VISION VALUES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2015

The board (the "**Board**") of directors (the "**Directors**") of Vision Values Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**" or "**VVH**") for the year ended 30 June 2015 (the "**Financial Year**") together with the comparative figures in the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2015

		Year ended 30 June	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**22,032**	22,289
Bank interest income		**1,104**	1,030
Changes in inventories of finished goods and work in progress		**(9,743)**	(11,654)
Subcontracting fees for project services		**(4,167)**	(3,118)
Fair value (loss)/gain on investment properties		**(2,925)**	235
Employee benefit expenses		**(20,572)**	(15,699)
Depreciation		**(971)**	(458)
Other expenses	*5*	**(31,372)**	(6,809)
Loss before taxation		**(46,614)**	(14,184)
Income tax credit	*6*	**456**	27
Loss for the year		**(46,158)**	(14,157)
Loss attributable to:			
Owners of the Company		**(45,189)**	(14,080)
Non-controlling interest		**(969)**	(77)
		(46,158)	(14,157)
Loss per share attributable to owners of the Company for the year (HK cents)			
Basic and diluted loss per share	*7*	**(1.78)**	(0.61)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Loss for the year	**(46,158)**	(14,157)
Other comprehensive loss		
Items that may be reclassified to profit or loss:		
— Currency translation differences	**—**	(195)
Total comprehensive loss for the year	**(46,158)**	(14,352)
Attributable to:		
— Owners of the Company	**(45,189)**	(14,275)
— Non-controlling interest	**(969)**	(77)
Total comprehensive loss for the year	**(46,158)**	(14,352)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**6,935**	2,192
Investment properties		**29,660**	37,635
Exploration and evaluation assets	*8*	**31,729**	9,001
Goodwill		**3,334**	3,334
		71,658	52,162
Current assets			
Inventories	*9*	**15,559**	7,375
Trade receivables	*10*	**5,447**	5,279
Prepayments, deposits and other receivables		**5,721**	4,354
Cash and bank balances		**260,293**	277,481
		287,020	294,489
Total assets		**358,678**	346,651
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**259,184**	253,557
Other reserves		**218,010**	181,209
Accumulated losses		**(151,164)**	(105,975)
		326,030	328,791
Non-controlling interest		**17,917**	5,015
Total equity		**343,947**	333,806
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**747**	1,203
Current liabilities			
Trade payables	*11*	**3,622**	3,229
Accrued charges and other payables		**10,362**	8,413
		13,984	11,642
Total liabilities		**14,731**	12,845
Total equity and liabilities		**358,678**	346,651
Net current assets		**273,036**	282,847
Total assets less current liabilities		**344,694**	335,009

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 which is stated at fair value.

The consolidated financial statements are prepared in accordance with the applicable disclosure requirements of the predecessor Companies Ordinance (Cap.32) for this financial year and the comparative period.

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.

In the Financial Year, the Group has adopted the following relevant new and revised standards, amendments and interpretations (the "**new and revised HKFRSs**") issued by the HKICPA:

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010 – 2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011 – 2013 Cycle
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK(IFRIC) - Int 21	Levies

The application of the above new and revised HKFRSs has no material impact on the results, the financial position and disclosures of the consolidated financial statements of the Group.

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

HKAS 1 (Amendments)	Disclosure Initiative[2]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[2]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012 – 2014 Cycle[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[2]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[3]

[1] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 January 2018

New and revised standards on HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (i) identify the contract(s) with customer; (ii) identify separate performance obligations in a contract; (iii) determine the transaction price; (iv) allocate transaction price to performance obligations; and (v) recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an 'earnings processes' to an 'asset-liability' approach based on transfer of control.

HKFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

HKFRS 15 replaces the previous revenue standards: HKAS 18 "Revenue" and HKAS 11 "Construction Contracts", and the related Interpretations on revenue recognition: HK(IFRIC) - Int 13 "Customer Loyalty Programmes", HK(IFRIC) - Int 15 "Agreements for the Construction of Real Estate", HK(IFRIC) - Int 18 "Transfers of Assets from Customers" and HK(SIC) - Int 31 "Revenue – Barter Transactions Involving Advertising Services".

The Group has assessed the impact of the above new and revised HKFRSs and other than disclosed above, anticipated that the application of the new/revised standards, amendments and interpretations would have no significant impact to its results of operations and financial position.

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2015	2014
	HK$'000	*HK$'000*
Network solutions and project services fee	**20,621**	20,767
Rental income	**1,411**	1,522
	22,032	22,289

4. SEGMENT INFORMATION

The Group's reportable operating segments are: (i) network solutions and project services; (ii) property investment; (iii) customised yacht building; and (iv) minerals exploration.

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.

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 consolidated 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 2015

	Network solutions and project services *HK$'000*	**Property investment** *HK$'000*	**Yacht building** *HK$'000*	**Minerals exploration** *HK$'000*	**Total** *HK$'000*
Segment revenue	**20,621**	**1,411**	**—**	**—**	**22,032**
Segment results	**5,431**	**1,117**	**—**	**—**	**6,548**
Depreciation of property, plant and equipment	**(34)**	**—**	**(57)**	**(360)**	**(451)**
Fair value loss on investment properties	**—**	**(2,925)**	**—**	**—**	**(2,925)**
Write-off of exploration and evaluation assets *(Note 8)*	**—**	**—**	**—**	**(1,805)**	**(1,805)**
Unallocated expenses *(Note a)*					**(49,085)**
Interest income from bank deposits					**1,104**
Loss before taxation					**(46,614)**
Other segment information					
Capital expenditure *(Note b)*	**1**	**—**	**13**	**25,133**	**25,147**
Unallocated capital expenditure					**50**
					25,197

Notes:

(a) Unallocated expenses mainly include unallocated employee benefit expenses and share-based payment incurred at corporate level.

(b) This relates to additions to property, plant and equipment and exploration and evaluation assets.

The segment revenue and results for the year ended 30 June 2014

	Network solutions and project services *HK$'000*	Property investment *HK$'000*	Yacht building *HK$'000*	Minerals exploration *HK$'000*	Total *HK$'000*
Segment revenue	20,767	1,522	—	—	22,289
Segment results	4,841	1,216	—	—	6,057
Depreciation of property, plant and equipment	(54)	—	(13)	(68)	(135)
Fair value gain on investment properties	—	235	—	—	235
Unallocated expenses *(Note a)*					(21,371)
Interest income from bank deposits					1,030
Loss before taxation					(14,184)
Other segment information					
Capital expenditure *(Note b)*	24	—	227	9,897	10,148
Unallocated capital expenditure					736
					10,884

Notes:

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

(b) This relates to additions to property, plant and equipment and exploration and evaluation assets.

Segment Assets

For the year ended 30 June 2015

	Network solutions and project services *HK$'000*	**Property investment** *HK$'000*	**Yacht building** *HK$'000*	**Minerals exploration** *HK$'000*	**Total** *HK$'000*
Total segment assets	**8,387**	**30,075**	**16,156**	**32,734**	**87,352**
Unallocated:					
Cash and bank balances					**260,293**
Other unallocated assets					**11,033**
Consolidated total assets					**358,678**

For the year ended 30 June 2014

	Network solutions and project services *HK$'000*	Property investment *HK$'000*	Yacht building *HK$'000*	Minerals exploration *HK$'000*	Total *HK$'000*
Total segment assets	6,575	37,826	9,330	9,767	63,498
Unallocated:					
Cash and bank balances					277,481
Other unallocated assets					5,672
Consolidated total assets					346,651

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

Hong Kong : Network solutions and project services, property investment and yacht building

Mainland China : Property investment

Mongolia : Mineral exploration

There are neither sales nor other transactions between the geographical areas.

	Non-current assets		Revenue	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**19,461**	18,708	**21,035**	21,175
Mainland China	**19,400**	23,625	**997**	1,114
Mongolia	**32,797**	9,829	**—**	—
	71,658	52,162	**22,032**	22,289

The Group's revenue by geographical location is determined by the places/countries in which the customers are located. The Group's non-current assets by geographical location are determined by the places/countries in which the assets are located.

Revenue of approximately HK$2,974,000 (2014: HK$5,627,000) is derived from a single (2014: two) largest customer who accounted for 10% or more of the Group's revenue. The revenue is attributable to the segment of network solutions and project services in Hong Kong.

5. OTHER EXPENSES

	2015	2014
	HK$'000	*HK$'000*
Auditor's remuneration	**1,300**	1,235
Direct operating expenses from investment properties that generate rental income	**294**	306
Exchange loss — net	**(172)**	(52)
Write-off of exploration and evaluation assets *(Note 8)*	**1,805**	—
Operating lease rentals for land and buildings	**5,295**	1,520
Share-based payment (excluding directors and employee)	**16,817**	—

6. INCOME TAX CREDIT

No Hong Kong profits tax has been provided (2014: Nil) as the Group did not have assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2015	2014
	HK$'000	*HK$'000*
Current tax		
— Hong Kong profits tax	**—**	—
— Over-provision in prior year	**—**	33
Deferred tax		
— Origination of temporary differences	**456**	(6)
Total income tax credit	**456**	27

7. LOSS PER SHARE

The calculations of basic loss per share are based on the following information:

	2015	2014
	HK$'000	*HK$'000*
Loss attributable to owners of the Company, as used in the calculation of basic loss per share	**(45,189)**	(14,080)

Number of shares

	'000	'000
Weighted average number of ordinary shares in issue for calculation of basic loss per share *(Note)*	**2,538,394**	2,301,777

Note: Diluted loss per share is the same as basic loss per share for the years ended 30 June 2014 and 2015 as the share options have no dilutive impact for both years.

8. EXPLORATION AND EVALUATION ASSETS — GROUP

The Group owns mineral exploration licenses in southern and western parts of Mongolia. The additions to the exploration and evaluation assets subsequent to the acquisition represent the geological and geophysical costs, drilling and exploration expenses directly attributable to exploration activities.

	2015	2014
	HK$'000	*HK$'000*
At beginning of the year	**9,001**	—
Acquisition of subsidiaries	**—**	361
Additions	**24,533**	8,640
Written off *(Note)*	**(1,805)**	—
At end of the year	**31,729**	9,001

Note: During the year ended 30 June 2015, the Group returned certain exploration licenses, which had no investment potential after due assessment by the Directors, to the Mongolian Government and wrote off the costs related to respective licences.

9. INVENTORIES — GROUP

	2015	2014
	HK$'000	*HK$'000*
Raw materials	**3,399**	3,400
Work in progress	**11,748**	3,739
Finished goods	**412**	236
	15,559	7,375

10. TRADE RECEIVABLES — GROUP

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**5,447**	5,279

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

	2015	2014
	HK$'000	*HK$'000*
1–30 days	**1,637**	2,197
31–60 days	**700**	149
61–90 days	**651**	144
Over 91 days	**2,459**	2,789
	5,447	5,279

As of 30 June 2015, trade receivables of HK$4,249,000 (2014: HK$3,446,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis by due date of these trade receivables is as follows:

	2015	2014
	HK$'000	*HK$'000*
Past due 1–30 days	**1,837**	559
Past due 31–60 days	**379**	98
Past due 61–90 days	**239**	270
Past due 91–180 days	**1,794**	2,519
	4,249	3,446

None of the trade receivables were impaired as at 30 June 2015 (2014: Nil).

11. TRADE PAYABLES — GROUP

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

	2015	2014
	HK$'000	*HK$'000*
0–30 days	**2,462**	1,744
31–60 days	**456**	574
61–90 days	**73**	1
91–180 days	**631**	910
	3,622	3,229

The carrying amounts of trade payables approximate their fair values.

12. CAPITAL COMMITMENTS

The Group's capital expenditure of exploration activities in Mongolia which is authorised by the Company's Board of Directors but not contracted for as at 30 June 2015 amounts to HK$52,413,000 (2014:HK$15,612,000). Such capital expenditure of exploration activities is contributed by the Group on a pro-rata basis and the related amount authorised but not contracted for as at 30 June 2015 totalled HK$26,731,000 (2014:HK$7,962,000).

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	2015	2014
	HK$'000	*HK$'000*
Exploration drilling	**11,631**	4,297
Yacht building	**6,819**	3,879
	18,450	8,176

The Company did not have any capital expenditure contracted for at the end of the year but not yet incurred (2014: Nil).

13. EVENTS AFTER THE BALANCE SHEET DATE

On 11 August 2015, the Company entered into a subscription agreement (the "**P&P Subscription Agreement**") with (a) Philosophy Quantum Investment Co. Limited ("**PQ Investment**"), (b) the People's Insurance Company (Group) of China Limited ("**PICC**") (together with PQ Investment, as subscribers), and (c) Mr. Lo Lin Shing, Simon ("**Mr. Lo**") (as indemnifier), pursuant to which the Company has conditionally agreed to allot and issue and PQ Investment and PICC have conditionally agreed to subscribe in aggregate 5,795,000,000 and 855,000,000 new shares of the Company respectively, at the subscription price of HK$0.18 each upon the terms and conditions therein contained.

In addition, on 11 August 2015, the Company entered into another subscription agreement (the "**PC Subscription Agreement**") with Pearl Charm Investments Limited ("**Pearl Charm**"), pursuant to which the Company has conditionally agreed to allot and issue and Pearl Charm has conditionally agreed to subscribe 150,000,000 new shares of the Company, at the subscription price of HK$0.18 each upon the terms and conditions therein contained.

These new shares to be issued under the P&P Subscription Agreement and the PC Subscription Agreement (collectively, the "**Subscriptions**") rank *pari passu* in all respect with existing shares. The aggregate gross proceeds of the subscription pursuant to the Subscriptions are approximately HK$1,224 million, before issuing expenses. The Subscriptions are subject to the fulfillment of certain conditions and shareholders' approval. At the date of the approval of these financial statements, no conditions and/or shareholders' approval has been fulfilled or obtained.

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 2015. The figures in respect of the preliminary announcement of the Group's results for the year ended 30 June 2015 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 HKICPA 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 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

1. *Network Solutions and Project Services (“**NSPS**”)*

The sales performance of NSPS for the Financial Year was on a par with last year. The total revenue amount achieved was HK$20.6 million (2014: HK$20.8 million) with gross profit of approximately HK$5.4 million (2014: HK$4.8 million).

NSPS earns its revenue through the sale of telecom solution, enterprise solution, system maintenance services and project services. The annual revenue breakdown is as follows: (i) revenue from telecom solution was HK$7.7 million (2014: HK$9.7 million); (ii) revenue from enterprise solution was HK$4.6 million (2014: HK$4.9 million); (iii) revenue from system maintenance services was HK$2.9 million (2014: HK$2.4 million); and (iv) revenue from project services was HK$5.4 million (2014: HK$3.8 million).

It was a challenging year for NSPS as many long term business partners were facing either industry consolidation or business downturn. One of our new vendors, Time & Frequency Solutions Ltd, was acquired by a US company in May 2015. Meru Networks was sold to Fortinet Inc. in July 2015. Motorola Solutions sold their WiFi & enterprise solution business to Zebra Technologies Corporation in 2014 and RAD Data Communications closed their Hong Kong office during the Financial Year. These changes in the business environment have negatively affected our sales activities in the Hong Kong market.

After Symmetricom was acquired by Microsemi, Microsemi has introduced another reseller partner in Hong Kong. The lost of sole distributorship right and existence of competition have driven down the revenue from projects involving products from Symmetricom. In order to avoid the over-reliance on Microsemi, NSPS has established new partnership with Time & Frequency Solutions and Oscilloquartz. These two companies can offer similar products that can substitute Microsemi’s product line. Through the Financial Year, we sold two sets of system from these two companies. The successful introduction of their system to the Hong Kong market has showcased our strength to them and starting to build up mutual trust. In the meantime, we are starting the groundwork with existing customers by convincing them to adopt system from these two vendors for future replacement or system expansion. The recent change of management control of Time & Frequency Solutions distorts our game plan. We may need to access in the coming months on any potential impacts affecting our newly built partnership.

After RAD Data Communications (“**RAD**”) closed their Hong Kong office in late 2014, we experienced lacking of pre-sales and after sales support from RAD locally. We need to spend additional time and resources before we can sell the system to our clients.

For the business of enterprise solution, the revenue was mainly generated from the sales of Wifi system. Since the enterprise business of Motorola was sold to Zebra, Zebra has recruited more resellers in Hong Kong causing the WiFi project competition becomes severe and operates on thinner profit margins. For the change of management control of Meru Networks, we will take a wait and see approach as we have no information on hand in respect of any sales strategy changes to be proposed by Fortinet in the coming months.

For the project services, the revenue was mainly generated from the structural cabling works for one of the telecommunication operators in Hong Kong. Besides civil and electrical works, the project service team is actively promoting its value add services. For example, the installation of a set of video wall at a university campus successfully during the Financial Year is a good job reference.

In last financial year, NSPS carried out certain project services in Hong Kong on behalf of a contractor and the amount overdue was approximately HK$2.4 million. The management of NSPS is closely monitoring the recovery of this amount and appropriate measures including but not limited to legal actions are being taken to facilitate subsequent settlement as soon as possible.

2. *Property Investment*

The rental income during the Financial Year was HK$1.4 million (2014: HK$1.5 million). The slight decrease in rental income was due to the fact that one of the Group's properties at Fanling, New Territories was re-possessed by the Group for godown purpose during the Financial Year. Besides, the downward adjustment of rental amount upon the renewal of the Beijing office in December 2014 also contributed to the dropped in revenue. All the Group's investment properties were fully rented out as at 30 June 2015.

3. *Yacht Construction and Trading*

The building of the first yacht was in smooth progress and adhered to the original construction time table. The estimated completion date is around first quarter of 2017.

4. *Exploration and Evaluation of Mineral Resources*

The initial exploration at license number 13598X area was completed during the Financial Year and the exploration results warranted a second phase exploration. The second phase exploration covering license numbers 13598X and 12999X started in March 2015 and will last until October 2015. The drilling plan for second phase exploration consisted of drilling up to a total depth of 14,000 meters. Once the second phase exploration is completed, the detailed analysis of the data from drilling works will be commenced immediately to access the development potential.

During the Financial Year, the Group had determined 4 exploration licenses were lacking development potential and they were returned to the Mongolian government. All the costs related to these licenses of HK$1.8 million (2014: Nil) were written off in the Financial Year.

Financial Review

1. *Results Analysis*

   For the Financial Year, the Group's revenue dropped 1.2% to HK$22.0 million (2014: HK$22.3 million). Around 93.6% of the Group's total revenue was generated from the NSPS business segment (2014: 93.2%).

   The deterioration of the residential property market in Beijing accounted for the overall loss in fair value of HK$2.9 million in the Financial Year (2014: fair value gain of HK$0.2 million). The fair value of investment properties were revalued on market basis by comparison approach and/or investment approach, where appropriate, as at 30 June 2015 by an independent professionally qualified valuer.

   The surge in employee expenses was mainly due to (i) the recognition of share-based payments of HK$2.5 million over the vesting period in relation to share options granted to certain employees of the Group in June 2014; (ii) the Company granted a total of 20,000,000 share options to the directors and an employee of the Group and the related share-based payment were HK$7.6 million (2014: HK$7.8 million); and (iii) new employee expenses relating to the yacht building and minerals exploration businesses.

   The sharp increase in other expenses was mainly due to (i) the Company granted a total of 48,000,000 share options to several consultants of the Group during the Financial Year and the related share-based payment were HK$16.8 million and (ii) the increase in administrative expenses such as rental expenses of HK$5.3 million (2014: HK$1.5 million) for shipyard as well as new office premises for yacht building and minerals exploration business.

2. *Liquidity and Financial Resources*

   As at 30 June 2015, the capital and reserves attributable to the shareholders of the Company was HK$326.0 million (2014: HK$328.8 million).

   The details of utilization of net proceeds from two fund raising exercises in 2013 were as follows:

   (a) The net proceeds from the rights issue were approximately HK$67.6 million and intended to be applied for acquisition of assets and/or businesses should suitable opportunities become available. As at 30 June 2015, approximately HK$40.4 million was utilized for yacht construction and for contribution to the exploration and evaluation business in Mongolia; and

   (b) The net proceeds from the placement of the Company's new shares made in December 2013 were approximately HK$102.8 million and were intended to be applied for acquisition of assets and/or businesses should suitable opportunities become available. As at 30 June 2015, the net proceed had not been utilized.

   The Company has no present intention to change the intended use of these net proceeds.

As at 30 June 2015, the Group has no bank or other borrowings (2014: Nil). The Group has sufficient liquidity and financial resources to meet its daily operational requirements.

3. *Gearing*

The Group had no gearing as at 30 June 2015 (2014: Nil).

4. *Foreign Exchange*

The key operations of the Group are located in Hong Kong, the People's Republic of China and Mongolia. The Group's assets and liabilities are mainly denominated 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 arise.

5. *Contingent liabilities*

As at 30 June 2015, the Group did not have material contingent liabilities (2014: Nil).

Business Outlook & Development

By the end of the Financial Year, the orders on hand for NSPS were approximately HK$12.6 million. Among them, around 28% belongs to telecom and enterprise solutions, 16% belongs to maintenance contracts and 56% belongs to project services.

The market for WiFi system in Hong Kong for now is mature and saturated with severe competition, the traditional way of selling WiFi system earns very thin profit margin for NSPS. Our focus for the future will be offering value added solutions around wireless system which includes solutions for WiFi and Point to Point or Point to Multi-point wireless broadband system. For the WiFi system, we are studying and considering the mobile device management (MDM) solution as well as the mobile content management (MCM) solution as the value added solutions for our WiFi and Wireless Broadband system.

MDM is the administrative area dealing with deploying, securing, monitoring, integrating and managing mobile devices, such as smartphones, tablets and laptops, in the workplace or school campus. For the MCM, the objective is to ensure any users accessing the institution's computer server to have their data files being shared, edited or viewed are encrypted and will not be stored at any user's mobile device. We noted that the market for MDM and MCM is emerging and demands from large enterprise are kept on increasing. We shall pay more focus on promoting these two solutions in future.

In the near future, we shall include video surveillance system with our point to point and point to multipoint wireless broadband system as a total surveillance solution. There are many real-life business cases in other countries by employing wireless systems for surveillance purpose. We will try to replicate these successful cases locally.

NSPS entered a cellular site installation contract with a mobile telecom operator in March 2015. Since then, this mobile telecom operator has placed contract order of approximately HK$7.0 million to us. We foresee the revenue amount will be increased for project services. In order to diversify the revenue income of project services, we have employed a sales staff to explore more business opportunities in the areas relating to data center, computer server room, structural cabling etc. The objective is to make use of our skill set and expertise to expand the client base.

With the existing projects and maintenance contracts on hand together with several potential projects under discussion, we are cautiously optimistic on the business of NSPS.

On 11 August 2015, the Company entered into a subscription agreement (the "**P&P Subscription Agreement**") with (a) Philosophy Quantum Investment Co. Limited ("**PQ Investment**"); and (b) the People's Insurance Company (Group) of China Limited ("**PICC**") as subscribers of new shares of the Company to be issued and allotted; and (c) Mr. Lo Lin Shing, Simon, an executive director and controlling shareholder of the Company, as indemnifier. PQ Investment is a company currently wholly-owned by Qifei International Development Co. Limited ("**Qifei**") which is a wholly-owned subsidiary of Qihoo 360 Technology Co. Limited whose American depository shares are listed in The New York Stock Exchange. PQ Investment, subject to obtaining requisite approvals in the PRC, will be owned as to 50% by PICC Property and Casualty Company Limited ("**PICC P&C**") and 50% by Qifei prior to completion of the P&P Subscription Agreement. PICC P&C and PICC are companies whose shares are listed on the main board of the Hong Kong Stock Exchange. PQ Investment and PICC are third parties independent of and not connected with the Company. Under the P&P Subscription Agreement, PQ Investment has conditionally agreed to subscribe an aggregate 5,795,000,000 new shares of the Company and PICC has conditionally agreed to subscribe an aggregate 855,000,000 new shares of the Company by way of two tranches, at the subscription price of HK$0.18 each. On the same day, the Company also entered into another subscription agreement (the "**PC Subscription Agreement**") with Pearl Charm Investments Limited ("**Pearl Charm**") (a company wholly-owned by Mr. Hui Yee Wilson, a third party independent of and not connected with the Company), pursuant to which Pearl Charm has conditionally agreed to subscribe 150,000,000 new shares of the Company at the subscription price of HK$0.18. As part of the subscription transactions, the Board proposes to distribute the Company's entire 51% interest in its non-wholly-owned subsidiary which indirectly holds several mineral exploration licenses in the southern and western parts of Mongolia, in specie to all the shareholders (the "**Distribution In Specie**").

The aggregate gross proceeds of the subscriptions pursuant to the P&P Subscription Agreement and the PC Subscription Agreement are approximately HK$1,224 million. The P&P Subscription Agreement, PC Subscription Agreement and Distribution In Specie are subject to fulfillments of certain conditions and therefore, have not been completed as at the date when these financial statements are approved for issue by the Directors.

HUMAN RESOURCES

As at 30 June 2015, the Group had employed 29 full-time employees (2014: 22). 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 scheme, 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 Financial 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 recognizes the importance of maintaining a high standard of corporate governance practices to protect and enhance the benefits of the shareholders. The Board and the management of the Company have collective responsibility to maintain the interest of the shareholders and to enhance their values. They also believe good corporate governance practices can facilitate rapid growth of a company under a healthy governance structure and strengthen the confidence of shareholders and investors.

During the Financial Year, the Company had applied the principles of and complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), save for the following deviations:

i. Code provision A.2.1 of the CG Code 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 which constitutes a deviation from the code provision A.4.1 of the CG Code. However, they are subject to retirement by rotation in accordance with the provisions of the Articles of Association (the "**Articles**") of the Company. Therefore, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those of the CG Code.

iii. Code provisions A.5.1 to A.5.4 of the CG Code require a nomination committee to be set up, chaired by the chairman of the board or an independent non-executive director to review the structure, size and composition of the board at least annually to complement the issuer's corporate strategy.

The Company has not set up a nomination committee as required. The Board considers that it should be the responsibility of the full Board to review these matters and make decisions from time to time. The Board has already set out the criteria for selection of a director under its internal policy. According to Articles of the Company, any newly appointed Directors are required to offer themselves for re-election at the next general meeting. Furthermore, the Director re-election process participating by the shareholders in the annual general meeting (the "**AGM**") and the rights of shareholders to nominate a Director both ensure a right candidate to be selected to serve the Board effectively.

iv. Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the AGM of the Company.

Due to another business engagement, the chairman of the Board did not attend the 2014 AGM. An executive Director had chaired the 2014 AGM and answered shareholders' questions (if any). The AGM of the Company provides a channel for communication between the Board and the shareholders. The chairman of the Audit and Remuneration committees of the Company was also present and available to answer questions at the 2014 AGM.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code for Securities Transactions by the Directors (the "**Code**") and Written Guidelines for Securities Transactions by Employees of the Group (the "**Employees' Guidelines**") who are likely to be in possession of unpublished inside information, which are on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules (the "**Model Code**").

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

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

The Company Secretary will send reminders prior to the commencement of such period to all Directors and relevant employees.

Having made specific enquiry by the Company, all Directors have confirmed in writing that they have complied with the required standards set out in the Model Code and the Code throughout the Financial Year.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three independent non-executive Directors. Mr. Lau Wai Piu is the chairman of the Audit Committee. He has appropriate professional qualifications, accounting and related financial management expertise.

Composition of Audit Committee:

Mr. Lau Wai Piu *(chairman of the Audit Committee)*
Mr. Tsui Hing Chuen, William *JP*
Mr. Lee Kee Wai, Frank

The Audit Committee has reviewed the consolidated financial statements for the Financial Year of the Group.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.visionvalues.com.hk) respectively. The annual report of the Company for the Financial Year containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course.

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

Hong Kong, 16 September 2015

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, William JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank.