VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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 2011 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 2011

		Six months ended 31 December	
		2011	2010
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Continuing operations:			
Revenue	*2*	**18,266**	14,281
Other income		**149**	177
Other losses — net	*3*	**(1,128)**	(78)
Employee benefit expenses		**(3,417)**	(3,339)
Depreciation		**(96)**	(107)
Other expenses	*4*	**(14,412)**	(11,238)
Fair value gain on investment properties		**588**	816
(Loss)/profit before taxation		**(50)**	512
Income tax expense	*5*	**(454)**	(354)
(Loss)/profit for the period from continuing operations		**(504)**	158
Discontinued operation:			
Loss from discontinued operation	*6*	**(743)**	(2,251)
Loss for the period attributable to owners of the Company		**(1,247)**	(2,093)

	Note	Six months ended 31 December 2011 (unaudited)	2010 (unaudited)
(Loss)/earnings per share attributable to owners of the Company during the period	*7*		
From continuing operations and discontinued operation			
— Basic loss per share (HK cents)		**(0.09)**	(0.15)
— Diluted loss per share (HK cents)		**(0.09)**	(0.15)
From continuing operations			
— Basic (loss)/earnings per share (HK cents)		**(0.04)**	0.01
— Diluted (loss)/earnings per share (HK cents)		**(0.04)**	0.01
From discontinued operation			
— Basic loss per share (HK cents)		**(0.05)**	(0.16)
— Diluted loss per share (HK cents)		**(0.05)**	(0.16)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2011

	Six months ended 31 December	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period	**(1,247)**	(2,093)
Other comprehensive income/(expense) for the period		
— Currency translation differences	**—**	(38)
— Reclassification adjustment of exchange differences on deregistration of a subsidiary	**1,137**	—
Total comprehensive expense for the period	**(110)**	(2,131)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

	Notes	As at 31 December 2011 HK$'000 (unaudited)	As at 30 June 2011 HK$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	8	**304**	68,968
Investment properties	8	**20,172**	19,584
Goodwill		**3,334**	3,334
		23,810	91,886
Current assets			
Trade receivables	9	**7,548**	5,269
Inventories		**4,460**	3,880
Prepayments, deposits and other receivables		**1,661**	1,915
Cash and bank balances		**65,471**	64,922
Non-current asset classified as held for sale	8	**67,064**	—
		146,204	75,986
Total assets		**170,014**	167,872
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**141,038**	141,038
Other reserves		**120,720**	119,583
Accumulated losses		**(108,810)**	(107,563)
Total equity		**152,948**	153,058
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**928**	869
Current liabilities			
Trade payables	10	**5,994**	7,057
Accrued charges, other payables, deposits received and deferred revenue		**10,144**	6,888
		16,138	13,945
Total liabilities		**17,066**	14,814
Total equity and liabilities		**170,014**	167,872
Net current assets		**130,066**	62,041
Total assets less current liabilities		**153,876**	153,927

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements (the "**Interim Financial Statements**") for the six months ended 31 December 2011 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 Financial Statements are consistent with those used in the annual accounts for the year ended 30 June 2011.

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 2011. The adoption of these new and revised HKFRSs has no material impact on the results and financial positions of the Group. For those which are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group's results and financial position.

2. TURNOVER AND SEGMENT INFORMATION

The Group's reportable operating segments are (i) network solutions and project services and (ii) property investment.

The chief operating decision maker has been identified as the Executive Directors. The Executive Directors review the Group's internal reports in order to assess performance and allocate resources. The Executive Directors determined the operating segments based on these reports. On 12 September 2011, the Group discontinued the business of aircraft leasing after entering into a conditional sale and purchase agreement on disposal of a G200 aircraft with an independent party. The disposal was completed on 11 January 2012 (Note 6).

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 2011

	Continuing operations		
	Network solutions and project services	**Property investment**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment revenue	**18,079**	**187**	**18,266**
Segment results	**5,131**	**98**	**5,229**
Depreciation on property, plant and equipment	**(35)**	**—**	**(35)**
Unallocated expenses *(Note)*			**(4,851)**
Interest income from bank deposits			**147**
Fair value gain on investment properties			**588**
Other losses — net			**(1,128)**
Loss before taxation			**(50)**

Note: Unallocated expenses mainly include unallocated employee benefit expenses.

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

	Continuing operations		
	Network solutions and project services	Property investment	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue	14,118	163	14,281
Segment results	4,190	106	4,296
Depreciation on property, plant and equipment	(31)	—	(31)
Unallocated expenses *(Note)*			(4,590)
Interest income from bank deposits			99
Fair value gain on investment properties			816
Other loss			(78)
Profit before taxation			512

Note: Unallocated expenses mainly include unallocated employee benefit expenses.

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

	At 31 December 2011			
	Network solutions and project services	**Property investment**	**Aircraft leasing (discontinued)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Total segment assets	**12,553**	**20,243**	**67,731**	**100,527**
Unallocated:				
Cash and bank balances				**65,471**
Other unallocated assets				**4,016**
Consolidated total assets				**170,014**

	At 30 June 2011			
	Network solutions and project services	Property investment	Aircraft leasing (discontinued)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total segment assets	10,676	19,643	68,640	98,959
Unallocated:				
Cash and bank balances				64,922
Other unallocated assets				3,991
Consolidated total assets				167,872

3. OTHER LOSSES — NET

	Six months ended 31 December	
	2011	2010
	HK$'000	*HK$'000*
Continuing operations		
Gain on disposal of property, plant and equipment	**9**	—
Loss on exchange differences on deregistration of a subsidiary	**(1,137)**	—
Others	**—**	(78)
	(1,128)	(78)

4. EXPENSES BY NATURE

Major expenses included in other expenses are analysed as follows:

	Six months ended 31 December	
	2011	2010
	HK$'000	*HK$'000*
Continuing operations		
Cost of inventories	**8,384**	6,008
Subcontracting fees for project services	**3,938**	3,168
Independent auditor's remuneration	**396**	390
Direct operating expenses from investment property that generate rental income	**39**	11
Direct operating expenses from investment property that do not generate rental income	**40**	38
Exchange losses/(gains) — net	**15**	(64)
Operating lease rentals for land and building	**215**	218

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 31 December	
	2011	2010
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
— Hong Kong profits tax	**395**	280
Deferred tax		
— Origination of temporary differences	**59**	74
Total income tax expense	**454**	354

6. DISCONTINUED OPERATION

An analysis of the results and cash flows of the discontinued operation is as follows:

	Six months ended 31 December	
	2011	2010
	HK$'000	*HK$'000*
Revenue	**936**	1,872
Other income	**3**	—
Depreciation	**(1,576)**	(3,915)
Other expenses	**(106)**	(208)
Loss for the period	**(743)**	(2,251)
Cash flows from discontinued operation		
Net cash (used in)/generated from operating activities	**(668)**	1,217
Net cash generated from investing activities	**3**	—
Net cash (outflows)/inflows	**(665)**	1,217

As set out in Note 2, the Group discontinued its aircraft leasing business on 12 September 2011 after Glory Key Investments Ltd. ("**Glory Key**"), a subsidiary of the Group, entered into a conditional sale and purchase agreement to dispose of a G200 aircraft to an independent third party at a consideration of US$8,825,000 (equivalent to HK$68,835,000) (the "**Disposal Transaction**"). The results of the aircraft leasing business were reported as a discontinued operation. The Disposal Transaction is subject to fulfillments of certain conditions and shareholders' approval. The Disposal Transaction was approved by shareholders on 23 November 2011 and was completed on 11 January 2012.

7. (LOSS)/EARNINGS PER SHARE

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

	Six months ended 31 December	
	2011	2010
	HK$'000	*HK$'000*
Loss for the period attributable to owners of the Company, as used in the calculation of basic and diluted (loss)/earnings per share		
Loss from continuing operations and discontinued operation	**(1,247)**	(2,093)
(Loss)/profit from continuing operations	**(504)**	158
Loss from discontinued operation	**(743)**	(2,251)

Number of shares

Weighted average number of ordinary shares in issue for calculation of basic (loss)/earnings per share	**1,410,380,690**	1,409,732,103
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**—**	10,538,735
Adjusted weighted average number of ordinary shares for calculation of diluted (loss)/earnings per share *(Note)*	**1,410,380,690**	1,420,270,838

Note:

From continuing and discontinued operations

The computation of 2011 and 2010 diluted loss per share from continuing and discontinued operations does not assume exercise of share options since the exercise would result in a decrease in loss per share.

From continuing operations

The computation of 2011 diluted loss per share from continuing operations is the same as basic loss per share presented as there was no diluting effect from the exercise of share options on the loss attributable to shareholders.

From discontinued operation

The computation of 2011 and 2010 diluted loss per share from discontinued operation does not assume exercise of share options since the exercise would result in a decrease in loss per share.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the period, the Group spent approximately HK$3,000 (31 December 2010: HK$Nil) on furniture, fixtures and equipment and HK$72,000 (31 December 2010: HK$27,000) on office equipment. The Group disposed of obsolete office equipment with net book value of HK$4,000, resulting in a gain on disposal of HK$9,000.

The investment properties were revalued on an open market value basis by Ascent Partners Transaction Service Limited, an independent qualified valuer at 31 December 2011. As a result, the investment properties were revalued to approximately HK$20,172,000, which represents their recoverable amount, and a revaluation gain of approximately HK$588,000 was recorded in the condensed consolidated income statement during the period.

During the period, the aircraft and engines with net book value of approximately HK$67,064,000 was reclassified as asset held for sale, details please refer to Note 6.

9. TRADE RECEIVABLES

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

	As at 31 December 2011 *HK$'000*	As at 30 June 2011 *HK$'000*
1–30 days	**4,139**	2,458
31–60 days	**1,676**	1,177
61–90 days	**194**	643
91–180 days	**938**	463
Over 180 days	**601**	528
	7,548	5,269

As of 31 December 2011, trade receivables of HK$5,043,000 (30 June 2011: HK$2,394,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

10. TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	As at 31 December 2011 *HK$'000*	As at 30 June 2011 *HK$'000*
1–30 days	**4,417**	5,278
31–60 days	**333**	398
61–90 days	**212**	305
Over 90 days	**1,032**	1,076
	5,994	7,057

11. SUBSEQUENT EVENT

Save as disclosed in Note 6 of the notes to the condensed consolidated financial statements, there were no significant subsequent events for the Group.

INTERIM DIVIDEND

The Directors have resolved not to declare interim dividend for the six months ended 31 December 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

(A) *Continuing Operations*

1. *Network Solutions and Project Services (“**NS&PS**”)*

During the six months period ended 31 December 2011 (the “**Financial Period**”), NS&PS achieved total revenue of HK$18.1 million (2010: HK$14.1 million) with segment profit of HK$5.1 million (2010: HK$4.2 million). The main contributor to the increase in revenue was the selling of mobile TV transmitters. The increase in segment profit was primary based on the tight control of overall costs by the management team of NS&PS and increase in turnover.

Among the achieved revenue, approximately HK$12.6 million was generated from the sales of both telecom and enterprise networking solutions whilst the remaining was generated from the project and engineering service.

By the end of the Financial Period, the total project contract sum on hand was approximately HK$15 million.

During the Financial Period, the project services division focused on the trunk radio system installation for the Hong Kong Fire Services Department and one of the public utilities in Hong Kong by being one of their main sub-contractors. The solutions sales team kept focusing on the sales and promotion of the products that are distributed by the NS&PS. Albeit severe market competition, the business of telecom solutions remained stable but the business of enterprise solutions was still below expectation. However, there were positive signs indicating that the business of enterprise solution was picking up gradually.

Apart from the selling of the mobile TV transmitters during the Financial Period, NS&PS also promoted the wireless LAN and digital signage solutions to clients with diverse backgrounds such as educational and financial institutes. In addition to the enterprise solution sales, NS&PS also discussed with other system integrators and system vendors in order to be qualified as one of their contractors for the project service. By end of November 2011, NS&PS has been qualified by one of the system integrators and became its contractor. Equipped with this qualification, NS&PS assisted this system integrator to win an indoor installation project from her client. In return, an installation of indoor cellular radio communication antenna system for a hospital with project sum of approximately HK$4.9 million was awarded to us.

2. *Property Investment*

During the Financial Period, the lease of the office unit in Beijing was expired in December 2011. A new lease was signed with an independent third party with an approximately 54% increase in rental income when compared to the old lease. The villa in Beijing remained vacant.

(B) ***Discontinued operation***

The Group discontinued its aircraft leasing business on 12 September 2011 after entered into a conditional sale and purchase agreement to dispose of the Group's sole aircraft to an independent third party at a consideration of US$8.8 million (equivalent to HK$68.8 million). The disposal was completed on 11 January 2012.

Financial Review

1. ***Results Analysis***

For the Financial Period, the Group's revenue from continuing operations increased by 27.9% to HK$18.3 million (2010: HK$14.3 million). Around 99% of the Group's total revenue was generated from the business segment of NS&PS.

Other losses was mainly arising from exchange difference released on deregistration of a subsidiary.

Loss for the period attributable to owners of the Company was approximately HK$1.2 million (2010: HK$2.1 million).

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

As at 31 December 2011, the capital and reserves attributable to owners of the Company were HK$152.9 million (30 June 2011: HK$153.1 million).

As at 31 December 2011, the Group had no bank or other borrowings (30 June 2011: Nil). The Group has sufficient liquidity and financial resources to meet its daily operational needs.

3. ***Gearing***

The Group has no gearing as at 31 December 2011 (30 June 2011: 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 States 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 2011, the Group did not have significant contingent liabilities (30 June 2011: Nil).

Business Outlook

By the end of the Financial Period, the business segment of NS&PS has a total amount of approximately HK$15 million projects sum on hand which are under work in progress. Among these projects, 40% is coming from the sales of the network solution and the remaining is coming from the project services.

However, the management foresees a slowdown of business due to the European debt crisis which affected globally. We noticed some of our clients are cutting their purchasing budgets or beginning to hold up some of the projects under discussion.

In order to alleviate this negative trend, we are actively seeking new business opportunities by leveraging on our strength in mobile wireless communication. We are now in discussion with several hotels to install wireless LAN system projects and also a cellular network performance monitoring system for one of the mobile operators in Hong Kong.

With the popularity of tablets and mobile phones with Wi-Fi connectivity, users start to aware the security issues relating to Wireless LAN network. Since we are the gold partner of Motorola, we are capable to deliver a wireless intrusion prevention solution (WIPS). In the coming months, we are going to promote Motorola's AirDefense system which can help those large organizations to protect their Wireless LAN network from being attack or hack by hackers.

With the introduction of the new Precision Time Protocol ("**PTP**") IEEE1588 standard, this PTP will help the high frequency traders such as stock exchanges to have a more accurate time stamping on all the transactions. We have noticed a lot of financial institutes are looking for these solutions and systems. Being the distributor of Symmetricom (a market leader in providing the time servers equipped with this new PTP functionality) together with our expertise in this area, we are going to spend more effort to promote this solution to all the financial institutes in the next couple of months in order to arouse the awareness of the adoption of PTP.

For the mobile transmitters, we do not expect more business coming in the second half of this financial year. It is because the licensed mobile TV operator targets to roll out its mobile TV service in first quarter of this calendar year. It plans to expand the radio coverage along the Mass Transit Railway stations as well as other open areas uncovered at current moment until after the official launch date. According to its installation plan, we expect more sales opportunity of the mobile TV transmitters in next financial year.

After the Financial Period, the disposal of G200 aircraft was completed. The Company intends to apply the net proceeds from such disposal as general working capital and for any future potential investment opportunities that may arise from time to time for enhancing the return of the Group. The Company has not identified any specific investment at the date of this announcement.

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 2011.

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. A good corporate governance practice, in the Board's view, can facilitate healthy growth of a company and strengthen the confidence of the shareholders and investors. The Company 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 Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

For the period ended 31 December 2011, the Company has complied with the code provisions of the CG Code except the deviations as mentioned below:

i. In accordance with the 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**").

The Chairman did not attend the 2011 AGM due to another business engagement. An executive Director had chaired the 2011 AGM and answered questions from shareholders. The AGM of the Company provided a channel for communication between the Board and the shareholders. A member of the audit and remuneration committees of the Company was also available to answer questions at the 2011 AGM. Other than the AGM, shareholders may also communicate with the Company through the contact information listed on the Company's website.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code for Securities Transactions by 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 of the Listing Rules (the "**Model Code**").

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 and relevant employees 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 2011.

HUMAN RESOURCES

At 31 December 2011, the Group employed 20 full-time employees (30 June 2011: 19) 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. 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 Audit Committee) who are the independent non-executive Directors. The Audit Committee has reviewed the unaudited interim financial information of the Group for the six months ended 31 December 2011.

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

Hong Kong, 24 February 2012

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.