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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)

## ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2023

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**”) for the year ended 30 June 2023 (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 2023

		Year ended 30 June	
		2023	2022
	Note	HK\$'000	HK\$'000
<b>Continuing operations</b>			
Revenue	3	400,723	127,122
Other gains, net	5	1,419	883
Changes in inventories of finished goods and work in progress		(1,896)	(2,877)
Subcontracting fees for project services		(8,455)	(3,600)
Direct operating costs for private jet management services		(17,633)	(17,109)
Direct operating costs for logistics services		(297,117)	(72,606)
Fair value gains on investment properties	11	3,784	4,320
Employee benefit expenses		(40,891)	(37,248)
Depreciation		(7,431)	(2,681)
Other expenses	7	(20,491)	(24,327)
Operating profit/(loss)		12,012	(28,123)
Finance income	6	413	252
Finance costs	6	(7,291)	(2,444)

		<b>Year ended 30 June</b>	
		<b>2023</b>	2022
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit/(loss) before income tax from continuing operations</b>		<b>5,134</b>	(30,315)
Income tax expense	8	<u>(4,745)</u>	<u>(1,835)</u>
Profit/(loss) for the year from continuing operations		<b>389</b>	(32,150)
Loss for the year from discontinued operation	9	<u>–</u>	<u>(5,373)</u>
<b>Profit/(loss) for the year</b>		<u><b>389</b></u>	<u>(37,523)</u>
<b>Profit/(loss) is attributable to:</b>			
Owners of the Company		<b>(10,029)</b>	(37,546)
Non-controlling interests		<u><b>10,418</b></u>	<u>23</u>
		<u><b>389</b></u>	<u>(37,523)</u>
<b>Loss per share attributable to owners of the Company for the year (HK cents)</b>			
Basic and diluted loss per share:	10		
From continuing operations		<b>(0.26)</b>	(0.82)
From discontinued operation		<u>–</u>	<u>(0.14)</u>
		<u><b>(0.26)</b></u>	<u>(0.96)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit/(loss) for the year	389	(37,523)
<b>Other comprehensive loss</b>		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences from continuing operations	<u>(9,326)</u>	<u>(1,831)</u>
Total comprehensive loss for the year	<u><b>(8,937)</b></u>	<u>(39,354)</u>
<b>Total comprehensive loss is attributable to:</b>		
Owners of the Company	(19,355)	(39,377)
Non-controlling interests	<u>10,418</u>	<u>23</u>
<b>Total comprehensive loss for the year</b>	<u><b>(8,937)</b></u>	<u>(39,354)</u>
<b>Total comprehensive loss for the period attributable to owners of the Company arises from:</b>		
Continuing operations	(19,355)	(34,004)
Discontinued operation	<u>–</u>	<u>(5,373)</u>
	<u><b>(19,355)</b></u>	<u>(39,377)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June	
	Note	2023 HK\$'000	2022 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		18,441	24,391
Right-of-use assets		3,341	1,494
Investment properties	11	283,450	282,789
Exploration and evaluation assets	12	82,995	75,228
Rental deposit		231	59
		388,458	383,961
<b>Current assets</b>			
Inventories	13	1,023	1,039
Trade and bills receivables	14	194,492	46,013
Prepayments, deposits and other receivables		9,880	15,736
Contract assets	14	15,563	8,411
Cash and cash equivalents		24,193	22,893
		245,151	94,092
<b>Total assets</b>		633,609	478,053
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		39,242	39,242
Other reserves		467,823	482,716
Accumulated losses		(255,566)	(251,104)
		251,499	270,854
<b>Non-controlling interests</b>		74,701	58,474
<b>Total equity</b>		326,200	329,328

		<b>As at 30 June</b>	
		<b>2023</b>	2022
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		2,781	2,859
Lease liabilities		1,299	307
Loan from a director		102,695	–
		<u>106,775</u>	<u>3,166</u>
<b>Current liabilities</b>			
Trade payables	15	6,284	5,489
Accrued charges and other payables		43,751	38,202
Contract liabilities		7,778	6,613
Borrowings	16	137,641	87,305
Lease liabilities		1,907	1,246
Loan from a director		–	3,009
Tax payable		3,273	3,695
		<u>200,634</u>	<u>145,559</u>
<b>Total liabilities</b>		<u>307,409</u>	<u>148,725</u>
<b>Total equity and liabilities</b>		<u>633,609</u>	<u>478,053</u>
<b>Net current assets/(liabilities)</b>		<u>44,517</u>	<u>(51,467)</u>

## NOTES TO THE 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.

### 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 policies 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 2022 and have been adopted in the preparation of the consolidated financial statements.

Annual Improvements Project (Amendments)	Annual Improvements to HKFRS Standards 2018–2020
HKFRS 3, HKAS 16 and HKAS 37 (Amendments)	Narrow-scope Amendments
HKFRS 16 (Amendments)	Covid-19-related Rent Concessions beyond 2021
AG 5 (Revised)	Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations

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 2023 and have not been early adopted by the Group:

		<b>Effective for annual periods beginning on or after</b>
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 July 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 July 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 July 2023
HKFRS 17	Insurance Contracts	1 July 2023
HKFRS 17 (Amendments)	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information	1 July 2023
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 July 2024
Hong Kong Int 5 (2020) (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 July 2024
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 July 2024
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:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Continuing operations</b>		
Logistics services income	<b>352,125</b>	83,280
Private jet management services income	<b>29,120</b>	28,431
Network solutions and project services fee	<b>13,401</b>	9,090
Rental income	<b>6,077</b>	6,321
	<b>400,723</b>	127,122

Revenue of HK\$6,613,000 was recognised for the year ended 30 June 2023 (2022: HK\$3,395,000) 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) minerals exploration; (iv) private jet management services and (v) 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.

The yacht building segment was classified under the 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 2023

	Continuing operations					Total HK\$'000
	Logistics services HK\$'000	Network solutions and project services HK\$'000	Property investment HK\$'000	Minerals exploration HK\$'000	Private jet management services HK\$'000	
Segment revenue	<u>352,125</u>	<u>13,401</u>	<u>6,077</u>	<u>–</u>	<u>29,120</u>	<u>400,723</u>
Segment results	<u>43,974</u>	<u>2,485</u>	<u>4,981</u>	<u>–</u>	<u>11,488</u>	<u>62,928</u>
Depreciation	(4,976)	(292)	–	(293)	(1,473)	(7,034)
Fair value gains on investment properties	–	–	3,784	–	–	3,784
Unallocated expenses (Note a)						(47,666)
Finance costs						(7,291)
Finance income						<u>413</u>
Profit before income tax						<u>5,134</u>
Other segment information						
– Capital expenditure (Note b)	851	–	–	7,767	30	8,648
– Unallocated capital expenditure						<u>54</u>
						<u>8,702</u>

The segment revenue and results for the year ended 30 June 2022

	Continuing operations					Discontinued operation	Total HK\$'000
	Logistics services 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	
Segment revenue	<u>83,280</u>	<u>9,090</u>	<u>6,321</u>	<u>–</u>	<u>28,431</u>	<u>92,120</u>	<u>219,242</u>
Segment results	<u>10,085</u>	<u>2,196</u>	<u>5,134</u>	<u>–</u>	<u>11,322</u>	<u>–</u>	<u>28,737</u>
Depreciation	(224)	(310)	–	(208)	(1,542)	–	(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							<u>(35,688)</u>
Other segment information							
– Capital expenditure ( <i>Note b</i> )	2,984	–	–	5,960	–	–	8,944
– Unallocated capital expenditure							38
							<u>8,982</u>

*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 2023

	Continuing operations					Total <i>HK\$'000</i>
	Logistics services <i>HK\$'000</i>	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>	
	Total segment assets	<u>212,128</u>	<u>9,843</u>	<u>284,595</u>	<u>83,394</u>	
Unallocated						
– Cash and cash equivalents						24,193
– Other unallocated assets						<u>9,101</u>
Consolidated total assets						<u>633,609</u>

As at 30 June 2022

	Continuing operations					Total <i>HK\$'000</i>
	Logistics services <i>HK\$'000</i>	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>	
	Total segment assets	<u>73,434</u>	<u>6,647</u>	<u>283,267</u>	<u>75,859</u>	
Unallocated						
– Cash and cash equivalents						22,893
– Other unallocated assets						<u>8,734</u>
Consolidated total assets						<u>478,053</u>

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 and private jet management services
Mainland China	:	Property investment and logistics services
Mongolia	:	Minerals exploration

There are neither sales nor other transactions between the geographical areas including discontinuing operation in the year ended 30 June 2022.

	Non-current assets		Revenue	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	251,406	247,883	47,437	134,779
Mainland China	53,292	60,305	353,286	84,463
Mongolia	83,760	75,773	–	–
	<u>388,458</u>	<u>383,961</u>	<u>400,723</u>	<u>219,242</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 from major customers

Revenue from each major customer from continuing operations which accounted for 10% or more of the Group's revenue for each of the financial year is set out below. The revenue from continuing operations is attributable to the segment of private jet management services in Hong Kong and logistics services in Mainland China.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A	175,395	–
Customer B	134,232	18,600
Customer C	N/A *	31,247
Customer D	N/A *	13,627
Customer E	N/A *	12,873
	<u>309,627</u>	<u>76,347</u>

\* Represent less than 10% of revenue for the respective year.

#### 5. OTHER GAINS, NET

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
Government grants ( <i>Note</i> )	496	248
Sundry income	921	635
Gain on disposal of property, plant and equipment	2	–
	<u>1,419</u>	<u>883</u>

*Note:*

Government grants mainly represents benefits received from the HKSAR Government under COVID-19 related employment support schemes. The Group has complied all attached conditions before 30 June 2023 and recognised in the consolidated statement of profit or loss.

## 6. FINANCE INCOME AND COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
Finance income		
– Bank interest income	<u>413</u>	<u>252</u>
Finance costs		
– Interest expense on bank loans	(2,710)	(1,244)
– Interest expense on loan from a director	(4,486)	(1,093)
– Interest expenses on lease liabilities	<u>(95)</u>	<u>(107)</u>
	<u>(7,291)</u>	<u>(2,444)</u>

## 7. OTHER EXPENSES

Other expenses included the following:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
Auditor's remuneration		
– Audit services	2,330	1,600
– Non-audit services	28	27
Direct operating expenses from investment properties that generate rental income	1,096	1,187
Exchange losses – net	336	798
Operating lease rentals for short-term leases	1,036	1,141
Legal and professional fee	4,111	4,576
Insurance	410	387
Reimbursement of sharing of administrative services	7,358	6,990
Share-based payment (excluding directors and employees)	<u>–</u>	<u>3,448</u>

## 8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 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.

The amount of income tax charged to the consolidated statement of profit or loss represents:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	178	115
– People's Republic of China corporate income tax	5,446	2,061
Deferred income tax		
– Origination of temporary differences	(78)	(341)
Overprovision in prior year	(801)	–
Total income tax expense	<u>4,745</u>	<u>1,835</u>

## 9. DISCONTINUED OPERATION

The Group discontinued its yacht building business in last financial year after Silver Value Global Limited, a subsidiary of the Group, 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 on 10 January 2022 and was completed on 12 January 2022.

	2022 <i>HK\$'000</i>
Revenue	92,120
Other income	32
Expenses	
– Cost of inventory	(92,120)
– Operating lease charges	(536)
– Impairment on yacht inventory	(599)
– Other expenses	(4,270)
Operating loss from discontinued operation	(5,373)
Income tax expenses	–
Total comprehensive loss from discontinued operation	<u>(5,373)</u>
Net cash outflow from operating activities	(34)
Net cash outflow from investing activities	–
Net cash outflow from financing activities	–
Net cash used in discontinued operation	<u>(34)</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.

	2023	2022
Loss attributable to owners of the Company ( <i>HK\$'000</i> )		
Continuing operations	(10,029)	(32,173)
Discontinued operation	–	(5,373)
	<u>(10,029)</u>	<u>(37,546)</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	(0.26)	(0.82)
Discontinued operation	–	(0.14)
Total basic loss per share attributable to the ordinary equity holders of the Company	<u>(0.26)</u>	<u>(0.96)</u>

### (b) Diluted

The calculation of the diluted loss per share for the years ended 30 June 2023 and 2022 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 2023 and 2022, 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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At beginning of the year	282,789	279,570
Fair value gains on revaluation of investment properties, net	3,784	4,320
Currency translation differences	(3,123)	(1,101)
At end of the year	<u>283,450</u>	<u>282,789</u>

Note:

### Amounts recognised in profit and loss for investment properties

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Rental income	6,077	6,321
Direct operating expenses from investment properties that generate rental income	(1,096)	(1,187)
Fair value gains on investment properties	<u>3,784</u>	<u>4,320</u>

As at 30 June 2023 and 2022, the Group had no unprovided contractual obligations for future repairs and maintenance.

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

The Group's investment properties were valued at 30 June 2023 by an independent professionally qualified valuer, 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 license 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At beginning of the year	75,228	69,268
Additions	<u>7,767</u>	<u>5,960</u>
At end of the year	<u>82,995</u>	<u>75,228</u>

Note:

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

The management assessed the impairment indicators of the exploration and evaluation assets annually. Based on the result, the directors considered no impairment indicator is noted and no impairment is required.

### 13. INVENTORIES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Work in progress	373	684
Finished goods	650	355
	<u>1,023</u>	<u>1,039</u>

The cost of inventories recognised as expense in the consolidated statement of profit or loss amounted to approximately HK\$1,896,000 (2022: HK\$2,877,000).

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables		
– related parties	7,255	11,520
– third parties	22,272	15,188
Bills receivables	164,965	19,305
	<u>194,492</u>	<u>46,013</u>
Contract assets	<u>15,563</u>	<u>8,411</u>

During the year ended 30 June 2023, the Group factored the bills receivables with a carrying amount of HK\$137,641,000 (2022: HK\$19,305,000) with a maturity ranged from 1 to 6 months.

In accordance with the terms of factoring with banks, the bank has the rights of recourse against the Group if the bills receivables turn default.

In the opinion of management, the Group has retained the substantial risk and rewards, and accordingly, the Group continues to recognise the full carrying amounts of bills receivables amounting to HK\$137,641,000 (2022: HK\$19,305,000) as at 30 June 2023, and factoring loans as disclosed in Note 16 in this announcement.

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

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

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	<b>25,492</b>	26,699
31 – 60 days	<b>2,250</b>	9
61 – 90 days	<b>1,520</b>	–
Over 90 days	<b>265</b>	–
	<u><b>29,527</b></u>	<u>26,708</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.

In the opinion of the directors, the loss allowance for trade and bills receivables and contract assets as at 30 June 2023 and 2022 was insignificant.

## 15. TRADE PAYABLES

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

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	<b>5,790</b>	2,654
31 – 60 days	<b>80</b>	1,885
61 – 90 days	–	2
91 – 180 days	<b>414</b>	948
	<u><b>6,284</b></u>	<u>5,489</u>

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

## 16. BORROWINGS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Secured		
– Bank term loan – within 1 year ( <i>Note (a)</i> )	–	68,000
Unsecured		
– Factoring loan – within 1 year ( <i>Note (b)</i> )	<u>137,641</u>	<u>19,305</u>
	<u><u>137,641</u></u>	<u><u>87,305</u></u>

As at 30 June 2023 and 2022, the Group's borrowings contain a repayable demand clause and are repayable based on the scheduled date are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within one year	<u>137,641</u>	<u>87,305</u>

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
HK\$	–	68,000
RMB	<u>137,641</u>	<u>19,305</u>
	<u><u>137,641</u></u>	<u><u>87,305</u></u>

### Notes:

- (a) The Group has no bank facilities as at 30 June 2023. As at 30 June 2022, the Group had bank facilities of HK\$68,000,000 for loans which were secured by corporate guarantees provided by the Company and certain of its subsidiaries and the Group's investment properties in relation to an office premise and two car parking spaces located at Wan Chai with carrying amounts HK\$128,780,000. There were no unused facilities as at 30 June 2022.

As at 30 June 2022, the Group is required to comply with certain restrictive covenants imposed by the banks. The Group had not breached any of the restrictive covenants.

The bank term loan was matured and had been fully settled by the loan from a Director on 22 July 2022. The related secured properties were successfully released on 7 September 2022.

The bank term loan 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.

As at 30 June 2023, the Group has no bank term loan.

- (b) As at 30 June 2023, the Group factored the bills receivables with certain banks amounted to RMB127,446,000 (approximately HK\$137,641,000) (2022: RMB16,500,000 (approximately HK\$19,305,000) with terms of recourse and bank interest at rates ranging from 1.8% to 2.9% per annum (2022: ranging from 1.7% to 2.1% per annum).

The carrying amounts of the borrowings approximate their fair values.

## 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 2023 was HK\$13,124,000 (2022: HK\$9,153,000). 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\$6,693,000 (2022: HK\$4,668,000).

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

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Exploration activities	<u>          -</u>	<u>      2,892</u>

The Company did not have any other capital expenditure contracted for at the end of the year but not yet incurred (2022: Nil).

## REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The independent auditor of the Company, Messrs. PricewaterhouseCoopers, has agreed that the figures in respect of the Group's consolidated results for the year ended 30 June 2023 contained in this announcement are consistent with the amounts set out in the Group's audited consolidated financial statements for the year in accordance with its engagement under Hong Kong Standard on Related Services 4400 "Engagements to perform agreed-upon procedures regarding financial information" and with reference to Practice Note 730 "Guidance for auditors regarding preliminary announcements of annual results" issued by the HKICPA.

## FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2023 (2022: nil).

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting (the "AGM") of the Company will be held on Friday, 24 November 2023. The notice of AGM will be published and despatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in due course.

The register of members of the Company will be closed from Tuesday, 21 November 2023 to Friday, 24 November 2023, both days inclusive. During such period, no transfer of shares of the Company will be registered. For the purpose of ascertaining the members' entitlement to attend and vote at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 November 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

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

The revenue achieved by NSPS during the Financial Year was HK\$13.4 million (2022: HK\$9.1 million). An increase of approximately 47.4% when compared to last financial year. A breakdown of the revenue from NSPS was as follows:

- (i) Telecom solutions was HK\$0.4 million (2022: HK\$1.6 million);
- (ii) Enterprise solutions was HK\$2.0 million (2022: HK\$2.5 million);
- (iii) Project services was HK\$9.9 million (2022: HK\$4.1 million); and
- (iv) System maintenance was HK\$1.1 million (2022: HK\$0.9 million).

The increase in revenue when compared to last financial year was mainly due to the recognition of contract fee of HK\$6.9 million from a project related to Tseung Kwan O hospital which was completed during the Financial Year.

By the end of the Financial Year, the total projects on hand were approximately HK\$5.1 million (2022: HK\$8.0 million). Among them, HK\$2.1 million was belonged to the projects service, HK\$1.4 million was belonged to the solution sales, and HK\$1.6 million was belonged the maintenance services.

## **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\$6.1 million (2022: HK\$6.3 million). As at 30 June 2023, all the investment properties were renting out except for the commercial building at 17/F., Henan Building, Wan Chai, Hong Kong.

Hong Kong gradually returns to normalcy following the border reopening in early 2023. However, tenants of office properties remain cautious amid soft market sentiment.

## **3. *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.

During the Financial Year, FVSP completed the year 2022 exploration program and gather all necessary data for the preparation of year 2023 exploration program. The objectives of the 2023 exploration program are to discover and define new geological and chemical anomalies in the license area through geological and chemical surveys; to identify the deeper features of the anomalies through physical surveys; and, based on the results of all the studies and technologies, to establish an ore search model and design and construct drilling projects to verify the anomalies, with a view to discovering and identifying more ore bodies in the area and further expanding the results of the search. Our technical means of prospecting and exploration are geological surveying, rock chip chemical prospecting, 3D electrostatic survey, audio geomagnetic sounding, trenching, drilling, and comprehensive research. The budget for the 2023 exploration program was approximately US\$2.4 million. The actual field exploration works were commenced in early July 2023 and would be finished by around October 2023.

## **4. *Private Jet Management Services ("PJM")***

At the end of the Financial Year, PJM got three private jets (2022: three) under aircraft management contracts and one aircraft (2022: two) under ad hoc management contract. The revenue for the Financial Year was approximately HK\$29.1 million (2022: HK\$28.4 million). The business of PJM remained stable.

Subsequent to the Financial Year, PJM entered into a new tailored private jet management contract.

## **5. Logistics business**

The logistics business of the Group is carried out by an indirect non-wholly owned subsidiary (the “JV”). The JV is owned beneficially as to 60% by the Group and the remaining 40% by independent third parties. The business scope of the JV is covering drop and pull transport at Xinjiang border; gangue backfill and route transportation of clean coal and its by-products.

JV delivered a solid performance during the Financial Year albeit the tightening of pandemic control measures in Xinjiang during the period from October 2022 to early December 2022. The revenue for the Financial Year was HK\$352.1 million (2022: HK\$83.3 million). The freight traffic handled by the JV during the Financial Year was approximately 1,357,000 tonnes (2022: 658,000 tonnes). At the end of the Financial Year, JV owned 51 trucks. In addition, the JV also engaged six outsourced contractors’ fleet.

## **Financial Review**

### **1. Results Analysis**

#### *Revenue*

During the Financial Year, the Group’s revenue increased to HK\$400.7 million (2022: HK\$127.1 million). Around 87.9% (2022: 65.5%) of the Group’s revenue was generated from the logistics business, 7.3% (2022: 22.4%) from the private jet management services and 3.3% (2022: 7.2%) from the NSPS. The remaining revenue was generated from property investment.

#### *Fair value gains 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 gains on investment properties of HK\$3.8 million (2022: HK\$4.3 million) and (ii) loss on currency translation of HK\$3.1 million on our investment properties in China (2022: HK\$1.1 million). The Group’s portfolio of commercial properties in Hong Kong accounted for the fair value gains on investment properties.

#### *Employee benefit expenses*

The net increase in employee benefit expenses was mainly due to the inclusion of the full year result of newly established logistics services which was operative only for around six months in last financial year and the absence of share-based payment expenses in the Financial Year.

#### *Finance costs*

For the Financial Year, finance costs were HK\$7.3 million (2022: HK\$2.4 million). The increase in finance costs was mainly due to the increase in loan from a director to finance the net cash used in operating activities and repayment of a bank term loan.

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

As at 30 June 2023, the Group had a revolving standby facility from Mr. Lo Lin Shing, Simon (“**Mr. Lo**”), the Chairman and director of the Company totaling HK\$140 million. The Group drew down HK\$98.2 million from the facility as of 30 June 2023. The maturity date of this facility is 30 June 2025.

## **3. *Gearing***

As at 30 June 2023, the gearing ratio of the Group was 37.9% (2022: 18.9%) 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 2023, the Group did not have material contingent liabilities (2022: Nil).

## **Business Outlook and Development**

The Hong Kong economy improved visibly in the first quarter of 2023. It was led by the strong recovery of inbound tourism and domestic demand. Real Gross Domestic Product (“**GDP**”) resumed growth, expanding by 2.7% year-on-year in this quarter. However, exports of goods remained weak in this period. The momentum of economic growth softened in the second quarter of 2023. Imports and exports posted double-digit decline over the period, decreasing by 16.1 percent and 15.3 percent respectively. Real GDP grew by 1.5% year-on-year only. Aside from Hong Kong’s economic recovery losing steam in second quarter of 2023, global economic and financial fragmentation have intensified in recent years amid rising geopolitical tensions, strained ties between the United States and China, and Russia-Ukraine war. Under this backdrop, the Hong Kong commercial communities play extreme cautious in making new investments and/or business expansion. Therefore, the Board expects the business performance of NSPS and property investment will continue to face headwind.

For the logistics business, the JV entered into a Logistics Services Framework Agreement (2023-2026) (the “**Framework Agreement**”) with Mongolia Energy Corporation Limited (“**MEC**”) in March 2023 and the annual revenue cap was RMB292.5 million, RMB365.6 million and RMB457.0 million respectively for the period starting from 1 April 2023 to 31 March 2026. Mr. Lo, the substantial shareholder, chairman and executive director of the Company, is also a substantial shareholder, chairman and executive director of MEC. The independent shareholders of MEC approved the Framework Agreement on 21 April 2023. The execution of the Framework Agreement would secure sufficient business volume for the JV and let the JV get a strong foothold in the Xinjiang logistics market.

## EMOLUMENT POLICY

As at 30 June 2023, the Group had employed a total of 63 full-time employees (2022: 50) in Hong Kong and China. 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 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 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 2022 AGM. The chairman of the Audit and Remuneration committees of the Company had chaired the 2022 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.

## 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 consolidated financial statements of the Group for the Financial Year.

## **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](http://www.hkexnews.hk)) and the Company ([www.visionvalues.com.hk](http://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 despatched to the Company's shareholders and available on the above websites in due course.

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

Hong Kong, 18 September 2023

*As at the date of this announcement, the Board comprises nine 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. Lo, James Cze Chung as Non-executive Director, Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank as independent non-executive Directors.*