VISION VALUES HOLDINGS LIMITED

(Formerly known as New World Mobile Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2010

The directors (the "Directors") of Vision Values Holdings Limited (formerly known as New World Mobile Holdings Limited) (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group" or "VVH") for the year ended 30 June 2010 together with the comparative figures in the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2010

		Year ended 30 June	
		2010	2009
	Note	***HK$'000***	*HK$'000*
Continuing operations:			
Revenue	*3*	**30,528**	25,148
Other income		**93**	424
Other losses — net		**(279)**	(12)
Employee benefit expenses		**(17,579)**	(6,986)
Depreciation		**(2,899)**	(341)
Other expenses	*4*	**(25,554)**	(21,344)
Finance costs	*5*	**(558)**	—
Fair value gain on investment properties		**3,295**	230
Loss on early redemption of loan note payable	*10*	**(3,495)**	—
Loss before taxation		**(16,448)**	(2,881)
Income tax expense	*6*	**(615)**	(23)
Loss for the year from continuing operations		**(17,063)**	(2,904)
Discontinued operation:			
Loss for the year from discontinued operation		**—**	(1,555)
Loss for the year attributable to equity holders of the Company		**(17,063)**	(4,459)

	Note	Year ended 30 June 2010 HK$'000	2009 HK$'000
Loss per share attributable to the equity holders of the Company	*7*		
From continuing and discontinued operations			
— Basic loss per share		**HK$0.15**	HK$0.05
— Diluted loss per share		**HK$0.15**	HK$0.05
From continuing operations			
— Basic loss per share		**HK$0.15**	HK$0.03
— Diluted loss per share		**HK$0.15**	HK$0.03
From discontinued operation			
— Basic loss per share		**N/A**	HK$0.02
— Diluted loss per share		**N/A**	HK$0.02

The consolidated income statement has been re-presented primarily due to the acquisition of the aircraft leasing business in the current year, please refer to Note 2 for details.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Year ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Loss for the year	**(17,063)**	(4,459)
Other comprehensive (expense)/income:		
— Currency translation differences	**(25)**	1,705
— Revaluation gain	**—**	2,366
Other comprehensive (expense)/income for the year, net of tax	**(25)**	4,071
Total comprehensive expense for the year	**(17,088)**	(388)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

		As at 30 June	
		2010	2009
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**89,819**	681
Investment properties		**17,214**	13,850
Goodwill		**3,628**	3,592
		110,661	18,123
Current assets			
Trade receivables	*8*	**8,988**	5,304
Inventories		**1,857**	1,674
Prepayments, deposits and other receivables		**1,776**	588
Cash and bank balances		**61,378**	27,888
		73,999	35,454
Total assets		**184,660**	53,577
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**140,960**	97,892
Other reserves		**118,511**	16,811
Accumulated losses		**(88,078)**	(71,015)
Total equity		**171,393**	43,688

	Note	As at 30 June 2010 HK$'000	2009 HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**641**	286
Current liabilities			
Trade payables	9	**6,801**	5,184
Accrued charges, other payables, deposits received and deferred revenue		**5,382**	3,976
Amount due to a related company		**443**	443
		12,626	9,603
Total liabilities		**13,267**	9,889
Total equity and liabilities		**184,660**	53,577
Net current assets		**61,373**	25,851
Total assets less current liabilities		**172,034**	43,974

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The presentation of the consolidated income statement for the year ended 30 June 2010 has been changed, the change in presentation is primarily as a result of acquisition of aircraft leasing business. In prior years, expenses were classified and presented in the consolidated income statement based on their function within the Group. In the current year, expenses were classified and presented in the consolidated income statement according to their nature. Management considers to present the nature of expenses in the consolidated income statement can provide more relevant financial information to users about business performance and operations of the Group after the acquisition of Glory Key Investments Ltd. during the year ended 30 June 2010. As a result, the consolidated income statement for the year ended 30 June 2009 has been re-presented to conform to the current year's presentation. Since the change only impacts presentation aspects, there is no impact on the statement of finance position. As such, three statements of financial position are not presented.

The Group has adopted the following new/revised amendments and interpretations to existing standards ("new HKFRSs") issued by the HKICPA which are effective or have become effective and relevant to the Group's operations for the Group's financial year beginning on 1 July 2009.

— HKAS 1 (Revised), "Presentation of financial statements". Details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in the consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been re-presented to conform to the new presentation. Since the change in accounting policy only impacts presentation aspects, there is no impact on total equity and loss per share.

— HKFRS 8, "Operating segments". HKFRS 8 replaces HKAS 14, "Segment reporting". It requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who makes strategic decisions.

  In prior years, two operating segments were presented, which were network solution and project services and property investment. In the current year upon the adoption of HKFRS 8 and after the completion of acquisition of aircraft leasing business in March 2010, an additional segment, aircraft leasing, is presented. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the executive directors of the Company who make strategic decisions.

— Amendment to HKFRS 7, "Financial instruments: disclosures". The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. As the change in the accounting policy only results in additional disclosures, there is no impact on total equity and loss per share.

— Amendments to HKAS 27 (Revised), "Consolidated and separate financial statements". The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 July 2009, all dividends receivable from subsidiaries, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods. Financial statements of previous periods have not been restated.

As a result of the amendments to HKAS 27 (Revised), the acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill arising on the acquisition of a non-controlling interest in a subsidiary was recognised, and represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange. The change in accounting policy was applied prospectively.

— HKFRS 2 (amendment), "Share-based payment" deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group and the Company has adopted HKFRS 2 (amendment) from July 2009. The amendment does not have a material impact on the Group's or the Company's financial statements.

— Amendments to HKFRS 3 (Revised), "Business combinations". Business combinations are accounted for by using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

For acquisitions on or after 1 July 2009, the Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, it is recognised immediately in the income statement.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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 2009[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[2]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 32 (Amendment)	Classification of rights issue[4]
HKFRS 1 (Amendment)	Additional exemptions for first time adopters[1]
HKFRS 2 (Amendment)	Group cash-settled share based payment transaction[1]
HKFRS 9	Financial Instruments[5]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

1 Amendments that are effective for annual periods beginning on or after 1 January 2010
2 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 January 2013
6 Effective for annual periods beginning on or after 1 July 2010

The Group has already commenced an assessment of the impact of the above new/revised standards, amendments and interpretations but is not yet in a position to state whether the new/revised standards, amendments and interpretations would have a significant impact to its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 July 2009. The chief operating decision maker has been identified as the executive directors. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The executive directors determined the operating segments based on these reports. In March 2010, the Group commenced the business of aircraft leasing after the acquisition of the entire equity interest in a subsidiary. The acquisition was completed on 1 March 2010.

The reportable operating segments are (i) network solutions and project services; (ii) aircraft leasing and (iii) property investment.

In prior years, segment information reported externally was analysed on three operating divisions (i.e. network solutions, project services and property investment) under the predecessor standard (HKAS 14, Segment Reporting). The Group was also involved in technology related services but the business was discontinued in prior year. However, information reported to the executive directors for the purposes of resource allocation and assessment of performance focuses on (i) network solutions and project services; (ii) aircraft leasing and (iii) property investment segments following the adoption of HKFRS 8 "Operating Segments".

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 described 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.

There are no sales or other transactions between business segments.

The segment revenue and results for the year ended 30 June 2010

	Network solutions and project services *HK$'000*	**Aircraft leasing** *HK$'000*	**Property investment** *HK$'000*	**Total** *HK$'000*
Segment revenue	**29,091**	**1,248**	**189**	**30,528**
Segment results	**8,126**	**1,123**	**(37)**	**9,212**
Depreciation on property, plant and equipment	**(65)**	**(2,610)**	**(11)**	**(2,686)**
Unallocated expenses *(Note a)*				**(22,021)**
Interest income from bank deposits				**84**
Finance costs				**(558)**
Fair value gain on investment properties				**3,295**
Loss on early redemption of loan note payable				**(3,495)**
Other losses — net				**(279)**
Loss before taxation				**(16,448)**
Income tax expense	**(286)**	**—**	**(329)**	**(615)**
Loss for the year				**(17,063)**
Other segment information				
Capital additions *(Note b)*	**42**	**294**	**69**	**405**
Unallocated capital additions				**19**
				424
Provision for impairment of trade receivables	**180**	**—**	**—**	**180**
Goodwill impairment	**—**	**—**	**258**	**258**

Notes:

(a) Unallocated expenses mainly include unallocated depreciation and unallocated employee benefit expenses.

(b) Capital additions to property, plant and equipment, investment properties and goodwill.

The segment revenue and results for the year ended 30 June 2009

	Network solutions and project services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Segment revenue	25,148	—	25,148
Segment results	6,700	(176)	6,524
Depreciation on property, plant and equipment	(69)	(11)	(80)
Unallocated expenses *(Note a)*			(9,743)
Interest income from bank deposits			200
Fair value gains on investment properties			230
Other losses — net			(12)
Loss before taxation			(2,881)
Income tax expense	—	(23)	(23)
Loss for the year			(2,904)
Other segment information			
Capital additions *(Note b)*	215	82	297
Unallocated capital additions			32
			329
Provision for impairment of trade receivables	29	—	29

Notes:

(a) Unallocated expenses mainly include unallocated depreciation and unallocated employee benefit expenses.

(b) Capital additions to property, plant and equipment.

The following is an analysis of the Group's assets by operating segments as at 30 June 2010:

	Network solutions and project services	**Aircraft leasing**	**Property investment**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'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**

The following is an analysis of the Group's assets by operating segments as at 30 June 2009:

	Network solutions and project services	Property investment	Total
	HK$'000	*HK$'000*	*HK$'000*
Total segment assets	11,107	14,196	25,303
Unallocated:			
Cash and bank balances			27,888
Other unallocated assets			386
Consolidated total assets			53,577

The Group is domiciled in Hong Kong and is operating in two main geographical areas:

Hong Kong	:	Network solutions and project services
Mainland China	:	Aircraft leasing, property investment and technology related services (which was discontinued in prior year)

There are no sales nor other transactions between the geographical areas.

	Non-current assets		Revenue	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**3,723**	3,944	**29,091**	25,148
Mainland China	**106,938**	14,179	**1,437**	19
	110,661	18,123	**30,528**	25,167

Revenue from Group's discontinued operation was derived from Mainland China. The Group's revenue by geographical location is determined by the places/countries in which the customer is located. The Group's non-current assets by geographical location are determined by the places/countries in which the asset is located.

Revenue of approximately HK$8,200,000 (2009: HK$5,914,000) is derived from a single external customer in Hong Kong and which is attributable to the segment of network solutions and project services.

4. EXPENSES BY NATURE

Major expenses included in other expenses are analysed as follows:

	2010	2009
	HK$'000	*HK$'000*
Continuing operations		
Cost of inventories	**11,807**	9,773
Subcontracting fees for project services	**7,610**	7,320
Auditor's remuneration	**760**	730
Direct operating expenses from investment property that generate rental income	**64**	77
Direct operating expenses from investment property that do not generate rental income	**96**	80
Exchange (gains)/losses — net	**(62)**	403
Provision for impairment of trade receivables	**180**	29
Operating lease rentals for land and buildings	**437**	623
Discontinued operation		
Auditor's remuneration	**—**	3
Exchange losses — net	**—**	851
Operating lease rentals for land and buildings	**—**	98

5. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest expenses on borrowing wholly repayable within five years		
— Loan note payable	**558**	—

6. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
Current tax		
— Hong Kong profits tax	**260**	—
Deferred tax		
— Origination of temporary differences	**355**	23
Total income tax expense	**615**	23

7. LOSS PER SHARE

The calculations of basic and diluted loss per shares are based on following information:

	2010	2009
	HK$'000	*HK$'000*
Attributable to the equity holders of the Company, as used in the calculation of basic and diluted loss per shares		
Loss from continuing and discontinued operations	**(17,063)**	(4,459)
Loss from continuing operations	**(17,063)**	(2,904)
Loss from discontinued operation	**—**	(1,555)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of calculating basic loss per share	**115,323,844**	97,892,069
Effect of dilutive potential ordinary shares *(Note)*:		
Share options	**—**	—
Weighted average number of ordinary shares for diluted loss per share *(Note)*	**115,323,844**	97,892,069

Note:

The diluted loss per share is the same as basic loss per share presented as there was no dilutive effect from the exercise of share options on the loss attributable to shareholders.

8. TRADE RECEIVABLES — GROUP

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**8,988**	5,333
Less: provision for impairment of trade receivables	**—**	(29)
Trade receivables — net	**8,988**	5,304

The Group allows an average credit period of 30 to 60 days to its customers. The ageing analysis by invoice date of net trade receivables is as follows:

	2010	2009
	HK$'000	*HK$'000*
1–30 days	**1,625**	2,702
31–60 days	**1,305**	631
61–90 days	**1,315**	486
91–180 days	**186**	674
Over 180 days	**4,557**	811
	8,988	5,304

Movements on the provision for impairment of trade receivables are as follows:

	2010	2009
	HK$'000	*HK$'000*
At the beginning of the year	**29**	32
Provision for receivables impairment	**180**	29
Write off during the year as uncollectible	**(209)**	(32)
At the end of the year	**—**	29

The creation and release of provision for impaired receivables have been included in the consolidated income statement.

The maximum exposure to credit risk at the reporting date is the fair value of trade receivables mentioned above. The Group does not hold any collateral as security.

9. TRADE PAYABLES — GROUP

The ageing analysis of the trade payables by due date is as follows:

	2010	2009
	HK$'000	*HK$'000*
Past due 1–30 days	**4,114**	4,431
Past due 31–60 days	**100**	408
Past due 61–90 days	**153**	76
Past due 91–180 days	**2,434**	133
Past due over 180 days	**—**	136
	6,801	5,184

The carrying amounts of trade payables approximate their fair value.

10. LOAN NOTE PAYABLE

On 1 March 2010, the Group completed an acquisition of the entire equity interest in a subsidiary. The consideration of this acquisition is satisfied as to HK$50 million in cash, subject to adjustment, and as to the remaining balance of HK$46 million through the issuance of a loan note (the "Loan Note").

The Loan Note was issued on 1 March 2010 with a principal amount of HK$46,000,000, which was unsecured, interest bearing at 4% per annum and had a 2-year maturity period from the issue date. However, it can be repaid from time to time before maturity at the discretion of the Company at the principal amount of HK$46,000,000 and accrued interest up to the redemption date. Interest on the Loan Note was payable on the maturity on 28 February 2012 or upon repayment, whichever is earlier.

The Loan Note was fair valued at initial recognition by an independent valuer with an effective interest rate of 8.46% per annum. The fair value of the Loan Note based on the valuation was HK$42,234,000.

As a result of the placement of 23,490,000 ordinary shares on 22 April 2010 with net proceeds received of approximately HK$76.6 million, the Company early redeemed the Loan Note on 27 April 2010 at a total amount of HK$46,287,000 for better cash flow management. A loss on early redemption of the Loan Note of approximately HK$3,495,000 was charged to the consolidated income statement for the year ended 30 June 2010. As a result, the Group has no loan note payable as at 30 June 2010.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 30 June 2010. The figures in respect of the preliminary announcement of the Group's results for the year ended 30 June 2010 have been agreed by the Group's independent auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

1. ***Network solutions and project services ("NSPS")***

    Following the improvement of overall economic environment, this business segment achieved a growth of 15.7% in revenue to HK$29.1 million (2009: HK$25.1 million).

    Among the total revenue, around 60% was generated from the sales of both Telecom and Enterprise Networking solutions while the remaining balance was generated from project and engineering services.

    NSPS is achieving success in the sales of Wireless Solutions on the unlicensed band microwave system as backhaul for mobile operators, public utilities and government agencies. Our outstanding achievement is leading to our subsidiary, Cyber On-Air (Asia) Limited ("COA"), being awarded by Motorola and promoted to become their Platinum Partner in Hong Kong. In addition, NSPS has also well positioned itself as a wireless solution/system provider. For the business of Enterprise market, it was still underperformed because of keen market competition.

    For the business of Project Service, it was quite successful during the reporting year. Based on our expertise in wireless system installation and supporting services, COA was selected during the year by Nokia Siemens Networks as one of their contractors to replace, test and commission their 3G base stations for one of the mobile operators in Hong Kong.

2. ***Aircraft Leasing***

On 1 March 2010, the Group completed the acquisition of 100% of the share capital of Glory Key Investment Ltd. ("Glory Key") for approximately HK$94.7 million. The principal asset of Glory Key is a Gulfstream G200 aircraft. Pursuant to a lease agreement dated 3 December 2009, Glory Key has agreed to lease the aircraft for an initial term of 12 months to a related party (with an option to renew for a further term of 12 months by either party to the lease agreement) at the monthly rent of US$40,000. A total of four months rental were recognised during the year.

3. ***Property Investment***

During the year, the Group leased out its office unit in Beijing to an independent third party for a lease term of two years. The villa in Beijing remained vacant.

Financial Review

1. ***Results Analysis***

For the year ended 30 June 2010, revenue for the Group grew approximately to HK$30.5 million (2009: HK$25.1 million). Over 95% of the Group revenue was generated from the business segment of network solutions and project services.

Loss for the year attributable to the equity holders of the Company was approximately HK$17.1 million (2009: HK$4.5 million).

2. ***Liquidity and Financial Resources***

As at 30 June 2010, the capital and reserves attributable to the Company's equity shareholders were HK$171.4 million (2009: HK$43.7 million). During the year, the Company had completed two fund raising exercises with details as follows:

(a) On 13 November 2009, the Company issued 19,578,000 shares at a subscription price of HK$3.0 each in pursuant to a top-up placement with net proceeds of approximately HK$57.9 million. Out of which, approximately HK$48.7 million was used for the partial settlement of the consideration for the acquisition of Glory Key; and

(b) On 22 April 2010, the Company issued 23,490,000 shares at a subscription price of HK$3.3 each in pursuant to a placement of new shares with net proceeds of approximately HK$76.6 million. Out of which, approximately HK$46.3 million was used for the early repayment of loan note in relation to the acquisition of Glory Key.

As at 30 June 2010, the Group had no bank or other borrowings (2009: Nil). The Group has sufficient liquidity and financial resources to meet its daily operational needs.

As stated in the interim report, a wholly-owned subsidiary of the Company has taken legal actions against a former customer on an overdue amount of approximately HK$4.8 million. The wholly-owned subsidiary finally reached an out-of-court settlement with this former customer in September 2010. An impairment loss of approximately HK$0.2 million was recognised in current financial year.

3. ***Gearing***

The Group has no gearing as at 30 June 2010 (2009: 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 dollar, United States dollar 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 30 June 2010, the Group did not have significant contingent liabilities (2009: Nil).

6. ***Material Acquisition***

On 9 December 2009, the Company entered into a conditional sale and purchase agreement to acquire the entire interest in Glory Key at a consideration of HK$94.7 million. The acquisition was completed on 1 March 2010. For details of this acquisition, please refer to the Company's circular dated 27 January 2010.

Business Outlook

Looking forward to the new financial year for the NSPS business segment, we are cautiously optimistic that more customers are willing to increase their capital expenditure budgets due to the continuous improvement in economic environment. Therefore, we will concentrate our focus in improving our sales revenue with the Wireless Solutions for the Enterprise Market in addition to the existing Telecom Market segment. To achieve this target, we are going to introduce different wireless solutions to our potential customers including:

(1) Data Communication through wireless backhaul link;

(2) Video surveillance solution by point to multipoint wireless system;

(3) Digital signage solution by wireless, and

(4) Voice over WiFi with Push to Talk over Wireless LAN network.

In addition, we are also looking for other solutions and applications that are wireless related so that we can increase our solution portfolio to meet the needs of different customers.

To gain better market penetration and revenue income, we have designed both long term and short term approaches. For the long term approach, we will focus on system and solution sales which includes video surveillance, wireless backhaul etc. that may take a longer lead time to design and be concluded with our potential customers. For short term approach, we will promote the standalone digital signage solution as well as standalone wireless system such as Wi-Fi system that may take a much shorter time to conclude with potential customers when compared to system or solution sales. These standalone systems, once adopted, can be scaled and expanded in the future whenever required by customers.

We have already started the promotion of standalone digital signage system with some potential customers and hope that some projects will be concluded in the near future. Once the solution is successfully implemented, we can easily replicate the essential ingredients to other customers to generate more revenue in the enterprise segment.

For the Project Service, we have partnered with EADS Secure Networks Limited, another TETRA Radio System supplier in Hong Kong, to become one of their appointed partners for the installation of the TETRA Radio system. Some projects have already started and there will be new built stations in the coming months to be implemented by us.

HUMAN RESOURCES

As at 30 June 2010, the Group had employed a total of 21 full-time employees (2009: 23) 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 businesses 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.

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

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The board of directors of the Company (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 year ended 30 June 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 Code, non-executive directors should be appointed for a specific term, subject to re-election.

   None of the existing non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the 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 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 2009 AGM due to an urgent business engagement. An executive director had chaired the 2009 AGM and answered questions from shareholders. The chairman of the audit and remuneration committee was also available to answer questions at the 2009 AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions by directors and employees 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 of the Listing Rules.

Upon specific enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in Model Code throughout the year ended 30 June 2010.

AUDIT COMMITTEE

The audit committee currently consists of three independent non-executive directors.

Composition of Audit Committee Members:

Mr. Lau Wai Piu *(chairman of Audit Committee)*

Mr. Lee Kee Wai, Frank

Mr. Tsui Hing Chuen, William

The audit committee has reviewed together with the management the consolidated financial statements for the year ended 30 June 2010 of the Group.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The results announcement is required to be published on the website of Hong Kong Exchanges and Clearing Limited ("HKEx") at www.hkexnews.hk under "Latest Listed Companies Information" and the Company's website at www.visionvalues.com.hk respectively. The annual report of the Company for the year ended 30 June 2010 will be dispatched to the shareholders and published on the websites of the HKEx and the Company in due course.

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

Hong Kong, 6 October 2010

As at the date of this announcement, the Board comprises two executive directors namely Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman and three independent non-executive directors namely Mr. Tsui Hing Chuen, Willian, JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank.