewal, please refer to the Company's announcement date 30 December 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2010.

CORPORATE GOVERNANCE

The board of Directors (the "**Board**") recognises the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders and has applied the principles of the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 (the "**CG Code**") of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

For the period ended 31 December 2010, the Company has complied with the code provisions of the CG Code with deviations from the code provision A.2.1, A.4.1 and E.1.2 of the CG Code as summarised below:

i. In accordance with CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer ("**CEO**") should be separated and should not be performed by the same individual.

   Mr. Lo Lin Shing, Simon ("**Mr. Lo**") is the chairman of the Company and has also carried out the responsibility of CEO. Mr. Lo possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

ii. Under the code provision A.4.1 of the CG Code, non-executive Directors should be appointed for a specific term and subject to re-election.

    None of the existing non-executive Directors is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the CG Code. However, they are subject to the retirement by rotation in accordance with the provisions of the Company's articles of association. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

iii. The code provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting ("**AGM**") of the Company.

    The chairman of the Board did not attend the 2010 AGM due to an urgent business engagement. An executive Director had chaired the 2010 AGM and answered questions from shareholders. A member of the audit and remuneration committees was also available to answer questions at the 2010 AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions by the Directors and employees (the "**Code**") who are likely to be in possession of unpublished price sensitive information of the Company on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 (the "**Model Code**") of the Listing Rules.

In the period of 30 days immediately preceding and including the publication of the half year results or, if shorter, the period from the end of the relevant quarterly or half year period up to and including the publication date of the results, all Directors are restricted to deal in the securities and derivatives of the Company until such results have been published.

Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Code during the six months ended 31 December 2010.

HUMAN RESOURCES

At 31 December 2010, the Group employed 19 full-time employees (30 June 2010: 21) in Hong Kong and Mainland China. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective geographical locations and business in which the Group operates. The remuneration policies of the Group are reviewed on periodic basis. Apart from retirement schemes, year-end bonuses and share options are awarded to the employees according to the assessment of individual performance and industry practice. Appropriate training programs are also offered for staff training and development.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently comprises Mr. Tsui Hing Chuen, William *JP*, Mr. Lee Kee Wai, Frank and Mr. Lau Wai Piu (chairman of the Committee), the three independent non-executive Directors.

The Audit Committee has reviewed the unaudited interim accounts of the Group for the six months ended 31 December 2010.

By Order of the Board
Vision Values Holdings Limited
Lo Lin Shing, Simon
Chairman

Hong Kong, 22 February 2011

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