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## **VISION VALUES HOLDINGS LIMITED**

### **遠見控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 862)**

## **UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2022**

This announcement is made by Vision Values Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.49(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the Company’s announcements dated 13 September 2022 and 14 September 2022 (the “**Announcements**”) in relation to, among other things, the delay in publication of the Company’s audited financial results for the year ended 30 June 2022. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning ascribed to them in the Announcements.

## **UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2022**

In order to keep the Shareholders and the public informed of the Group’s business operation and financial position, the Board would like to provide the preliminary unaudited consolidated financial information of the Group for the year ended 30 June 2022 (the “**Financial Year**”) together with comparative figures for the year ended 30 June 2021 (the “**Unaudited Financial Information**”).

# **UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended 30 June 2022*

		<b>Year ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
			<b>(Restated)</b>
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Continuing operations</b>			
Revenue	3	127,122	55,120
Other gains, net	5	883	2,651
Changes in inventories of finished goods and work in progress		(2,877)	(2,868)
Subcontracting fees for project services		(3,600)	(13,484)
Direct operating costs for private jet management services		(17,109)	(17,182)
Direct operating costs for logistics services		(72,606)	–
Fair value gains/(losses) on investment properties	11	4,320	(24,870)
Employee benefit expenses		(37,248)	(29,151)
Depreciation		(2,681)	(2,546)
Other expenses	7	(24,327)	(16,696)
Operating loss		(28,123)	(49,026)
Finance income	6	252	4
Finance costs	6	(2,444)	(1,804)
<b>Loss before income tax from continuing operations</b>		<b>(30,315)</b>	<b>(50,826)</b>
Income tax expense	8	(1,835)	(296)
<b>Loss for the year from continuing operations</b>		<b>(32,150)</b>	<b>(51,122)</b>
<b>Loss for the year from discontinued operation</b>	9	<b>(5,373)</b>	<b>(19,798)</b>
<b>Loss for the year</b>		<b>(37,523)</b>	<b>(70,920)</b>

		<b>Year ended 30 June</b>	
		<b>2022</b>	2021
			(Restated)
<i>Note</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Loss is attributable to:</b>			
	<b>Owners of the Company</b>	<b>(37,546)</b>	(68,934)
	<b>Non-controlling interests</b>	<b>23</b>	(1,986)
		<u>                    </u>	<u>                    </u>
		<b>(37,523)</b>	(70,920)
		<u>                    </u>	<u>                    </u>
<b>Loss per share attributable to owners</b>			
	<b>of the Company for the year (HK cents)</b>		
<b>Basic and diluted loss per share:</b>			
	<b>From continuing operations</b>	<b>(0.82)</b>	(1.25)
	<b>From discontinued operation</b>	<b>(0.14)</b>	(0.51)
		<u>                    </u>	<u>                    </u>
		<b>(0.96)</b>	(1.76)
		<u>                    </u>	<u>                    </u>

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# UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June	
	2022	2021
	HK\$'000	(Restated) HK\$'000
Loss for the year	(37,523)	(70,920)
<b>Other comprehensive (loss)/income</b>		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences		
From continuing operations	(1,831)	3,385
From discontinued operation	—	—
Total comprehensive loss for the year	<u>(39,354)</u>	<u>(67,535)</u>
<b>Total comprehensive loss is attributable to:</b>		
Owners of the Company	(39,086)	(65,549)
Non-controlling interests	<u>(268)</u>	<u>(1,986)</u>
Total comprehensive loss for the year	<u>(39,354)</u>	<u>(67,535)</u>
<b>Total comprehensive loss for the year</b>		
<b>attributable to owners of the Company arises from:</b>		
Continuing operations	(33,713)	(45,751)
Discontinued operation	<u>(5,373)</u>	<u>(19,798)</u>
	<u>(39,086)</u>	<u>(65,549)</u>

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June	
		2022	2021
	Note	HK\$'000	HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		24,391	6,216
Right-of-use assets		1,494	2,408
Investment properties	11	282,789	279,570
Exploration and evaluation assets	12	75,228	69,268
Rental deposit		59	192
		<u>383,961</u>	<u>357,654</u>
<b>Current assets</b>			
Inventories	13	1,039	93,584
Trade and bills receivables	14	46,013	4,515
Prepayments, deposits and other receivables		15,736	7,218
Contract assets	14	8,411	2,949
Cash and cash equivalents		22,893	30,819
		<u>94,092</u>	<u>139,085</u>
<b>Total assets</b>		<u><b>478,053</b></u>	<u><b>496,739</b></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		39,242	39,242
Other reserves		482,716	493,001
Accumulated losses		(251,104)	(232,963)
		<u>270,854</u>	<u>299,280</u>
Non-controlling interests		58,474	35,662
<b>Total equity</b>		<u><b>329,328</b></u>	<u><b>334,942</b></u>

	<i>Note</i>	<b>As at 30 June</b>	
		<b>2022</b>	2021
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<b>2,859</b>	3,200
Lease liabilities		<b>307</b>	1,046
Advances from a Director		<b>–</b>	29,124
		<b>3,166</b>	33,370
<b>Current liabilities</b>			
Trade payables	15	<b>5,489</b>	3,594
Accrued charges and other payables		<b>38,202</b>	49,564
Contract liabilities		<b>6,613</b>	3,395
Bank borrowings	16	<b>87,305</b>	68,000
Lease liabilities		<b>1,246</b>	1,398
Advances from a Director		<b>3,009</b>	–
Tax payable		<b>3,695</b>	2,476
		<b>145,559</b>	128,427
<b>Total liabilities</b>		<b>148,725</b>	161,797
<b>Total equity and liabilities</b>		<b>478,053</b>	496,739
<b>Net current (liabilities)/assets</b>		<b>(51,467)</b>	10,658

## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap.622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are stated at fair value.

On 29 October 2021, the Group entered into a sale and purchase agreement with Cambo Management Limited to dispose of the Group’s yacht inventory at a consideration of HK\$92,120,000. The transaction was completed on 12 January 2022. After the transaction, the Group discontinued its yacht building business and the results of the yacht building business were reported as a discontinued operation.

Accordingly, the financial results of the yacht building business are presented in the consolidated income statement and consolidated statement of cash flows as “Discontinued Operation” in accordance with IFRS 5 “Non-current Assets Held for Sales and Discontinued Operations”. Comparative figures for 2021 have also been restated.

#### Going concern basis

During the year ended 30 June 2022, the Group recorded a loss of HK\$37,523,000 (2021: HK\$70,920,000). As at 30 June 2022, the Group’s current liabilities exceeded its current assets by HK\$51,467,000 (2021: current assets exceeded its current liabilities by HK\$10,658,000). The Group turned into net current liabilities position is mainly attributable to a non-current loan from a Director, Mr. Lo Lin Shing, Simon (“**Mr. Lo**”), of HK\$27,000,000 was settled and net cash outflow from investing activities for the current year.

The Group’s business has been negatively impacted by the weak market sentiment amidst the Coronavirus Disease 2019 (“**COVID-19**”) pandemic during the year ended 30 June 2022.

For network solutions and project services business, the revenue dropped significantly to HK\$9,090,000 (2021: HK\$20,171,000) as some of existing projects were unavoidably delayed and the sales activities were also affected by impact of the COVID-19 pandemic.

Private jet management services business is still facing various challenges in running its management business as Hong Kong is still maintaining a relatively tight travel restriction since 2020.

For minerals exploration business, it was still under the exploration and no revenue was generated for the year ended 30 June 2022.

The Group commenced the new logistics services business since January 2022 in order to improve the operating results. It contributed approximately of HK\$83,280,000 of revenue, which is around 65.5% of the Group’s revenue, and HK\$10,086,000 of segment result for the year ended 30 June 2022. However, the logistics business was just operated for about half a year, it did not generate a significant cash inflow from its operation for year ended 30 June 2022.

All of the above conditions indicate the existence of material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the “**Directors**”) have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Directors have reviewed a cash flow projection of the Group prepared by management covering a period of not less than twelve months from 30 June 2022 taking into consideration the following plans and measures:

- (a) As at 30 June 2022, the Group had aggregated a revolving standby facility from Mr Lo (the “**Director’s Facility**”) totaling HK\$140,000,000 of which unutilised facilities amounted to HK\$137,000,000. Subsequent to year end, the Group has extended the maturity date of the Director’s Facility to 30 June 2024.

The Director’s Facility is available to be drawn by the Group to finance its operations. Mr. Lo has confirmed he does not have any intention to withdraw the facility during the next twelve months.

- (b) On 22 July 2022, the bank term loan of HK\$68,000,000, which was secured by investment properties with carrying amount of HK\$128,780,000, was fully settled by the Director’s Facility. The release of security is currently under legal processing and the management expects it will be completed in October 2022.

After settling the bank term loan and apart from bank borrowing derived from bills arrangement, the Group has no other material bank borrowings.

After the arrangement of (a) and (b) above, the Group had turned into net current asset position since late July 2022.

- (c) Apart from the investment properties mentioned above, the Group possessed other investment properties with carrying amount of HK\$154,000,000, which were not secured for any additional bank borrowings. Management is currently negotiating with the Group’s principal banks to obtain bank financing with the investment properties.
- (d) The Group continued its efforts by focusing on the development of its logistics business in order to improve the operating results and strengthen its working capital position. The Group expects the logistics business will generate net cash inflow from its operation in the coming year.

The Directors have, after due consideration of the basis of management’s plans and measures as well as the reasonable possible downside changes to the cash flow projections, are confident that the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 30 June 2022. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.



## 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.

### Changes in accounting policy and disclosures

#### (a) Amendments to existing standards and conceptual framework adopted by the Group

The following amendments to existing standards and conceptual framework are mandatory for the first time for the financial year beginning 1 July 2021 and have been adopted in the preparation of the consolidated financial statements.

Amendments to HKFRS 16	COVID-19-related rent concessions
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest rate benchmark reform – phase 2
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 2021

The adoption of these amendments to existing standards and conceptual framework did not have any significant change on the Group's accounting policies or any significant impact on the consolidated financial statements of the Group.

#### (b) New standards, amendments to existing standards and interpretation that are not effective and have not been early adopted by the Group

The following new accounting standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning on 1 July 2021 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Annual Improvements Project (Amendments)	Annual Improvements to HKFRSs 2018–2020	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination	1 January 2022
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HKFRS 17 (Amendments)	Amendment to HKFRS 17	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
HKAS 8 (Amendment)	Definition of Accounting Estimates	1 January 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sales or Contribution of Assets between an Investor and its Associates or Joint Ventures	To be determined

None of the above new standards, amendments to existing standards and interpretation is expected to have a significant impact on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

### 3. REVENUE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Continuing operations</b>		
Private jet management services income	28,431	28,277
Network solutions and project services fee	9,090	20,171
Rental income	6,321	6,672
Logistics services income	83,280	–
	<u>127,122</u>	<u>55,120</u>

Revenue of HK\$3,395,000 was recognised for the year ended 30 June 2022 (2021: HK\$4,599,000) related to carried-forward contract liabilities.

### 4. SEGMENT INFORMATION

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

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.

On 29 October 2021, the Group entered into a sale and purchase agreement with Cambo Management Limited to dispose of the Group's yacht inventory. After completion of the transaction, the yacht building business which gave rise to the revenue in this segment was disposed. Directors considered the potential market of yacht building became uncertain in the foreseeable future and therefore, this business was regarded as discontinued operation during the year ended 30 June 2022.

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 2022

	Continuing operations					Discontinued operation	
	Network solutions and project services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Minerals exploration <i>HK\$'000</i>	Private jet management services <i>HK\$'000</i>	Logistics services <i>HK\$'000</i>	Yacht building <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	9,090	6,321	–	28,431	83,280	92,120	219,242
Segment results	2,196	5,134	–	11,321	10,086	–	28,737
Depreciation	(310)	–	(208)	(1,542)	(224)	–	(2,284)
Fair value gains on investment properties	–	4,320	–	–	–	–	4,320
Impairment loss on inventories	–	–	–	–	–	(599)	(599)
Unallocated expenses ( <i>Note a</i> )							(63,670)
Finance costs							(2,444)
Finance income							252
Loss before income tax							(35,688)
Other segment information							
– Capital expenditure ( <i>Note b</i> )	–	–	5,996	–	19,289	–	25,285
– Unallocated capital expenditure							2
							25,287

## The segment revenue and results for the year ended 30 June 2021

	Continuing operations				Discontinued operation	
	Network solutions and project services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Minerals exploration <i>HK\$'000</i>	Private jet management services <i>HK\$'000</i>	Yacht building <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	20,171	6,672	–	28,277	–	55,120
Segment results	3,363	5,472	–	11,095	–	19,930
Depreciation	(332)	–	(203)	(1,633)	(1)	(2,169)
Fair value losses on investment properties	–	(24,870)	–	–	–	(24,870)
Impairment loss on inventories	–	–	–	–	(14,125)	(14,125)
Unallocated expenses ( <i>Note a</i> )						(47,590)
Finance costs						(1,804)
Finance income						4
Loss before income tax						(70,624)
Other segment information						
– Capital expenditure ( <i>Note b</i> )	–	–	15,507	–	–	15,507
– Unallocated capital expenditure						466
						15,973

Notes:

- (a) Unallocated expenses mainly include unallocated employee benefit expenses, legal and professional fees and reimbursement of sharing of administrative services incurred at corporate level.
- (b) This relates to additions to property, plant and equipment and exploration and evaluation assets.

## Segment Assets

As at 30 June 2022

	Continuing operations					Total HK\$'000
	Network solutions and project services HK\$'000	Property investment HK\$'000	Minerals exploration HK\$'000	Private jet management services HK\$'000	Logistics services HK\$'000	
Total segment assets	6,647	283,267	75,859	7,219	73,434	446,426
Unallocated						
– Cash and cash equivalents						22,893
– Other unallocated assets						8,734
Consolidated total assets						478,053

As at 30 June 2021

	Continuing operations				Discontinued operation	Total HK\$'000
	Network solutions and project services HK\$'000	Property investment HK\$'000	Minerals exploration HK\$'000	Private jet management services HK\$'000	Yacht building HK\$'000	
Total segment assets	4,185	279,873	70,065	7,021	95,900	457,044
Unallocated						
– Cash and cash equivalents						30,819
– Other unallocated assets						8,876
Consolidated total assets						496,739

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

Hong Kong	: Network solutions and project services, property investment, yacht building (discontinued during the year) and private jet management services
Mainland China	: Property investment and logistics services
Mongolia	: Mineral exploration

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

	Non-current assets		Revenue	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	247,883	243,629	134,779	53,993
Mainland China	60,305	44,040	84,463	1,127
Mongolia	75,773	69,985	–	–
	<u>383,961</u>	<u>357,654</u>	<u>219,242</u>	<u>55,120</u>

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\$76,347,000 (2021: HK\$42,398,000) is derived from four (2021: four) largest customers who accounted for 10% or more of the Group's revenue. The revenue is attributable to the segment of logistics services in Mainland China and private jet management services in Hong Kong.

## 5. OTHER GAINS, NET

	2022	2021
	HK\$'000	(Restated) HK\$'000
<b>Continuing operations</b>		
Government grants ( <i>Note</i> )	248	1,628
Sundry income	<u>635</u>	<u>1,023</u>
	<u>883</u>	<u>2,651</u>

*Note:* Government grants mainly represents benefits received from the HKSAR Government under COVID-19 related employment support schemes ("ESS"). The Group has complied all attached conditions before 30 June 2022 and recognised in the consolidated statement of profit or loss.

## 6. FINANCE INCOME AND COST

	2022	2021
	HK\$'000	(Restated) HK\$'000
<b>Continuing operations</b>		
Finance income		
– Bank interest income	<u>252</u>	<u>4</u>
Finance costs		
– Interest expense on bank loans	(1,244)	(1,300)
– Interest expense on advances from a Director	(1,093)	(448)
– Interest expenses on lease liabilities	<u>(107)</u>	<u>(56)</u>
	<u>(2,444)</u>	<u>(1,804)</u>

## 7. OTHER EXPENSES

Other expenses included the followings:

	2022 <i>HK\$'000</i>	2021 (Restated) <i>HK\$'000</i>
<b>Continuing operations</b>		
Auditor's remuneration		
– Audit services	1,600	1,387
– Non-audit services	27	26
Direct operating expenses from investment properties that generate rental income	1,187	1,199
Exchange losses – net	798	380
Operating lease rentals for short-term leases	1,141	544
Legal and professional fee	4,576	3,109
Insurance	387	357
Reimbursement of sharing of administrative services	6,990	7,293
Share-based payment (excluding directors and employees)	3,448	–

## 8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits 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.

	2022 <i>HK\$'000</i>	2021 (Restated) <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	115	47
– PRC corporate income tax	2,061	–
Deferred income tax		
– Origination of temporary differences	(341)	249
Total income tax expense	1,835	296
Income tax expense attributable to:		
Loss from continuing operations	1,835	296
Loss from discontinued operation	–	–
	1,835	296

## 9. DISCONTINUED OPERATION

The Group discontinued its yacht building business during the year after Silver Value Global Limited, a subsidiary of the Company, entered into a conditional sale and purchase agreement to dispose of the finished yacht to a connected party of the Company at a consideration of approximately HK\$92.1 million (the “**Disposal Transaction**”). The results of the yacht building business were reported as discontinued operation. The Disposal Transaction was approved by shareholders of the Company on 10 January 2022 and was completed on 12 January 2022.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	92,120	–
Other income	32	475
Expenses		
Cost of inventory	(92,120)	–
Depreciation of property, plant and equipment	–	(1)
Operating lease charges	(536)	(1,116)
Impairment on yacht inventory	(599)	(14,125)
Other expenses	(4,270)	(5,031)
	<hr/>	<hr/>
Operating loss from discontinued operation	(5,373)	(19,798)
Income tax expenses	–	–
	<hr/>	<hr/>
Total comprehensive loss from discontinued operation	<u>(5,373)</u>	<u>(19,798)</u>
Net cash outflow from operating activities	(34)	(132)
Net cash outflow from investing activities	–	–
Net cash outflow from financing activities	–	–
	<hr/>	<hr/>
Net cash used in discontinued operation	<u>(34)</u>	<u>(132)</u>

## 10. LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2022	2021 (Restated)
Loss attributable to owners of the Company ( <i>HK\$'000</i> )		
Continuing operations	(32,173)	(49,136)
Discontinued operation	(5,373)	(19,798)
	<u>(37,546)</u>	<u>(68,934)</u>
Weighted average number of ordinary shares in issue ( <i>in thousands</i> )	<u>3,924,190</u>	<u>3,924,190</u>
Basic loss per ordinary share ( <i>HK cents</i> )		
Continuing operations	(0.82)	(1.25)
Discontinued operation	(0.14)	(0.51)
Total basic loss per share attributable to the ordinary equity holders of the Company	<u>(0.96)</u>	<u>(1.76)</u>

### (b) Diluted

The calculation of the diluted loss per share for the years ended 30 June 2022 and 2021 is based on the loss for the year attributable to equity holders of the Company, adjusted to assume exercise of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share option. The weighted average number of ordinary shares used in the calculation is the weighted average number of the ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of share option.

During the years ended 30 June 2022 and 2021, the share options granted by the Company were not assumed to be exercised as they would have anti-dilutive impact to the basic loss per share.

## 11. INVESTMENT PROPERTIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At beginning of the year	279,570	301,070
Net fair value gains/(losses) on revaluation of investment properties	4,320	(24,870)
Currency translation differences	(1,101)	3,370
At end of the year	<u>282,789</u>	<u>279,570</u>



## Amounts recognised in profit and loss for investment properties

	2022 HK\$'000	2021 HK\$'000
Rental income	6,321	6,672
Direct operating expenses from properties that generated rental income	(1,187)	(1,199)
Fair value gains/(losses) on investment properties	<u>4,320</u>	<u>(24,870)</u>

As at 30 June 2022 and 2021, the Group had no unprovided contractual obligations for future repairs and maintenance.

As at 30 June 2022 and 2021, bank borrowings are secured by investment properties in relation to an office premise and two car parking spaces located at Wan Chai.

The Group's investment properties were valued at 30 June 2022 by independent professionally qualified valuers, Eidea Professional Services Company Limited, who holds a recognised relevant professional qualification and has relevant experience in the locations and segments of the investment properties valued. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

## 12. EXPLORATION AND EVALUATION ASSETS

The Group owns a mineral mining licence in western part of Mongolia. Additions to the exploration and evaluation assets represent the geological and geophysical costs, drilling and exploration expenses directly attributable to exploration activities.

Movement of exploration and evaluation assets is as follows:

	2022 HK\$'000	2021 HK\$'000
At beginning of the year	69,268	53,785
Additions	<u>5,960</u>	<u>15,483</u>
At end of the year	<u>75,228</u>	<u>69,268</u>

*Note:*

In July 2020, a mining license was issued and granted for an initial period of 30 years to replace the exploration licence which was expired during the year ended 30 June 2021. The mining license can be extended for two successive periods of 20 years each.

## 13. INVENTORIES

	2022 HK\$'000	2021 HK\$'000
Raw materials	–	678
Work in progress	684	379
Finished goods ( <i>Note</i> )	<u>355</u>	<u>92,527</u>
	<u>1,039</u>	<u>93,584</u>

*Note:* As at 30 June 2021, management assessed the net realisable value of the yacht inventory, taking the latest market prices less selling expenses into consideration. Management engaged an independent professionally qualified valuer, Roma Appraisals Limited, to carry out valuation under market approach. The assessed net realisable value was below the carrying amount of the yacht inventory. Accordingly, an impairment of HK\$14.1 million was recognised in consolidated statement of profit or loss for the year ended 30 June 2021.

On 29 October 2021, the Group entered into a sale and purchase agreement with Cambo Management Limited, a connected party, to dispose of the Group's yacht inventory at a consideration of HK\$92,120,000. The transaction was completed on 12 January 2022.

The cost of inventories recognised as expense in the consolidated statement of profit or loss amounted to approximately HK\$2,877,000 (2021: HK\$2,868,000).

#### 14. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables		
– related parties	11,520	–
– third parties	15,188	4,515
Bills receivables	19,305	–
	<u>46,013</u>	<u>4,515</u>
Contract assets	<u>8,411</u>	<u>2,949</u>

The carrying amounts of the Group's trade and bills receivables and contract assets approximate their fair values.

The ageing analysis of trade and bills receivables based on invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 – 30 days	26,699	4,139
31 – 60 days	3,519	288
61 – 90 days	1,170	15
Over 90 days	14,625	73
	<u>46,013</u>	<u>4,515</u>

All trade receivables are either repayable within one year or on demand. The Group generally grants credit terms of 30 to 90 days to its customers. The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables.

The maturity of the bills receivables is within 1 year.

In the opinion of the Directors, the loss allowance for trade and bills receivables as at 30 June 2022 and 2021 was insignificant.

## 15. TRADE PAYABLES

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

	2022 HK\$'000	2021 HK\$'000
0 – 30 days	2,654	1,748
31 – 60 days	1,885	498
61 – 90 days	2	–
91 – 180 days	948	1,348
	<u>5,489</u>	<u>3,594</u>

The carrying amounts of the Group's trade payables approximate their fair values.

## 16. BANK BORROWINGS

	2022 HK\$'000	2021 HK\$'000
Secured		
– Bank term loan – within 1 year	68,000	68,000
– Bank other loans – within 1 year	19,305	–
	<u>87,305</u>	<u>68,000</u>

As at 30 June 2022 and 2021, the Group's borrowings contain a repayable demand clause and are repayable based on the scheduled date are as follows:

	2022 HK\$'000	2021 HK\$'000
Within one year	87,305	–
Between one and two years	–	68,000
	<u>87,305</u>	<u>68,000</u>

The Group has aggregate bank facilities of approximately HK\$68,000,000 (2021: HK\$68,000,000) for loans, which are secured by corporate guarantees provided by the Company and certain of its subsidiaries (2021: Same). There were no unused facilities as at 30 June 2022 and 2021.

As at 30 June 2022 and 2021, the Group's investment properties in relation to an office premise and two car parking spaces located at Wan Chai with carrying amounts of HK\$128,780,000 (2021: HK\$123,600,000) were pledged as security for the Group's bank borrowings.

In addition to the above, the Group is required to comply with certain restrictive covenants imposed by the bank.

The bank term loan was matured and had been fully settled by the Director's Facility on 22 July 2022. The related secured properties were in the legal process of releasing up to the date of announcement.

The secured bank borrowing was at floating interest rates, its interest rate is charged at 1.5% per annum over Hong Kong Interbank Offered Rate or 0.5% per annum over cost of fund of the bank, whichever is higher.

The other bank loans were secured by bill receivables of HK\$19,305,000 with terms of recourse and bear interest at rates ranging from 1.7% to 2.1% per annum.

## 17. CAPITAL COMMITMENTS

The total capital expenditure of exploration activities in Mongolia which was authorised by management of the Group but not contracted for as at 30 June 2022 amounted to HK\$9,153,000 (2021: Nil). Such capital expenditure of exploration activities were contributed by equity holders of the Mission Wealth Group on a pro-rata basis and the commitment of the Company amounts to HK\$4,668,000 (2021: Nil).

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

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Yacht building	–	525
Exploration activities	<u>2,892</u>	<u>–</u>
	<u><b>2,892</b></u>	<u><b>525</b></u>

The Company did not have any other capital expenditures contracted for at the end of the year but not yet incurred (2021: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

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

The revenue achieved by NSPS during the Financial Year was HK\$9.1 million (2021: HK\$20.2 million). A significant decrease of 54.9% from last corresponding year. A breakdown of the revenue from NSPS was as follows:

- (i) Telecom solutions was HK\$1.6 million (2021: HK\$1.7 million);
- (ii) Enterprise solutions was HK\$2.5 million (2021: HK\$2.4 million);
- (iii) Project services was HK\$4.1 million (2021: HK\$15.3 million); and
- (iv) System maintenance was HK\$0.9 million (2021: HK\$0.8 million).

Compared to the revenue of last corresponding year, the revenue during the Financial Year decreased by approximately HK\$11.1 million. The contributing factors to the significant dropped in revenue are (i) some of the exhibition halls at AsiaWorld-Expo (AWE) are being turned into temporary quarantine centers by the Hong Kong government, a 5G installation contract (the “**Project**”) for a Hong Kong mobile operator (the “**Mobile Operator**”) at AWE is unavoidably delayed. The original target completion time for the Project was in December 2021 but it is now extended indefinitely until the remaining 2 halls (Hall 3 and 6) are no longer required by the Hong Kong government. Part of the revenue from the Project was recognized in the Financial Year based on the percentage of completion method. The remaining revenue from this project will be recognized in future once the unfinished works are completed; (ii) NSPS is being enlisted by a Hong Kong telecom operator as its approved cellular site contractor in 2021 after it failed to renew an installation contract with the Mobile Operator. However, the volume of orders received from this new telecom operator was significantly lower when compared with the orders from the Mobile Operator in previous years. It was due to the keen competition against other approved contractors; and (iii) the impact of the COVID-19 pandemic which lasted for more than 2 years has seriously affected the entire Hong Kong economy. This leads to a serious drop in the sales activities of NSPS.

#### **2. Property Investment**

The policy of the Group’s investment properties is holding to earn rentals and/or for capital appreciation. The management will review the Group’s property portfolio from time to time to achieve this policy. The revenue for the Financial Year was HK\$6.3 million (2021: HK\$6.7 million). As at 30 June 2022, all the investment properties were renting out except for the commercial building at 17/F., Henan Building, Wan Chai, Hong Kong. According to the latest statistics published by the Rating and Valuation Department, the average rental during the Financial Year for Grade B offices in Wanchai and Central was dropped by around 5.5% and 4.8% respectively.

### **3. *Yacht Construction and Trading***

On 29 October 2021, the Group entered into an agreement to sell the initial yacht at a consideration of approximately HK\$92.1 million. The sale was officially completed on 12 January 2022. After the sale of the initial yacht, the Group halted the plan to construct and sale of yachts in future. Therefore, this segment is classified as discontinued operation in the consolidated financial statements.

### **4. *Exploration and Evaluation of Mineral Resources***

FVSP LLC (“**FVSP**”), a 51% owned indirect subsidiary, holds a mining license number MV-021621 with gold and other mineral resources in Mongolia covering approximately 7,120 hectares (the “**Zoolon Gold Project**”).

During the Financial Year, FVSP was focusing on regional exploration program with an aim to expand current resources and discover new deposits in the earlier defined target areas. The 2022 exploration plan was commenced in mid-March 2022. The actual field works will last for 5 months starting from May 2022. The 2022 exploration plan covers geological mapping, geophysical survey, exploratory trenching & drilling works and geological study. The entire budget for the 2022 exploration plan was approximately HK\$15.6 million.

### **5. *Private Jet Management Services (“PJM”)***

During the Financial Year, an aircraft management contract for a private jet was terminated in April 2022 due to the client disposed of his aircraft. Fortunately, the management of PJM signed a new aircraft management contract in June 2022. At the end of the Financial Year, PJM maintained three private jets (2021: three) under aircraft management contracts (“**AMC**”) and two aircrafts (2021: two) under ad hoc management contracts (“**AHC**”). The revenue for the Financial Year was HK\$28.4 million (2021: HK\$28.3 million). PJM is still facing various challenges in running its management business since Hong Kong is still maintaining a relatively tight travel restrictions when compared to the rest of the world.

### **6. *Logistics business***

During the Financial Year, the Group formed an indirect non-wholly owned subsidiary for the provision of minerals and resources transportation services mainly in Xinjiang, PRC (the “**Logistics Company**”). The Logistics Company is owned beneficially as to 60% by the Group and the remaining 40% by independent third parties.

Logistics Company commences commercial operations since January 2022. It immediately becomes the revenue driver of the Group. The business scope of the Logistics Company is covering drop and pull transport at Xinjiang border; gangue backfill and route transportation of clean coal and its by-products. The revenue for the Financial Year was HK\$83.3 million (2021: Nil).

The approximate volume handled during the Financial Year by type of services (rounded to thousand):

(1)	Drop and pull	187,000 tonnes
(2)	Gangue backfill	61,000 tonnes
(3)	Route transportation	410,000 tonnes

## **Financial Review**

### **1. Results Analysis**

#### *Revenue*

During the Financial Year, the Group's revenue increased to HK\$127.1 million (2021: HK\$55.1 million). Around 65.5% (2021: Nil) of the Group's revenue was generated from the logistics business, 22.4% (2021: 51.3%) from the private jet management services and 7.2% (2021: 36.6%) from the NSPS. The remaining revenue was generated from property investment.

#### *Fair value gain on investment properties*

The fair values of the Group's investment properties at the end of the Financial Year were valued by an independent qualified valuer. The net increase in carrying values consisted of (i) fair value gain on investment properties of HK\$4.3 million (2021: fair value loss of HK\$24.9 million) and (ii) loss on currency translation of HK\$1.1 million on our investment properties in China (2021: gain on currency translation of HK\$3.4 million). The Group's portfolio of commercial properties in Hong Kong accounted for the fair value gain on investment properties.

#### *Employee benefit expenses*

The increase in employee benefit expenses was mainly due to the share based payment expenses of HK\$7.5 million (2021: Nil) arising from the share options granted by the Company in April 2022.

#### *Other expenses*

The increase in other expenses was mainly due to (i) the increase of legal and professional fees related to the sale of a yacht to a connected person of the Company; (ii) one-off share based payment expense related to share options granted to consultants of the Company and (iii) the increase in administrative expenses on setting up of the JV.

#### *Finance costs*

For the Financial Year, finance costs were HK\$2.4 million (2021: HK\$1.8 million). The increase in finance costs was mainly due to the increase in borrowings.

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

In preparing the consolidated financial statements, the Directors have given careful consideration of the future liquidity of the Group. While recognizing that the Group incurred a loss of approximately HK\$37.5 million for the Financial Year and, as of 30 June 2022, the Group's current liabilities exceeded its current assets by approximately HK\$51.5 million, the Directors are of the opinion that the Group will be able to meet its financial obligations as they fall due for the foreseeable future given that Mr. Lo Lin Shing, Simon (“**Mr. Lo**”), being the Chairman and Director of the Company has provided a revolving standby facility to be matured on 30 June 2024 amounting to HK\$140.0 million (2021: HK\$50.0 million) by way of advances to the Company. The advances from Mr. Lo is unsecured and interest bearing at HK\$ prime rate per annum. As at 30 June 2022, advances from Mr. Lo amounted to HK\$3.0 million (2021: HK\$29.1 million) and he does not intend to demand immediate repayment of his advances to the Company.

The Group had a short-term revolving bank loan facility totaling HK\$68.0 million as at the end of the Financial Year (2021: HK\$68.0 million), all of which had been drawn and outstanding. The bank loan facility is secured by an office premise and two parking spaces under the Group's investment properties portfolio. The bank borrowing interest was charged at 1.5% per annum over Hong Kong Interbank Offered Rate or 0.5% per annum over cost of fund of the bank, whichever is higher (2021: Same).

## **3. *Gearing***

As at 30 June 2022, the gearing ratio of the Group was 18.9% (2021: 19.6%) which was calculated based on the Group's total borrowings to total assets.

## **4. *Foreign Exchange***

The Group's key operations are located in Hong Kong, China and Mongolia. 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 arise.

## **5. *Contingent Liabilities***

As at 30 June 2022, the Group did not have material contingent liabilities (2021: Nil).



## BUSINESS OUTLOOK AND DEVELOPMENT

The economic outlooks for the locations where the Group operates are not so promising. Hong Kong's economy moderately contracted by 1.3% year-on-year in real terms in the second quarter of 2022, after a decrease of 3.9% in the first quarter of 2022. Considering the worse-than-expected economic performance in the first half and the sharp deterioration of global economic prospects, the Hong Kong government's latest forecast on Hong Kong's real GDP growth for 2022 is between -0.5% to 0.5%. The World Bank has lowered Mongolia's gross domestic product growth forecast for 2022 to 2.5 percent to reflect the impact of the war in Ukraine through higher prices of imported food, fuel and fertilizers coupled with lingering border restrictions caused by the COVID-19 pandemic. China's zero-COVID policies are also crippling on its economic outlook.

As at 30 June 2022, the total amount of projects on hand for NSPS was approximately HK\$8.0 million. Among them, HK\$5.3 million was belonged to the project services, HK\$1.0 million was belonged to the solution sales, and HK\$1.7 million was belonged to the maintenance services.

The impacts of COVID-19 pandemic in Hong Kong and the war in Ukraine causing a disruption in supply chain coupled with high transportation and fuel prices. The business of NSPS is still affecting by these negative factors. NSPS is working hard to offer new business solutions such as micro-data-center and wireless alarm systems to the market. However, it needs more time to cultivate these new markets. The termination of the normal installation contract by the Mobile Operator in 2020 does not mean the termination of our business relationship. In coming financial year, the Mobile Operator granted a non-standard installation contract to NSPS in August 2022.

For the property investment and private jet management segments, their business performance will be improved upon the revival of economic growth in Hong Kong.

For the logistics business, the JV entered into a logistics services framework agreement and a supplemental agreement (the "**Agreements**") with Mongolia Energy Corporation Limited ("**MEC**") on 3 December 2021 and 31 March 2022 respectively. The annual revenue cap under the Agreements was RMB131.6 million covering the period from 1 April 2022 to 31 March 2023. The Agreements were conditional to the approval by the independent shareholders of MEC and the approval was sought on 20 May 2022. The Agreements covering three months in the Financial Year and nine months in the next financial year. We expect the business volume of the JV will be further increased after taking into account of the Agreements and the business growth from other non-MEC clients.

## EMOLUMENT POLICY

As at 30 June 2022, the Group had employed a total of 50 full-time employees (2021: 36) in Hong Kong. The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the Directors are reviewed and determined by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Group also offers appropriate training programs 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 recognises 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 the sustainable development of the Group. The Board also believes that good corporate governance practices can facilitate 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 C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer (“**CEO**”) should be separate 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. Code provision B.3 of the CG Code require a nomination committee to be set up.

The Company has set up a nomination committee on 30 December 2021. Before that, 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 the Articles, any newly appointed Directors shall hold office only until the next AGM and shall then be eligible for re-election at that meeting. Furthermore, the Director re-election process participating by the shareholders in the AGM and the rights of shareholders to nominate a Director both ensure a right candidate to be selected to serve the Board effectively.

- iii. Code provision F.2.2 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 2021 AGM. The chairman of the Audit and Remuneration committees of the Company had chaired the 2021 AGM and answered shareholders' questions. The AGM of the Company provides a channel for communication between the Board and the shareholders.

## COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code for Securities Transactions by the Directors (the “**Code**”), 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**”). The Code is sent to each Director on his/her initial appointment and from time to time when the same is amended or restated.

The Company has also established written guidelines on terms no less exacting than the Model Code (the “**Employees’ Guidelines**”) for securities transactions by relevant employees of the Group who are likely to be in possession of unpublished inside information of the Company. During the Financial Year, no incident of non-compliance with the Employees’ Guidelines by the employees was noted by the Company.

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.

## FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the Annual Results and the material differences, if any, as compared to the Unaudited Financial Information contained herein, and (ii) the proposed date on which the forthcoming annual general meeting will be held. The Company expects the auditing process will be completed and the annual results will be agreed with the Auditor in October 2022, subject to the development of the COVID-19 outbreak in Xinjiang where the Group has significant operation.

## AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three independent non-executive Directors, namely Mr. Lau Wai Piu, Mr. Tsui Hing Chuen, William *JP* and Mr. Lee Kee Wai, Frank. Mr. Lau Wai Piu is the chairman of the Audit Committee and has appropriate professional qualifications, accounting and related financial management expertise.

The Audit Committee has reviewed the Unaudited Financial Information.

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

Hong Kong, 30 September 2022

*As at the date of this announcement, the Board comprises eight Directors including Mr. Lo Lin Shing, Simon, Mr. Ho Hau Chong, Norman, Ms. Yvette Ong, Mr. Lo, Rex Cze Kei and Mr. Lo, Chris Cze Wai as executive Directors, Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank as independent non-executive Directors.*