THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Vision Values Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

VISION VALUES HOLDINGS LIMITED

(formerly known as New World Mobile Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 862)

CONNECTED AND MAJOR TRANSACTIONS: PROPOSED ACQUISITION OF THE ENTIRE INTEREST IN GLORY KEY INVESTMENTS LTD. AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 5 to 16 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 17 of this circular. A letter from IFA containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 27 of this circular.

A notice convening the EGM to be held at Room Everest, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 26 February 2010 at 3:00 p.m. is set out on pages 120 to 121 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company's branch share registrars and transfer office in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

27 January 2010

CONTENTS

Accompanying document:

— proxy form

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Acquisition"	the acquisition of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Agreement and the performance of the transactions contemplated under the Agreement
"Agreement"	the conditional sale and purchase agreement dated 9 December 2009 entered into by the Vendor, the Vendor's Guarantor and the Company in relation to the Acquisition
"Aircraft"	the Gulfstream G200 aircraft, particulars of which are set out and described in the Agreement
"associate(s)"	has the same meaning as ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
"Company" or "Purchaser"	Vision Values Holdings Limited (formerly known as New World Mobile Holdings Limited) (stock code: 862), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
"Completion"	completion of the Acquisition
"connected person(s)"	has the same meaning as ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"EGM"	an extraordinary general meeting of the Company to be convened to approve the Acquisition
"Enlarged Group"	the Group as enlarged by the Acquisition

"Glory Key"	Glory Key Investments Ltd., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Vendor's Guarantor as at the date of the Agreement
"Group"	the Company and its subsidiaries before Completion
"HKFRS"	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFA"	Yu Ming Investment Management Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition
"Independent Board Committee"	an independent committee of the Board comprising Mr. Lee Kee Wai, Frank, an independent non-executive Director, which has been established to advise the Independent Shareholders in respect of the Acquisition
"Independent Shareholder(s)"	Shareholder(s) other than those who are required to abstain from voting at the EGM in respect of the proposed resolution approving the Acquisition as required by the Listing Rules (including Mr. Lo and his associates)
"Independent Third Party(ies)"	independent third party(ies) who, to the best of the Directors' knowledge and information and having made all reasonable enquiries, is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its connected persons
"Independent Valuer"	Jones Lang LaSalle Sallmanns Limited, third party valuer independent of the Company and the connected persons of the Company
"Latest Practicable Date"	25 January 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

"Lease Agreement"	the lease agreement dated 3 December 2009 entered into between Glory Key as lessor and Business Aviation Asia Limited (亞聯公務機有限公司) as lessee for the leasing of the Aircraft for an initial term of 12 months (with an option to renew for a further term of 12 months) at a monthly rent of US$40,000 (equivalent to HK$312,000)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Consideration"	being the Transaction Consideration less the Share Consideration
"Loan Note"	4% note due 2012 in the principal amount of HK$46 million to be issued by the Company to the Vendor pursuant to the Agreement
"Mr. Lo"	Mr. Lo Lin Shing, Simon, being a Director and the controlling Shareholder (holding approximately 47.12% of the entire issued share capital of the Company as at the date of the Agreement) and a director and a substantial shareholder (holding approximately 19.68% of the entire issued share capital of the Vendor's Guarantor as at the date of the Agreement) of the Vendor's Guarantor
"PRC"	the People's Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Sale Loan"	the entire amount of the unsecured and interest free shareholder's loan owing from Glory Key to the Vendor as at Completion which was approximately HK$177.2 million as at the date of the Agreement
"Sale Share"	one share of Glory Key beneficially owned by the Vendor as at the date of the Agreement, representing the entire issued share capital of Glory Key
"Share(s)"	share(s) of HK$1.00 each in the issued share capital of the Company

"Shareholder(s)"	holder(s) of the Share(s)
"Share Consideration"	US$1.00 (equivalent to HK$7.8), being the consideration payable for the Sale Share
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transaction Consideration"	HK$96.0 million, being the aggregate purchase price for the Sale Share and the Sale Loan
"Valuation Report"	the independent valuation report in relation to the valuation of the Aircraft by the Independent Valuer
"Vendor"	Asia Business Aviation Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Vendor's Guarantor
"Vendor's Guarantor"	Mongolia Energy Corporation Limited (stock code: 276), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"k.m."	kilometer
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

For the purpose of illustration only, amounts denominated in US$ in this circular have been translated into HK$ at the rate of US$1.00 = HK$7.80. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

VISION VALUES HOLDINGS LIMITED

(formerly known as New World Mobile Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 862)

Executive Directors:
Mr. Lo Lin Shing, Simon *(Chairman)*
Mr. Ho Hau Chong, Norman

Independent non-executive Directors:
Mr. Tsui Hing Chuen, William, *JP*
Mr. Lau Wai Piu
Mr. Lee Kee Wai, Frank

Registered office:
P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal place of business in Hong Kong:
Unit 309, 3/F.
Fook Hong Industrial Building
19 Sheung Yuet Road
Kowloon Bay, Kowloon
Hong Kong

27 January 2010

To the Shareholders,

Dear Sir or Madam,

CONNECTED AND MAJOR TRANSACTIONS:
PROPOSED ACQUISITION OF THE ENTIRE INTEREST IN
GLORY KEY INVESTMENTS LTD.
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

On 9 December 2009 (after trading hours), the Company, the Vendor and the Vendor's Guarantor entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell and assign, and the Company conditionally agreed to purchase and accept the assignment of, the Sale Share and the Sale Loan at the Transaction Consideration of HK$96.0 million which will be satisfied (i) as to HK$50.0 million by way of cash and (ii) as to HK$46.0 million by the issue of the Loan Note, upon Completion and subject to the terms of the Agreement. Upon Completion, Glory Key will cease to be a wholly-owned subsidiary of the Vendor and will become a wholly-owned subsidiary of the Company.

The purpose of this circular is to give you information relating to, among other things, (i) details of the Acquisition; (ii) the advice of the IFA to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iv) the Valuation Report; and (v) a notice convening the EGM at which resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Acquisition.

THE AGREEMENT

Date

9 December 2009, after trading hour

Parties

(i) Vision Values Holdings Limited as the Purchaser;

(ii) Asia Business Aviation Limited as the Vendor; and

(iii) Mongolia Energy Corporation Limited as the Vendor's Guarantor

The Vendor is an indirect wholly-owned subsidiary of the Vendor's Guarantor. Save that Mr. Lo, being a Director and the controlling Shareholder (holding approximately 47.12% of the entire issued share capital of the Company as at the date of the Agreement), is also a director and a substantial shareholder (holding approximately 19.68% of the entire issued share capital of the Vendor's Guarantor as at the date of the Agreement) of the Vendor's Guarantor, to the best Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor, the Vendor's Guarantor and their respective ultimate beneficial owners are Independent Third Parties.

Assets to be acquired:

Pursuant to the terms and conditions of the Agreement, the Vendor has conditionally agreed to sell and assign, and the Company has conditionally agreed to purchase and accept the assignment of, the Sale Share and the Sale Loan. The Sale Share representing the entire equity interest in Glory Key. The Sale Loan, being the entire shareholder's loan, was used to acquire the Aircraft and as the running costs of the Vendor, Glory Key and the Aircraft. The principal asset of Glory Key is the Aircraft.

Consideration:

The Transaction Consideration will be satisfied upon Completion as follows:

(i) as to HK$50.0 million by cash; and

(ii) as to HK$46.0 million by the issue of the Loan Note.

The Company intends to fund the cash portion of the Transaction Consideration through its internal resources.

The Transaction Consideration was determined between the Company and the Vendor after arm's length negotiations with reference to (a) an independent valuation made by the Independent Valuer using market value in continued use basis of a preliminary value of US$12.3 million (equivalent to approximately HK$95.9 million) as of 30 September 2009; and (b) the revenue to be generated under the Lease Agreement.

The Transaction Consideration is subject to adjustment. If the net asset value (excluding the Aircraft, any value ascribed to the lease under the Lease Agreement and the Sale Loan) of Glory Key ("NAV") as set out in the Completion Accounts (as defined in the Agreement) is in the negative, the cash portion of the Transaction Consideration shall be adjusted downwards by the amount equal to the negative amount of the NAV.

Based on the above, the Directors consider that the terms of the Agreement including the Transaction Consideration, which were arrived at after arm's length negotiations, are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

Principal terms of the Loan Note

(a) Principal amount

HK$46.0 million.

(b) Maturity

The second anniversary from the date of issue of the Loan Note.

(c) Interest

4% per annum payable on maturity.

(d) Redemption

The Company may elect to redeem the whole or any part of the Loan Note (in an integral multiple of HK$1 million) then outstanding together with all interest accrued thereon or any part thereof from time to time outstanding prior to the maturity date.

Conditions precedent:

Completion is conditional upon, among other things:

(a) the passing of the requisite ordinary resolution by the shareholders of the Vendor's Guarantor (other than those who are required to abstain from voting under the Listing Rules) at a general meeting of the Vendor's Guarantor approving the entering into of the Agreement and the performance of the transactions contemplated thereunder by the Vendor;

(b) the passing of the requisite ordinary resolution by the Independent Shareholders at the EGM approving the entering into of the Agreement and the performance of the transactions contemplated thereunder;

(c) the Purchaser notifying the Vendor in writing that it is reasonably satisfied with all the business, legal and financial due diligence on Glory Key and the title to the Aircraft;

(d) the Purchaser having received the valuation report of the Aircraft as at 30 September 2009;

(e) the Purchaser having received legal opinion relating to Glory Key, the title and rights of Glory Key over the Aircraft and other matters as the Purchaser may reasonably require (in such form and substance reasonably acceptable to the Purchaser);

(f) all necessary governmental and regulatory approvals in respect of the Lease Agreement at the monthly rent of not less than US$30,000 (equivalent to approximately HK$234,000) having been obtained;

(g) all necessary governmental and regulatory (including the Stock Exchange) approvals or consents (or waivers) required by the parties to the Agreement for the consummation of the transactions contemplated in the Agreement having been obtained;

(h) all necessary third party approvals or consents (or waivers) required by the parties to the Agreement for the consummation of the transactions contemplated in the Agreement having been obtained;

(i) the Aircraft being in the completion condition in accordance with the provisions as set out in the Agreement;

(j) the Vendor's warranties as contained in the Agreement remaining true and accurate and not misleading in any material respects at Completion and at all times between the date of the Agreement and Completion (save as otherwise expressly provided in the Agreement); and

(k) the Purchaser's warranties as contained in the Agreement remaining true and accurate and not misleading in any material respects at Completion and at all times between the date of the Agreement and Completion (save as otherwise expressly provided in the Agreement).

The Purchaser may in its absolute discretion at any time waive the conditions precedent (other than (a), (b), (f), (g) and (h) as mentioned above) by notice in writing to the Vendor, and such waiver may be subject to such terms and conditions as determined by the Purchaser.

Save as aforesaid, if any of the above conditions precedent is not fulfilled (or, where applicable, waived by the Purchaser) on or before 15 March 2010 (or such later date to be agreed between the Vendor and the Purchaser), either party to the Agreement shall be entitled to rescind the Agreement by giving written notice to the other whereupon the provisions of the Agreement shall from such date have no further force and effect and no party shall have any liability under them (without prejudice to the rights of the parties in respect of any antecedent breaches thereof). As at the Latest Practicable Date, conditions (d) and (f) were fulfilled.

Completion

Completion shall take place on the third Business Day after the fulfilment or waiver (as the case may be) of the last of the conditions precedent to the Agreement or such other date as the parties to the Agreement may agree in writing.

Immediately after Completion, Glory Key will cease to be a wholly-owned subsidiary of the Vendor and will become a wholly-owned subsidiary of the Company.

INFORMATION ON THE VENDOR AND GLORY KEY

The Vendor is an investment holding company whose sole asset is the holding of interest in Glory Key. Glory Key was incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Vendor whereas the Vendor is an indirect wholly-owned subsidiary of the Vendor's Guarantor. The principal asset of Glory Key is the Aircraft. The Aircraft was manufactured and released in September 2005 and has two engines, auxiliary power unit, loose and ground support equipment and spare parts, and is capable of carrying up to 10 passengers. Its maximum traveling range is up to 6,301 k.m.. The carrying value of the Aircraft as at 31 March 2009 was approximately HK$116.3 million.

Pursuant to the Lease Agreement, Glory Key has agreed to lease the Aircraft to Business Aviation Asia Limited for an initial term of 12 months (with an option to renew for a further term of 12 months by either party to the Lease Agreement) at the monthly rent of US$40,000 (equivalent to HK$312,000).

The initial term of the Lease Agreement will expire on 31 December 2010 subject to an option to renew for a further term of 12 months. The Directors will then consider all available market information at the time of renewal to determine the best business options for the Aircraft including but not limited to the renewal of the Lease Agreement or engaging an agent to handle the aircraft charter business on the Group's behalf.

Business Aviation Asia Limited was incorporated in the PRC with limited liability and is principally engaged in aircraft charter, aircraft management and related business. Business Aviation Asia Limited is 43% owned by an indirectly wholly-owned subsidiary of the Vendor's Guarantor.

Set out below is the audited financial information of Glory Key for each of the two years ended 31 March 2008 and 2009 prepared in accordance with HKFRS:

	31 March 2008	**31 March 2009**
	HK$'000	*HK$'000*
Turnover	3,044	2,005
Net Losses	18,127	24,606
Net Liabilities Value	30,902	55,508

The net losses of Glory Key arose from the depreciation and impairment loss of the Aircraft and the related owner's costs such as crew salaries, repairs and maintenance and other administrative expenses.

MANAGEMENT DISCUSSION AND ANALYSIS OF GLORY KEY

Glory Key was incorporated on 25 October 2005 as a special purpose vehicle to own the Aircraft. Glory Key's acquisition of the Aircraft was entirely financed by advances from the Vendor's Guarantor. Glory Key's daily business operations are financed and handled by its immediate and/or ultimate holding company.

For the year ended 31 March 2007

Review of results

Turnover of Glory Key for the year ended 31 March 2007 was approximately HK$13.2 million, which solely comprised of charter flight income.

Loss attributable to the shareholder of Glory Key for the year ended 31 March 2007 was approximately HK$11.8 million. The loss was mainly attributable to Glory Key not achieving sufficient operational efficiency.

Capital structure, liquidity and financial resources

As Glory Key's business activities were handled by its immediate and/or ultimate holding company, it did not maintain any bank accounts for the year ended 31 March 2007.

As at 31 March 2007, Glory Key had no bank and other borrowings. All liabilities of Glory Key were repayable on demand.

As at 31 March 2007, Glory Key had net current liabilities of approximately HK$147.4 million. The liquidity ratio was 0.02. The liquidity of Glory Key is primarily dependent on its ability to maintain adequate cash inflow from charter flight operations and to obtain continuing financial support from its shareholder.

For the year ended 31 March 2008

Review of results

Turnover of Glory Key for the year ended 31 March 2008 was approximately HK$3.0 million, which solely comprised of charter flight income. There was a drop in turnover for the year which was in line with the need to use of the Aircraft for business trips relating to the ultimate holding company's energy and related resources business.

Loss attributable to the shareholder of Glory Key for the year ended 31 March 2008 was approximately HK$18.1 million. The loss was mainly attributable to Glory Key not achieving sufficient operational efficiency.

Capital structure, liquidity and financial resources

Glory Key did not maintain any bank accounts as at 31 March 2008.

As at 31 March 2008, Glory Key had no bank and other borrowings. All liabilities of Glory Key were repayable on demand.

As at 31 March 2008, Glory Key had net current liabilities of approximately HK$157.3 million. The liquidity ratio was 0.02. The liquidity of Glory Key is primarily dependent on its ability to maintain adequate cash inflow from charter flight operations and obtain continuing financial support from its shareholder.

For the year ended 31 March 2009

Review of results

Turnover of Glory Key for the year ended 31 March 2009 was approximately HK$2.0 million, which solely comprised of charter flight income. The turnover was declined with the global financial crisis.

Loss attributable to the shareholder of Glory Key for the year ended 31 March 2009 was approximately HK$24.6 million. The loss was mainly attributable to Glory Key not achieving sufficient operational efficiency and an amount of approximately HK$5.2 million was the impairment loss relating to the Aircraft.

Capital structure, liquidity and financial resources

Glory Key did not maintain any bank accounts as at 31 March 2009.

As at 31 March 2009, Glory Key had no bank and other borrowings. All liabilities of Glory Key were repayable on demand.

As at 31 March 2009, Glory Key had net current liabilities of approximately HK$171.8 million. The liquidity ratio was 0.01. The liquidity of Glory Key is primarily dependent on its ability to maintain adequate cash inflow from charter flight operations and obtain continuing financial support from its shareholder.

For the six months ended 30 September 2009

Review of results

Turnover of Glory Key for the six months ended 30 September 2009 was approximately HK$1.2 million, which solely comprised of charter flight income. The turnover performance was in line with the depressed market sentiment resulting from the financial crisis.

Loss attributable to the shareholder of Glory Key for the six months ended 30 September 2009 was approximately HK$25.4 million. The loss was mainly attributable to Glory Key not achieving sufficient operational efficiency and an amount of approximately HK$16.2 million was the impairment loss relating to the Aircraft.

Capital structure, liquidity and financial resources

Glory Key did not maintain any bank accounts as at 30 September 2009.

As at 30 September 2009, Glory Key had no bank and other borrowings. All liabilities of Glory Key were repayable on demand.

As at 30 September 2009, Glory Key had net current liabilities of approximately HK$177.0 million. The liquidity ratio was 0.01. The liquidity of Glory Key is primarily dependent on its ability to maintain adequate cash inflow from charter flight operations and obtain continuing financial support from its shareholder.

Employees

For each of the three financial years ended 31 March 2009 and the six months ended 30 September 2009, other than the executive directors, Glory Key did not employ any staff.

Significant investments, material acquisition and disposals

Glory Key did not undertake any significant investments, material acquisitions or disposal of assets during each of the three financial years ended 31 March 2009 and the six months ended 30 September 2009.

Charges on assets

As at each of the three financial years ended 31 March 2009 and the six months ended 30 September 2009, there were no charges on Glory Key's assets.

Exposure to foreign currency risk

Glory Key is exposed to foreign currency risk primarily through its charter flight operations that are denominated in a currency other than the functional currency of the operations to which they are related. The currency giving rise to this risk is mainly US$.

Glory Key neither has a formal foreign currency hedging policy nor conducts hedging exercise to reduce foreign currency exposure. However, the management monitors foreign exchange exposure and will consider hedging significant currency exposure should it be necessary.

Significant contingent liabilities

As at each of the three financial years ended 31 March 2009 and the six months ended 30 September 2009, Glory Key did not have any significant contingent liabilities.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the provision of network solutions, project services, and property investment. The Group has been looking for other investment opportunities in order to maximize the return to the Shareholders.

The management of the Company believes that the Acquisition is a viable investment in particular under the existing low interest rate environment. The Lease Agreement will provide a stable stream of revenue of US$40,000 (equivalent to HK$312,000) per month to Glory Key for at least the next 12 months. Upon the commencement of the Lease Agreement, Glory Key will no longer require to bear the owner's costs relating to the Aircraft such as crew salaries, repairs and maintenance and other administrative expenses. Under the Lease Agreement, the lessee to the Lease Agreement will bear such owner's costs on behalf of Glory Key. Although Glory Key generated a net loss of approximately HK$18.1 million and HK$24.6 million for the two years ended 31 March 2008 and 2009 respectively, it was mainly an accounting loss (which mainly comprised the non-cashflow items, such as depreciation and impairment loss) and it is expected that a net positive cash inflow for the forthcoming year will be generated. The Directors consider that the charter flight business is hit by the current depressed market. The Lease Agreement can provide downside protection to Glory Key during this interim period. A rebound in the global economy will eventually lead to the improvement in the private jet charter business. Accordingly, the aircraft charter out rate as well as aircraft leasing income should be improved. With the new business model adopted by Glory Key which leads to the reduction in the owner's costs and the generation of regular revenue under the Lease Agreement, it is expected that the financial performance of Glory Key should be improved in the long run. The value of the Aircraft was adversely affected by the global economic recession with the market prices of second-hand corporate jets being dropped. This was reflected in the impairment loss of the Aircraft for the year ended 31 March 2009 and 6 months period ended 30 September 2009 respectively. However, the charter flight business should be able to start a pickup with the improvement in overall global economy. As a consequence, the valuation of the Aircraft will be improved. As such, the Directors consider that the Acquisition is fair and reasonable and the entering into the Agreement is in the interests of the Group and the Shareholders as a whole.

The price earning ratio for the Acquisition based on the first year of the rental income receivable under the Lease Agreement is approximately 25.7 and the expected remaining operating life of the Aircraft is approximately 15 years. The Directors believe that the private jet charter business is hitting by the global financial crisis but signs of recovery are observed in late 2009. In the long run, a rebound in global economy should lead to the improvement in aircraft charter rate with a resulting improvement in the price earning ratio for the charter flight business.

As the Aircraft will be stationed in the PRC and operated by the lessee to the Lease Agreement, approval of the Lease Agreement by the relevant PRC's government authority(ies) including 中國民用航空總局(General Administration on Civil Aviation of China) is required. Based on the Transaction Consideration of HK$96.0 million, the rental yield for the Lease Agreement will be approximately 3.9% per annum, whereas the rental yield of the Lease Agreement after deducting the interest payable under the Loan Note is approximately 1.98% per annum (the "Net Rental Yield"). The Directors believe that the Net Rental Yield (provided that the Loan Note is not redeemed prior to its maturity for any reasons) contributes a stable return to the Group during the current extreme low interest rate environment. The charter flight business is hit by the global financial crises and currently at the trough of its market. The management of the Company believes that the present private jet market offers significant upside on the capital value of private jets once the global economy recovers. An investment in the Aircraft offers the Company an upside potential in the possible appreciation of the value of the Aircraft, as well as a steady net cashflow from the Lease Agreement. Furthermore, the Board believes that the air passenger market in the PRC presents opportunities for further growth in the charter flight services, as it remains relatively under-penetrated as compared with the more developed markets. With the stablilzation and recovery of the global economy in sight, the Board considers that the aircraft charter rate and capital value expected to be improved.

As such, the Board consider that the Acquisition will (i) enable the Group to expand its scope of business; and (ii) broaden the revenue base of the Group. The 4% interest payable under the Loan Note was arrived at after arm's length negotiation between the Vendor and the Company with reference to the prevailing interest rate charged on mortgage loan in Hong Kong between the ranges of 2.5% to 2.75% and the market rate of 5.4% charged on similar finance lease. The Company has also considered borrowing funds from banks to pay the Transaction Consideration, but the interest chargeable thereunder was the prime rate (5.25%) plus 1%. As such, the interest rate as negotiated under the Loan Note would be a better alternative and cost effective method for the payment of the remaining balance of the Transaction Consideration and is in the interests of the Group and the Shareholders as a whole. Based on the above, the Directors believe that the 4% interest payable under the unsecured Loan Note is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

In light of the above, the Board believes that the Acquisition is in the interests of the Group and the Shareholders as a whole. Upon Completion, Glory Key will become a wholly-owned subsidiary of the Company and its results will be consolidated into the accounts of the Enlarged Group.

FINANCIAL EFFECTS OF THE ACQUISITION ON THE EARNINGS, ASSETS AND LIABILITIES OF THE ENLARGED GROUP

Upon Completion, Glory Key will be treated as subsidiary of the Company and the financials results of Glory Key will be consolidated into the accounts of the Enlarged Group. The unaudited pro forma financial information of the Enlarged Group is prepared as if the Acquisition had been completed on 30 September 2009 for the pro forma consolidated statement of financial position.

The unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular had been prepared to illustrate the effect of the Acquisition on the earnings, assets and liabilities of the Enlarged Group.

Assets and liabilities

Set out in Appendix III to this circular is the unaudited pro forma financial information of the Enlarged Group which illustrates the effect of Completion on the Group, assuming the Acquisition had taken place on 30 June 2009.

As set out in the unaudited pro forma consolidated statement of the financial position of the Enlarged Group in Appendix III to this circular, the Group had unaudited total assets and total liabilities of approximately HK$53,577,000 and HK$9,889,000 respectively as at 30 June 2009. Upon Completion, the Enlarged Group would have unaudited pro forma total assets and total liabilities of approximately HK$122,844,000 and HK$78,930,000 respectively.

Earnings

Upon Completion, Glory Key will become a wholly-owned subsidiary of the Company and it is expected that the revenue and earnings before interest, taxation and depreciation of the Group will increase as a result of the Acquisition.

GENERAL

As the relevant percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval by the Shareholders at the EGM. Mr. Lo, being a Director and the controlling Shareholder (holding approximately 47.12% of the entire issued share capital of the Company as at the date of the Agreement), is also a director and a substantial shareholder (holding approximately 19.68% of the entire issued share capital of the Vendor's Guarantor as at the date of the Agreement) of the Vendor's Guarantor. As Mr. Lo is a controller of the Company and a substantial shareholder of Glory Key through his interest in the Vendor's Guarantor, the Acquisition also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Mr. Lo and his associates will abstain from voting at the EGM in respect of the proposed resolution approving the Acquisition. The Acquisition will be subject to approval by the Independent Shareholders at the EGM by way of poll.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Messrs. Tsui Hing Chuen, William, *JP* and Lau Wai Piu, being the independent non-executive Directors, are also the independent non-executive directors of the Vendor's Guarantor. Therefore, both Messrs. Tsui Hing Chuen, William, *JP* and Lau Wai Piu are not considered to be sufficiently independent for the purpose of advising the Independent Shareholders in respect of the Acquisition. Accordingly, the Independent Board Committee will only comprise Mr. Lee Kee Wai, Frank, the remaining independent non-executive Director, for the purpose of advising the Independent Shareholders in respect of the terms of the Agreement and the transactions contemplated thereunder. Your attention is drawn to the advice from the Independent Board Committee set out in its letter on page 17 of this circular.

The IFA has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition. The letter from the IFA to the Independent Board Committee and the Independent Shareholder containing its advice and recommendations is set out on pages 18 to 27 of this circular.

EGM

The notice of the EGM is set out on pages 120 to 121 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the proxy form enclosed with this circular in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrars and transfer office, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) should you so wish but the authority of your proxy will be invalidated forthwith.

The results of the voting at the EGM will be announced by the Company following the conclusion thereof.

RECOMMENDATION

The Board considers that the Agreement has been entered into on normal commercial terms after arm's length negotiation and the terms of the Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole. The Independent Board Committee, having taken into account the advice of the IFA, considers that the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders should vote in favour of the proposed ordinary resolution at the EGM to approve the Acquisition.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Vision Values Holdings Limited
Tang Chi Kei
Company Secretary

VISION VALUES HOLDINGS LIMITED

(formerly known as New World Mobile Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 862)

27 January 2010

To the Independent Shareholders

Dear Sir and Madam,

CONNECTED AND MAJOR TRANSACTIONS: ACQUISITION OF THE ENTIRE INTEREST IN GLORY KEY INVESTMENTS LTD.

I refer to the circular (the "Circular") dated 27 January 2010 issued by the Company to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

I have been appointed as the sole member of the Independent Board Committee to advise you as to whether the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Yu Ming Investment Management Limited has been appointed as the independent financial adviser to advise this Independent Board Committee and the Independent Shareholders in respect thereof. Details of the advice of Yu Ming Investment Management Limited, together with the principal factors and reasons considered in arriving at such advice and recommendations, are contained in its letter set out on pages 18 to 27 of the Circular. I also wish to draw your attention to the "Letter from the Board" set out on pages 5 to 16 of the Circular, which contains, among other things, information of the Agreement and the transactions contemplated thereunder.

Having taken into account, amongst other things, the terms of the Agreement and the advice given by Yu Ming Investment Management Limited, I consider that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, I recommend you to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Acquisition.

Yours faithfully,
Independent Board Committee
Mr. Lee Kee Wai, Frank
Independent non-executive Director

The following is the full text of a letter of advice from Yu Ming Investment Management Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.

禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

27 January 2010

The Independent Board Committee
and Independent Shareholders:

Dear Sir or Madam,

CONNECTED AND MAJOR TRANSACTIONS: PROPOSED ACQUISITION OF THE ENTIRE INTEREST IN GLORY KEY INVESTMENTS LTD.

INTRODUCTION

Reference is made to the proposed Acquisition, details of which are set out in the circular of the Company dated 27 January 2010 (the "Circular"), of which this letter (the "Letter") forms part. Unless the context otherwise requires, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

On 9 December 2009, the Company, the Vendor and the Vendor's Guarantor entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell and assign, and the Company conditionally agreed to purchase and accept the assignment of, the Sale Share and the Sale Loan of Glory Key at the Transaction Consideration of HK$96.0 million which will be satisfied (i) as to HK$50.0 million by way of cash and (ii) as to HK$46.0 million by the issue of the Loan Note, upon Completion and subject to the terms and conditions of the Agreement. Upon Completion, Glory Key will cease to be a wholly-owned subsidiary of the Vendor and will become a wholly-owned subsidiary of the Company.

Mr. Lo, being a Director and the controlling Shareholder (holding approximately 47.12% of the entire issued share capital of the Company as at the date of the Agreement), is also a director and a substantial shareholder (holding approximately 19.68% of the entire issued share capital of the Vendor's Guarantor as at the date of the Agreement) of the Vendor's Guarantor. As Mr. Lo is a controller of the Company and a substantial shareholder of Glory Key through his interest in the Vendor's Guarantor, the Acquisition also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Mr. Lo and his associates will abstain from voting at the EGM in respect of the proposed resolution approving the Acquisition. The Acquisition will therefore be subject to approval by the Independent Shareholders at the EGM by way of a poll.

An Independent Board Committee has been formed to advise the Independent Shareholders on the fairness and reasonableness of the terms of the Acquisition. We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Group and the Shareholders as a whole.

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in this Circular and the statements, information, opinions and representations provided to us by the Directors and professional advisers of the Company. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and all information, opinions and representations which have been provided to us by the Directors for which they are solely responsible are, to the best of their knowledge, true and accurate at the time they were made and continue to be so on the date of this letter.

We consider that we have reviewed sufficient information and have taken sufficient and reasonable steps as required under Rule 13.80 of the Listing Rules which enables us to reach an informed view and to provide us with a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and the representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided to us by the Directors, nor have we conducted any independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, we have considered the following principal factors, which are further analyzed below in this letter.

1. Terms of the Agreement

Pursuant to the terms and conditions of the Agreement, the Vendor has conditionally agreed to sell and assign, and the Company has conditionally agreed to purchase and accept the assignment of, the Sale Share and the Sale Loan. The Sale Share represents the entire equity interest in Glory Key. The Sale Loan represents the entire shareholder's loan which has been used to acquire the Aircraft and as the running costs of the Vendor.

The Transaction Consideration was determined between the Company and the Vendor after arm's length negotiation with reference to (a) a preliminary independent valuation using market value on continued use basis of US$12.3 million (equivalent to approximately HK$95.9 million) as of 30 September 2009, which was made by Jones Lang LaSalle Sallmanns Limited; and (b) the revenue to be generated under the Lease Agreement.

The Transaction Consideration is subject to adjustment, if the net asset value (excluding the Aircraft, any value ascribed to the lease under the Lease Agreement and the Sale Loan) of Glory Key ("NAV") as set out in the Completion Accounts (as defined in the Agreement) is in the negative, the cash portion of the Transaction Consideration shall be adjusted downwards by an amount equal to the negative amount of the NAV.

The Acquisition is subject to, inter alia, all necessary governmental and regulatory approvals in respect of the Lease Agreement having been obtained. Under the Lease Agreement, Glory Key has agreed to lease the Aircraft to Business Aviation Asia Limited for an initial term of 12 months at a monthly rent of US$40,000 (equivalent to approximately HK$312,000). The Lease Agreement is effective since 1 January 2010. Following the granting of the approval of the Lease Agreement by the relevant governmental authorities of the PRC, Glory Key will be able to provide a revenue stream of US$40,000 (equivalent to approximately HK$312,000) per month to the Group. The Transaction Consideration payable upon Completion will be satisfied as to:

(i) HK$50.0 million by cash; and

(ii) HK$46.0 million by issue of the Loan Note.

a. Valuation of the Aircraft

Major asset of Glory Key is the Aircraft. As at 30 November 2009, the appraised value of the Aircraft is US$12.3 million, the carrying net book value of the Aircraft was HK$96 million as at 30 September 2009, and the Sale Loan is HK$177.2 million. Upon Completion of the Acquisition, the Sale Loan will be assigned to the Company. The Transaction Consideration is equal to the appraised value of the Aircraft by Jones Lang LaSalle Sallmanns Limited as at 30 September 2009. We have reviewed the valuation methodology, bases and assumptions employed by the Independent Valuer in the Valuation Report set out in Appendix IV in relation to the fair value of the Aircraft.

For the purpose of valuation, the Independent Valuer has considered three assessment methodologies, namely the cost approach, market approach and income approach. We note that in determining the valuation of the Aircraft, the Independent Valuer has adopted the market approach to arrive at an estimate market value of the Aircraft in its continued use.

In arriving at the value of the target business jet aircraft, the Independent Valuer has taken into consideration the following factors:

- The year of manufacture
- The total airframe time
- Addition equipment on-board (v.s. the standard equipment)
- The price trend (future forecast) of same model new airplane

- The backlog of manufacturer for the same model plane
- The used market price for the same model from the last few years
- The demand of the same model planes in the used market
- The price structure of the competition
- The growth (decline) of the market for the same class of aircraft

View

Having reviewed the analysis of the Independent Valuer on the factors it considered, reasons, benefits and different application of each valuation methodology, we concur with the Independent Valuer's view that the adoption of market approach is appropriate since this approach is primarily utilized for those assets where an active secondary market exists. The Independent Valuer has, inter alia, compared the prices among verified market comparables to evaluate the value of the Aircraft. It has also considered factors such as the availability and desirability of particular types of machines.

As such, we are of the opinion that the appraisal of the Aircraft prepared by the Independent Valuer is fair and reasonable.

b. Lease Agreement

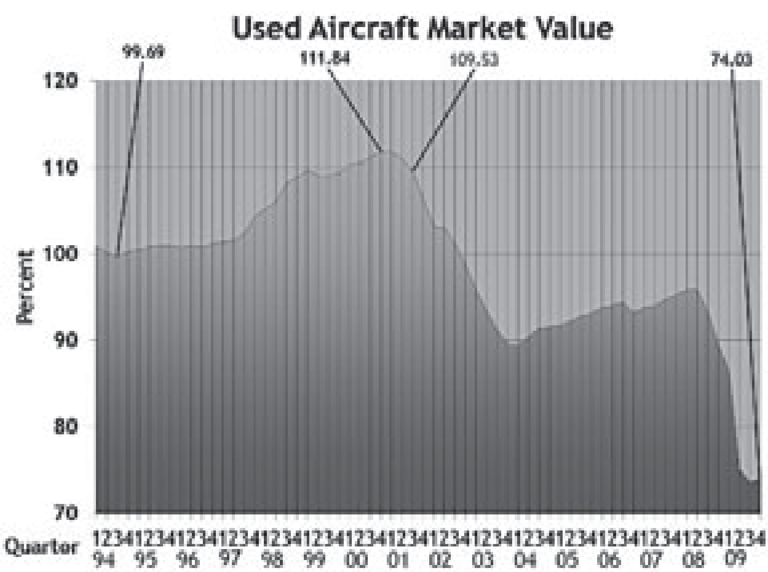
It is one of the conditions precedent to Completion that the Lease Agreement be approved by the relevant PRC governmental authorities. We understand from the management of the Company that the relevant approval from the PRC governmental authorities has been obtained and that the Lease Agreement has commenced since 1 January 2010. Hence, Glory Key will receive rental income of US$40,000 (equivalent to approximately HK$312,000) per month for at least the coming 12 months. Upon the commencement of the Lease Agreement, Glory Key will no longer require to bear the owner's costs relating to the Aircraft such as crew salaries, repairs and maintenance and other administrative expenses. The Directors considered that the private jet charter flight business is adversely affected by the global financial crisis and is currently at or near the trough of its market. The Directors are of the view that the present private jet market offers significant upside on the capital value of private jets once the global economy recovers. An investment in the Aircraft through Glory Key in the Acquisition offers the Company an upside potential in the possible appreciation of the value of the Aircraft, as well as a steady net cashflow from the Lease Agreement. The Directors also considered that the current loss of Glory Key was affected by the depressed market condition for private jet charter flight business. With the stabilization and recovery of the global economy in sight, the Directors expect the aircraft charter rate and capital value to improve.

View

As set out in the audited accounts of the Company in Appendix II of the Circular, annual expenses of Glory Key amounted to approximately HK$25.0 million, HK$21.2 million and HK$26.6 million respectively for the three years ended 31 March 2009. Under the Lease Agreement, the operating expenses are to be borne by the lessee, and Glory Key is only obliged to bear depreciation cost of the Aircraft and receive the rental income of US$480,000 (equivalent to approximately HK$3,744,000) per annum. The rental income under the Lease Agreement represents a yield of HK$3.9% per annum. According to the accountants' report on Glory Key as set out in Appendix II of the Circular, the depreciation cost of the Aircraft was approximately HK$8.25 million per annum for each of the three years ended 31 March 2009 and HK$4.45 million for the six months ended 30 September 2009. As such, we concur with the management of the Company that the Acquisition will generate a net positive cash inflow for the forthcoming year despite the accounting loss to be incurred by the Company due to the depreciation cost of the Aircraft.

We have been provided information from the website of the Aircraft Bluebook Price Digest, one of the commonly referenced publications which identifies and prices more than 3,000 used general aviation aircraft and helicopter and model-years available in the United States. Coverage includes avionics, airworthiness, common conversions and overhaul usage limits. The following chart displays aircrafts' quarterly value in relationship to its average equipped price at the inception of the aircraft as set out in the Marketline eNewsletter of the Aircraft Bluebook Price Digest. The study begins in the spring quarter of 1994 and includes the jet, turboprop, multi, piston and helicopter.

Chart-1



Source: Aircraftbluebookmarketline.com

We noted from Chart-1 above that the price of the used aircraft market value fluctuates along with the economic conditions worldwide and is currently at the tough of the aircraft market. Used aircraft pursuant to Chart-1 was traded in the range of 70% to 80% of its value. With the recovery of overall economic conditions worldwide after the financial turmoil in late 2008, we consider the management's expection that the recovery in the global economy will eventually lead to the improvement in the private jet charter business in particular the charter rate as well as the value of private jets reasonable.

c. Terms of the Loan Note

The principal amount of the Loan Note is HK$46 million, which matures on the second anniversary from the date of issue of the Loan Note and carries an interest of 4% per annum payable on maturity. The Company may elect to redeem the whole or any part of the Loan Note (in an integral multiple of HK$1 million) then outstanding together with all interest accrued thereon or any part thereof from time to time outstanding prior to the maturity date.

As set out in the "Letter from the Board" of the Circular, the 4% interest payable under the Loan Note was arrived at arm's length negotiation between the Vendor and the Company with reference to the prevailing interest rate charged on mortgage loan in Hong Kong between the range of 2.5% to 2.75% and the market rate of 5.4% charged on similar finance lease. The Company has also considered borrowing loans from banks and found the borrowing cost would be at the prime rate (5.25%) plus 1% per annum. As such, the interest rate as negotiated under the Loan Note would be a better alternative and cost effective method for payment of the remaining balance of the Transaction Consideration and is in the interests of the Group and the Shareholders as a whole.

View

We reviewed relevant information provided by the management relating to the relevant case of similar finance lease, which was relating to aircraft leasing in the PRC and equals to lending rate announced by the People's Bank of China for loans with term from 1 year to 3 years. As Glory Key is mainly operating and with business clientele in the PRC, we consider the foregoing mentioned finance lease is a relevant market reference rate to the Acquisition.

Save for accounts payable, the Company has no borrowings as at the date of this letter. With reference to the quotations obtained by the Company for the borrowing cost directly from financial institutions of approximately 6.25%, we consider the 4% interest rate payable under the Loan Note to be fair and reasonable, for the reasons that the 4% per annum interest on the Loan Note is (i) higher than the mortgage loan rate in Hong Kong, yet (ii) lower than the lending rate issued by the People's Bank of China for loans with term from 1 year to 3 years in the PRC at 5.4%; (iii) approximately the average of the forgoing two rates; (iv) the rental yield of 3.9% of the Lease Agreement was calculated based on the rental income receivable during the initial term of one year under the Lease Agreement and the net rental yield remains at 1.98% after deduction of the interest expenses under the Loan Note; and (v) the interest rate chargeable under the Loan Note is lower than the borrowing cost the Company could obtain from financial institutions.

2. Reasons for and benefits of the Acquisition

The Group is principally engaged in the provision of network solutions, project services, and property investment. The Group has been looking for other investment opportunities in order to maximize return for the Shareholders.

The management of the Company believes that the Acquisition is a viable investment in particular under the existing low interest rate environment. The Lease Agreement will provide a stable stream of revenue of US$40,000 (equivalent to HK$312,000) per month to Glory Key for at least the next 12 months. Although Glory Key generated a net loss of approximately HK$18.1 million and HK$24.6 million for the two years ended 31 March 2008 and 2009 respectively, it is mainly an accounting loss (which comprises primarily non-cashflow items such as depreciation) but will generate net positive cash inflow. The Directors consider that the charter flight business is currently at the trough of its market. The Lease Agreement can provide downside protection to Glory Key while a rebound in the global economy will eventually lead to the improvement in the private jet charter business. Accordingly, the aircraft charter out rate as well as aircraft leasing income should be improved. With the new business model adopted by Glory Key which leads to the reduction in the owner's costs and the regular revenue being generated under the Lease Agreement, it is expected that the financial performance of Glory Key should be improved in the long run. As such, the Directors consider that the Acquisition is fair and reasonable and that the entering into the Agreement is in the interests of the Group and the Shareholders as a whole.

As the Aircraft will be stationed in the PRC and operated by the lessee to the Lease Agreement, approval of the Lease Agreement by the relevant PRC's government authority(ies) including 中國民用航空總局 (General Administration on Civil Aviation of China) is required. Based on the Transaction Consideration of HK$96.0 million, the rental yield for the Lease Agreement will be approximately 3.9% per annum. The charter flight business is adversely affected by the global recession, which in turn affects the capital value of used private jets. The management of the Company believes that the recent sign of a rebound in the global economy will lead to a recovery for aircraft charter business and the Aircraft may appreciate in capital value. Furthermore, the Board believes that the air passenger market in the PRC presents opportunities for further growth in the charter flight services, as it remains relatively under-penetrated as compared with the more developed markets.

As such, the Board considers that the Acquisition will (i) enable the Group to expand its scope of business; and (ii) broaden the revenue base of the Group.

View

Assuming the Lease Agreement can be sustained on a continued basis, the new business model adopted by Glory Key which leads to the reduction in the owner's costs and the regular revenue being generated under the Lease Agreement, we concur with the management of the Company that the financial performance of Glory Key should be improved in the long run, enabling the Group to expand its scope of business, and broaden the revenue base of the Group.

3. FINANCIAL EFFECTS

Upon Completion, Glory Key will become a wholly-owned subsidiary of the Company. As a result, the Company will consolidate the results of Glory Key as a wholly-owned subsidiary into the Group's financial statement.

a. Net asset value

The carrying value and the appraised value of the Aircraft are HK$96 million and US$12.3 million (equivalent to approximately HK$95.9 million) respectively. Upon Completion of the Acquisition, the net asset value of the Group will be slightly increased from approximately HK$43.69 million to approximately HK$43.91 million.

b. Earnings and cashflow

Upon Completion, Glory Key will become a wholly-owned subsidiary of the Company and thus its earnings or losses will be consolidated into the income statement of the Group.

As analyzed in the section headed "Lease Agreement" of this letter, the lessee of the Aircraft will bear the owner's cost such as crew salaries, repairs and maintenance and other administrative expenses. The Board anticipates that Glory Key will suffer from accounting losses due to non-cash depreciation charge but will generate a net positive cash inflow for the forth coming year arising from the rental income of US$40,000 per month to Glory Key for a period of 12 months under the Lease Agreement and it is expected that the revenue and earnings before interest, taxation and depreciation of the Group will increase as a result of the Acquisition.

c. ***Working capital and cash position***

According to the Company's annual report for the year ended 30 June 2009, the Group's cash and cash equivalents was approximately HK$27.9 million as at 30 June 2009. It is set out in the "Letter from the Board" of the Circular that HK$50.0 million of the Transaction Consideration will be settled by cash from the Group's internal resources. Hence, the working capital of the Group will be reduced by HK$50.0 million. Taking into account that the Company has completed a placing exercise on 5 November 2009 with net proceeds of approximately HK$57.9 million, we concur with the Board's view that the Group will have sufficient working capital following Completion.

d. ***Gearing***

As at the Latest Practicable Date, the Company had no gearing. Following Completion, the non-current borrowings of the Company will be increased by HK$46 million, representing the entire principal amount of the Loan Note. Gearing ratio of the Group (calculated based on interest bearing loan dividend by the total assets of the Group) will be increased to approximately 45.67%.

RECOMMENDATION

Having taken into consideration the principal factors and reasons as set out above, including:

a. Terms of the Agreement, including:

   (i) the appraised value of the Aircraft;

   (ii) the Lease Agreement; and

   (iii) terms of the Loan Note;

b. Reasons for and benefits of the Acquisition; and

c. Financial effects of the Acquisition to the Group.

we are of the opinion that the Agreement is entered into by the Company not within the ordinary course of business but on normal commercial terms and the terms and conditions of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Independent Shareholders and the Group as a whole.

Since the Acquisition constitutes a major and connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. The Acquisition will be subject to approval by the Independent Shareholders at the EGM by way of poll. We recommend the Independent Board Committee to recommend the Independent Shareholders and the Independent Shareholders to vote in favour of the proposed resolution regarding the Acquisition at the EGM.

Yours faithfully,
For and on behalf of
YU MING INVESTMENT MANAGEMENT LIMITED
Warren Lee
Director

A. SUMMARY OF FINANCIAL RESULTS OF THE GROUP

There is no qualified opinion for the Group for each of the three years ended 30 June 2009, 2008 and 2007. The following information has been extracted from the audited financial statements of the Group published in the Company's 2009 and 2008 annual reports, respectively.

CONSOLIDATED INCOME STATEMENTS

A. FINANCIAL SUMMARY

Set out below is a summary of the audited consolidated income statement and financial position for the year ended 30 June 2007 as extracted from the annual report of the Group for the year ended 30 June 2007, and that for the years ended 30 June 2008 and 2009 as extracted from the annual report of the Group for the year ended 30 June 2009.

	Results of the Group For the year ended 30 June		
	2007	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*
Continuing operations			
Turnover	14,155	2,903	25,148
Cost of sales	(5,590)	(2,380)	(18,449)
Gross Profit	8,565	523	6,699
Other revenues	1,770	1,235	424
Other gain/(losses)-net	312,480	(96)	(12)
Fair value gain on investment property	–	–	230
Selling expenses	(7,234)	–	–
Administrative expenses	(31,515)	(3,950)	(10,222)
Operating profit/(loss) from continuing operations before finance costs	284,066	(2,288)	(2,881)
Finance costs	(53,590)	–	–
Operating profit/(loss) before share of profit of associates	230,476	(2,288)	(2,881)
Share of profit of associates	62,577	–	–
Profit/(loss) from continuing operations before income tax	293,053	(2,288)	(2,881)
Income tax expenses	–	–	(23)
Profit/(loss) from continuing operations	293,053	(2,288)	(2,904)
Loss from discontinued operation	–	(9,361)	(1,555)
Profit/(loss) attributable to shareholders	293,053	(11,649)	(4,459)
Dividends	117,230	–	–
Earnings/(loss) per share			
Basic	HK$3.03	(HK$0.12)	(HK$0.05)
Diluted	HK$3.03	(HK$0.12)	(HK$0.05)
Dividend per share	HK$1.2	–	–

CONSOLIDATED BALANCE SHEET

	As at 30 June		
	2007	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment	5,383	4,601	681
Investment properties	–	7,370	13,850
Goodwill	–	3,592	3,592
	5,383	15,563	18,123
Current assets			
Trade receivables	1,185	3,047	5,304
Inventories	–	1,231	1,674
Prepayments, deposits and other receivables	1,556	1,069	588
Amount due from a related company	813	–	–
Restricted bank balance	829	1,000	–
Cash and bank balances	54,652	35,000	27,888
	59,035	41,347	35,454
Total assets	64,418	56,910	53,577
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	97,692	97,892	97,892
Other reserves	12,901	12,740	16,811
Accumulated losses	(54,907)	(66,556)	(71,015)
Total equity	55,686	44,076	43,688

	As at 30 June		
	2007	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	–	–	286
Current liabilities			
Trade payables	190	4,586	5,184
Accrued charges, other payables, deposits received and deferred revenue	8,542	7,802	3,976
Amount due to a related company	–	446	443
	8,732	12,834	9,603
Total liabilities	8,732	12,834	9,889
Total equity and liabilities	64,418	56,910	53,577
Net current assets	50,303	28,513	25,851
Total assets less current liabilities	55,686	44,076	43,974

B. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2009

The following is a production of the text of the audited consolidated financial statements of the Group together with the accompany notes contained in pages 29 to 68 of the annual report of the Company for the year ended 30 June 2009:

CONSOLIDATED INCOME STATEMENT

		Year ended 30 June	
		2009	**2008**
	Note	*HK$'000*	*HK$'000*
Continuing operations:			
Turnover	*6*	25,148	2,903
Cost of sales	*10*	(18,449)	(2,380)
Gross profit		6,699	523
Other revenues	*8*	424	1,235
Other losses – net	*9*	(12)	(96)
Fair value gain on investment property		230	–
Administrative expenses	*10*	(10,222)	(3,950)
Operating loss from continuing operations before income tax		(2,881)	(2,288)
Income tax expense	*13*	(23)	–
Loss for the year from continuing operations		(2,904)	(2,288)
Discontinued operation:			
Loss from discontinued operation	*14*	(1,555)	(9,361)
Loss for the year attributable to equity holders of the Company		(4,459)	(11,649)

		Year ended 30 June	
		2009	**2008**
	Note	*HK$'000*	*HK$'000*
Loss per share attributable to the equity holders of the Company during the year	*15*		
From continuing operations and discontinued operation			
– Basic loss per share		HK$0.05	HK$0.12
– Diluted loss per share		HK$0.05	HK$0.12
From continuing operations			
– Basic loss per share		HK$0.03	HK$0.02
– Diluted loss per share		HK$0.03	HK$0.02
From discontinued operation			
– Basic loss per share		HK$0.02	HK$0.10
– Diluted loss per share		HK$0.02	HK$0.10

CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2009 HK$'000	2008 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	17	681	4,601
Investment properties	18	13,850	7,370
Goodwill	20	3,592	3,592
		18,123	15,563
Current assets			
Trade receivables	21	5,304	3,047
Inventories	22	1,674	1,231
Prepayments, deposits and other receivables		588	1,069
Restricted bank balance	23	–	1,000
Cash and bank balances	24	27,888	35,000
		35,454	41,347
Total assets		53,577	56,910
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	28	97,892	97,892
Other reserves	29	16,811	12,740
Accumulated losses		(71,015)	(66,556)
Total equity		43,688	44,076
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	25	286	–
Current liabilities			
Trade payables	26	5,184	4,586
Accrued charges, other payables, deposits received and deferred revenue		3,976	7,802
Amount due to a related company	27	443	446
		9,603	12,834
Total liabilities		9,889	12,834
Total equity and liabilities		53,577	56,910
Net current assets		25,851	28,513
Total assets less current liabilities		43,974	44,076

BALANCE SHEET

	Note	As at 30 June 2009 HK$'000	2008 HK$'000
ASSETS			
Non-current assets			
Investments in subsidiaries	19	15,680	19,302
Current assets			
Amount due from a related company	27	224	224
Prepayments, deposits and other receivables		79	576
Cash and bank balances	24	25,221	30,440
		25,524	31,240
Total assets		41,204	50,542
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	28	97,892	97,892
Other reserves	29	12,350	14,243
Accumulated losses		(74,619)	(68,333)
Total equity		35,623	43,802
LIABILITIES			
Current liabilities			
Amount due to subsidiaries		4,683	4,640
Accrued charges and other payables		898	2,100
Total liabilities		5,581	6,740
Total equity and liabilities		41,204	50,542
Net current assets		19,943	24,500
Total assets less current liabilities		35,623	43,802

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 30 June 2009 HK$'000	2008 HK$'000
Cash flows from operating activities			
Net cash used in operating activities	*30*	(7,819)	(14,598)
Cash flows from investing activities			
Purchase of property, plant and equipment	*17*	(329)	(486)
Acquisition of subsidiaries, net of cash acquired		–	(5,939)
Cash outflows on disposals and deregistration of subsidiaries	*31*	(1)	–
Proceeds from sale of property, plant and equipment	*30*	273	204
Interest received	*8*	201	1,248
Net cash generated from/(used in) investing activities		144	(4,973)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		–	488
Net cash generated from financing activities		–	488
Net decrease in cash and cash equivalents		(7,675)	(19,083)
Cash and cash equivalents at the beginning of the year		35,000	54,652
Effect on foreign exchange rate changes		563	(569)
Cash and cash equivalents at the end of the year		27,888	35,000

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

	Share capital	Other reserves	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 July 2007	97,692	12,901	(54,907)	55,686
Currency translation differences	–	(449)	–	(449)
Loss for the year	–	–	(11,649)	(11,649)
Total recognised loss for the year	–	(449)	(11,649)	(12,098)
Issue of ordinary shares	200	288	–	488
At 30 June 2008 and 1 July 2008	97,892	12,740	(66,556)	44,076
Currency translation differences	–	1,705	–	1,705
Revaluation gain	–	2,366	–	2,366
Loss for the year	–	–	(4,459)	(4,459)
Total recognised income/(loss) for the year	–	4,071	(4,459)	(388)
At 30 June 2009	97,892	16,811	(71,015)	43,688

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

New World Mobile Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the provision of network solutions, project services, technology related business and property investment. During the year, the Group discontinued the technology related business as set out in note 14.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its principal place of business is Unit 309, 3/F Fook Hong Industrial Building, 19 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The Company is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 22 October 2009.

2. BASIS OF PREPARATION

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

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

3. 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, except certain balances have been reclassified for presentation purpose.

(a) Application of new and revised Hong Kong Financial Reporting Standards

The Group has adopted the following new/revised amendments and interpretations to existing standards ("new HKFRSs") issued by the HKICPA which are effective or have become effective for the Group's financial year beginning 1 July 2008.

HKAS 39 & HKFRS 7 (Amendment)	Reclassification of Financial Assets
HK(IFRIC) — Int 12	Service Concession Arrangements
HK(IFRIC) — Int 13	Customer Loyalty Programmes
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new HKFRSs has no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

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

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKAS 39 (Amendment)	Eligible Hedged Items[2]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate[1]
HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) — Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[3]
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation[2]
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owner[2]
HK(IFRIC) — Int 18	Transfers of Assets from Customers[4]

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(a) **Application of new and revised Hong Kong Financial Reporting Standards** *(Continued)*

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods ending on or after 30 June 2009
[4] Effective for transfers on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the Group's accounting for a business combination for which the acquisition date is on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company anticipate that the adoption of the other new and revised standards, amendments and interpretations to existing standards will have no material impact on the results and the financial position of the Group.

Apart from the above, a number of improvements and minor amendments to HKFRSs have also been issued but are not yet effective for the accounting period ended 30 June 2009 and have not been adopted in these consolidated financial statements.

(b) **Group accounting**

(i) ***Consolidation***

The consolidated financial statements include the financial statements of the Company and of all its direct and indirect subsidiaries made up to 30 June.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Group accounting *(Continued)*

(i) Consolidation *(Continued)*

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units that are expected to benefit from business combination in which the goodwill arose identified according to operating segment.

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3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Computer equipment	20%
Furniture, fixtures and equipment	20%
Leasehold improvements	shorter of the lease term or 20%
Motor vehicles	20%

Building situated in leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

Historical costs of property, plant and equipment include expenditures that are directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net in the income statement.

(d) Impairment of investment in subsidiaries and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are at least tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Investment property

Investment property is property held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. These properties are valued by independent valuers. The valuations are performed in accordance with the Valuation Standards on Properties issued by the Hong Kong Institute of Surveyors and are on an open market basis. Changes in fair values are recorded in the consolidated income statement as part of other income.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw material, direct labour and related overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the provision is recognised in the income statement within administrative expenses.

When trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expense in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held at call with banks.

(i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(k) Employee benefits

(i) Retirement benefits

For employees in Hong Kong, a mandatory provident fund scheme ("MPF Scheme") has been established pursuant to the Hong Kong Mandatory Provident Fund Scheme Ordinance under which the Group's Hong Kong eligible employees are compulsorily required to join the MPF scheme. Employer's mandatory contributions are 100% vested in the employees as soon as they are paid to the MPF scheme.

Contributions made by the Group under the MPF Scheme are charged to the income statement as they become payable in accordance with the rules of the scheme. The assets of the MPF Scheme are held separately from those of the Group and managed by independent professional fund managers.

For employees in the Mainland China, the Group contributes to retirement schemes established by municipal government in respect of certain subsidiaries in the PRC.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(k) Employee benefits *(Continued)*

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(iii) Bonus

Provisions for bonus due wholly within twelve months after balance sheet date are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(l) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

(m) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue derived from network solutions is recognised when the delivery of goods to the customers and/or the installation work is completed.

Revenue derived from project services is recognised on stage of completion method, measured by reference to the agreed milestones of work performed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Revenue recognition *(Continued)*

Warranty and maintenance service income is recognised in the period the services are provided, using a straight line basis over the term of the contract.

The Group derives technology related services revenue from the provision of value-added telecommunications services ("VAS"). The Group recognises its revenue net of applicable business taxes and other related taxes. Wireless VAS revenue is derived principally from providing mobile phones users with short messaging services, multimedia messaging services and wireless application protocol. These services are substantially billed on a monthly subscription basis or a per message basis (the "Service Fees"). These services are predominately delivered through the platforms of various subsidiaries of China Mobile Communications Corporation and they also collect the Service Fees on behalf of the Group.

Interest income is recognised on a time proportion basis using the effective interest method.

(o) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the income statement on a straight-line basis over the period of the lease.

(p) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(q) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation exchange differences arising from the translation of the net investment in the PRC operations and of borrowings are taken to shareholders' equity. When a foreign operation is potentially disposed of or sold, exchange differences that were recorded in equity are recognized in the consolidated income statement as part of the gain or loss on disposal/sale.

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management. The management manages and monitors these risk exposures to ensure appropriate measures are implemented on a timely and effective manners.

(a) Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong and the Mainland China and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United State Dollars ("USD") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments.

The Group manages its foreign exchange risk by engaging in transactions mainly in HK dollar, USD and RMB to the extent possible. The Group manages its exposure through constant monitoring to minimize the amount of its foreign currencies exposures.

At 30 June 2009, if HK dollar had weakened/strengthened by 10% against the USD with all other variables held constant, post-tax loss for the year would have been approximately HK$76,000 (2008: post-tax loss of approximately HK$82,000) higher/lower, mainly as a result of foreign exchange losses/gains on translation of USD-denominated cash and bank balances, trade and other receivables and trade and other payables.

At 30 June 2009, if HK dollar had weakened/strengthened by 10% against the RMB with all other variables held constant, post-tax loss for the year would have been approximately HK$25,000 (2008: post-tax loss of approximately HK$27,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of RMB-denominated cash and bank balances, trade and other receivables and trade and other payables.

4. FINANCIAL RISK MANAGEMENT *(Continued)*

4.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) Price risk

The Group is not exposed to significant price risk.

(iii) Cash flow and fair value interest rate risk

The Group's principal interest bearing assets are bank deposits. The Group manages cash balances and deposits by comparing quotations from banks, with a view to select for the terms that are most favourable to the Group.

The Group is not significantly exposed to fair value interest rate risks as the Group has no significant interest-bearing assets, except for cash at banks, and has no borrowing. The Group's income and operating cashflows are substantially independent from changes in market interest rates.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amounts of aforementioned assets. Management does not expect losses from non-performance by these counterparties.

4. **FINANCIAL RISK MANAGEMENT** *(Continued)*

4.1 **Financial risk factors** *(Continued)*

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents, and the availability of funding from an adequate amount of committed credit facilities. Management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Group				
At 30 June 2009				
Trade and other payables	8,664	–	–	–
At 30 June 2008				
Trade and other payables	11,809	–	–	–
Company				
At 30 June 2009				
Other payables	898	–	–	–
At 30 June 2008				
Other payables	2,100	–	–	–

4. FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Capital risk management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to the equity holders of the Group comprising share capital and reserves.

The management of the Group reviews the capital structure regularly, taking into account of the cost and risk associated. The Group will then balance its capital structure through the payment of dividends and new shares issues.

4.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values.

5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Revenue Recognition

The Group uses the stage of completion method in accounting for its fixed-price contracts to deliver project services. Use of the stage of completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed. Where the proportion of services performed to total services to be performed differ by 10% from management's estimates, the amount of revenue recognised in the year would be increased by HK$133,000 (2008: HK$27,000) if the proportion performed was increased, or would be decreased by HK$137,000 (2008: HK$27,000) if the proportion performed was decreased.

5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS *(Continued)*

(b) Allowance for obsolete inventories

The management reviews the inventories listing at each balance sheet date and identifies obsolete and slow moving inventory items which are no longer suitable for use in production or diminution in net realisable value. Allowance was made by reference to the latest market value for those inventories identified. In addition, management carries out an inventory review on a product-by-product basis at balance sheet date and makes the necessary write-down for obsolete items.

(c) Impairment of receivables

Management determines the provision for impairment of trade and other receivables based on the credit history of its customers and the current market condition. The Group reassesses the provision on each of the balance sheet date.

Significant judgment is exercised on the assessment of the collectability of trade receivables from each customer. In making its judgment, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, customer payment trends including subsequent payments and customers' financial position. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(d) Investment property

Investment property is carried in the balance sheet at fair value as determined by professional valuation. In determining the fair value of the investment property, the valuer uses assumptions and estimates that reflect, amongst other things, comparable market transactions. Judgment is required to determine the principal valuation assumptions to determine the fair value of the investment property. Change in fair value of investment property is recorded in the consolidated income statement as part of other income.

6. **TURNOVER**

An analysis of the Group's revenue for the year, for both continuing and discontinued operations, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Network solutions	15,134	1,928
Project services	10,014	975
	25,148	2,903
Discontinued operation		
Technology related services	19	535
	25,167	3,438

7. **SEGMENT INFORMATION**

Primary reporting format – business segments

For management purposes, the Group is currently organised into three operating divisions which are network solutions, project services and property investments. The Group was also involved in technology related services but the business was discontinued during the year. For details, please refer to note 14.

Network solutions – Provision of total system solution including data networking solution, synchronisation, timing solution, wireless local area network solution and network access control solution.

Project services – Provision of infrastructure installation services which include cellular base station and antenna system installation service, structural cabling installation service and microware installation service.

Property investments – Investments in property market in the PRC.

Technology related services – Provision of internet content services and tele-communication value-added services in the PRC (discontinued during the year).

7. SEGMENT INFORMATION *(Continued)*

Primary reporting format – business segments *(Continued)*

The segment results for the year ended 30 June 2009 are as follows:

	Continuing operations				Discontinued operation
	Network solutions	Project services	Property investments	Total	Technology related services
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	15,134	10,014	–	25,148	19
Segment results	4,717	1,983	(176)	6,524	(1,647)
Unallocated expenses				(10,047)	–
Other revenues				424	1
Other (losses)/gains, net				(12)	91
Fair value gain on investment property				230	–
Loss before income tax				(2,881)	(1,555)
Income tax expense				(23)	–
Loss for the year				(2,904)	(1,555)
Other segment information					
Depreciation	57	12	11	80	71
Unallocated depreciation				261	–
				341	71
Capital expenditures	215	–	82	297	–
Unallocated capital expenditures				32	–
				329	–

7. SEGMENT INFORMATION *(Continued)*

Primary reporting format – business segments *(Continued)*

The segment results for the year ended 30 June 2008 are as follows:

	Continuing operations				Discontinued operation
	Network solutions	Project services	Property investments	Total	Technology related services
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	1,928	975	–	2,903	535
Segment results	450	72	–	522	(9,199)
Unallocated expenses				(3,949)	–
Other revenue				1,235	13
Other losses, net				(96)	(175)
Loss before income tax				(2,288)	(9,361)
Income tax expense				–	–
Loss for the year				(2,288)	(9,361)
Other segment information					
Depreciation	3	1	–	4	1,030
Unallocated depreciation				145	–
				149	1,030
Capital expenditures	64	4	–	68	466
Unallocated capital expenditures				383	–
				451	466

7. SEGMENT INFORMATION *(Continued)*

Primary reporting format – business segments *(Continued)*

The segment assets and liabilities as at 30 June 2009 are as follows:

	Continuing operations					Discontinued operation
	Network solutions	**Project services**	**Property investments**	**Unallocated**	**Total**	**Technology related services**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	3,161	4,297	14,189	31,930	53,577	—
Segment liabilities	2,348	3,536	770	3,235	9,889	—

The segment assets and liabilities as at 30 June 2008 are as follows:

	Continuing operations					Discontinued operation
	Network solutions	**Project services**	**Property investments**	**Unallocated**	**Total**	**Technology related services**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	1,816	2,604	8,163	39,327	51,910	5,000
Segment liabilities	2,832	2,605	599	4,587	10,623	2,211

7. SEGMENT INFORMATION *(Continued)*

Secondary reporting format – geographical segments

The Group is operating in two main geographical areas:

Hong Kong: Network solutions and project services

Mainland China: Technology related services (discontinued during the year) and property investments

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

	Segment assets		Turnover		Capital expenditures	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	38,958	44,242	25,148	2,903	247	451
Mainland China	14,619	12,668	19	535	82	466
	53,577	56,910	25,167	3,438	329	917

Revenue from Group's discontinued operation was derived from Mainland China.

8. OTHER REVENUES

	2009	**2008**
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	200	1,235
Sundry income	224	–
	424	1,235
Discontinued operation		
Bank interest income	1	13
	425	1,248

9. OTHER LOSSES – NET

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Loss on disposal of property, plant and equipment	(44)	(96)
Others	32	–
	(12)	(96)
Discontinued operation		
Gain/(loss) on disposal of property, plant and equipment	91	(175)
	79	(271)

10. EXPENSES BY NATURE

Major expenses included in cost of sales, selling expenses and administrative expenses are analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Cost of inventories	9,773	1,453
Subcontracting fees for project services	7,320	856
Auditor's remuneration	847	1,390
Depreciation of property, plant and equipment	341	149
Exchange losses – net	403	313
Employee benefit expenses, including Directors' emoluments *(Note 11)*	6,986	1,542
Operating lease rentals for land and buildings	623	86
Discontinued operation		
Auditor's remuneration	3	52
Depreciation of property, plant and equipment	71	1,030
Exchange losses – net	851	249
Employee benefit expenses, including Directors' emoluments *(Note 11)*	543	7,523
Impairment loss on property, plant and equipment *(Note 17)*	–	165
Operating lease rentals for land and buildings	98	593

11. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2009	**2008**
	HK$'000	*HK$'000*
Continuing operations		
Wages and salaries	6,721	1,508
Pension costs – defined contribution plans	265	34
	6,986	1,542
Discontinued operation		
Wages and salaries	462	6,836
Bonuses	–	19
Pension costs – defined contribution plans	81	668
	543	7,523
	7,529	9,065

The retirement benefit costs under MPF Scheme charged to the consolidated income statement represent the net contribution after netting off with forfeited contributions of HK$2,000 (2008: HK$179,000). At 30 June 2009, no contribution was outstanding to the scheme and there was no unutilised forfeited contributions (2008: Nil).

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments paid and payable to directors of the Company during the year are as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Fees	560	560
Other emoluments:	–	–
	560	560

None of the directors of the Company waived any emoluments during the year (2008: Nil).

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(a) Directors' emoluments *(Continued)*

Details of the emoluments paid and payable to the directors of the Company are as follows:

	Year ended 30 June 2009				
Name of Director	**Fees**	**Salaries and allowances**	**Bonuses**	**Pension costs**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors					
Mr. Lo Lin Shing, Simon	100	–	–	–	100
Mr. Ho Hau Chong, Norman	100	–	–	–	100
Independent Non-Executive Directors					
Mr. Lau Wai Piu	120	–	–	–	120
Mr. Tsui Hing Chuen, William, *JP*	120	–	–	–	120
Mr. Lee Kee Wai, Frank	120	–	–	–	120
	560	–	–	–	560

	Year ended 30 June 2008				
Name of Director	**Fees**	**Salaries and allowances**	**Bonuses**	**Pension costs**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors					
Mr. Lo Lin Shing, Simon	100	–	–	–	100
Mr. Ho Hau Chong, Norman	100	–	–	–	100
Independent Non-Executive Directors					
Mr. Lau Wai Piu	120	–	–	–	120
Mr. Tsui Hing Chuen, William, *JP*	120	–	–	–	120
Mr. Lee Kee Wai, Frank	120	–	–	–	120
	560	–	–	–	560

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(b) Five highest paid individuals

None of the directors were included in the five highest paid individuals for the year ended 30 June 2009 (2008: Nil). The emoluments payable to the five (2008: five) individuals during the year are as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Salaries and allowances	2,895	2,760
Pension costs – defined contribution plans	48	88
	2,943	2,848

The emoluments of the individuals fell within the following bands:

	Number of individuals	
	2009	**2008**
Emolument bands		
– HK$1 to HK$1,000,000	5	4
– HK$1,000,001 to HK$1,500,000	–	1

13. INCOME TAX EXPENSE

	2009	2008
	HK$'000	*HK$'000*
Current tax		
– Hong Kong profits tax	–	–
– Overseas taxation	–	–
	–	–
Deferred tax		
– Origination of temporary differences *(Note 25)*	23	–
Total income tax expense	23	–

	2009	2008
	HK$'000	*HK$'000*
Loss before income tax	(4,436)	(11,649)
Calculated at a taxation rate of 16.5%	(732)	(1,922)
Effect of different taxation rate in other country	(501)	(903)
Income not subject to tax	(362)	(276)
Expenses not deductible for taxation purposes	664	463
Tax losses not recognised	931	2,638
Temporary differences recognised	23	–
Income tax expense	23	–

14. DISCONTINUED OPERATION

During the year, the Group discontinued its technology related services business.

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

	2009	**2008**
	HK$'000	*HK$'000*
Turnover	19	535
Other revenue	1	13
Other gain/(loss), net	91	(175)
Staff cost, depreciation and other expenses	(1,666)	(9,734)
Loss before income tax	(1,555)	(9,361)
Income tax	–	–
Loss for the year	(1,555)	(9,361)
Net cash used in operating activities	(564)	(867)
Net cash generated from/(used in) investing activities	133	(319)
Total net cash outflow	(431)	(1,186)

There were no assets and liabilities of the discontinued operation as at 30 June 2009.

15. LOSS PER SHARE

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

	2009	2008
	HK$'000	*HK$'000*
Attributable to the equity holders of the Company, as used in the calculation of basic and diluted loss per shares		
Loss from continuing operations and discontinued operation	(4,459)	(11,649)
Loss from continuing operations	(2,904)	(2,288)
Loss from discontinued operation	(1,555)	(9,361)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of calculating basic loss per share	97,892,069	97,779,192
Effect of dilutive potential ordinary shares *(Note)*:		
Share options	–	–
Weighted average number of ordinary shares for diluted loss per share *(Note)*	97,892,069	97,779,192

Note:

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

16. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders is dealt with in the financial statements of the Company to the extent of HK$6,286,000 for the year ended 30 June 2009 (2008: HK$52,813,000).

17. PROPERTY, PLANT AND EQUIPMENT – GROUP

	Leasehold building HK$'000	Computer equipment HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost						
At 1 July 2007	3,900	2,343	148	–	767	7,158
Additions	–	202	20	–	264	486
Acquisition of subsidiaries	–	–	381	50	–	431
Impairment loss	–	(165)	–	–	–	(165)
Disposals	–	(2,538)	(160)	–	(544)	(3,242)
Exchange differences	–	177	10	–	119	306
At 30 June 2008 and 1 July 2008	3,900	19	399	50	606	4,974
Additions	–	–	247	82	–	329
Disposals	–	–	–	–	(262)	(262)
Transfer to investment properties	(3,900)	–	–	–	–	(3,900)
Exchange differences	–	1	–	–	23	24
At 30 June 2009	–	20	646	132	367	1,165
Accumulated depreciation						
At 1 July 2007	127	1,523	69	–	56	1,775
Charge for the year	101	806	87	9	176	1,179
Disposals	–	(2,435)	(134)	–	(198)	(2,767)
Exchange differences	–	121	5	–	60	186
At 30 June 2008 and 1 July 2008	228	15	27	9	94	373
Charge for the year	51	1	190	52	118	412
Disposals	–	–	–	–	(36)	(36)
Transfer to investment properties	(279)	–	–	–	–	(279)
Exchange differences	–	1	–	–	13	14
At 30 June 2009	–	17	217	61	189	484
Net book value						
At 30 June 2008	3,672	4	372	41	512	4,601
At 30 June 2009	–	3	429	71	178	681

18. INVESTMENT PROPERTIES – GROUP

	2009	2008
	HK$'000	*HK$'000*
At beginning of the year	7,370	–
Acquisition of a subsidiary	–	7,370
Transfer from leasehold building *(Note 17)*	3,621	–
Fair value gains on investment properties	2,859	–
At end of the year	13,850	7,370

The Group's investment properties were revalued on an open market value basis at 30 June 2009 by Jones Lang LaSalle Sallmanns Limited, an independent professionally qualified valuer. Valuation was based on current prices in an active market, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The difference of net book value and fair value upon transfer from leasehold building is recognised in revaluation reserve, while subsequent changes in fair values are recorded in the consolidated income statement. No rental income has been generated during the year (2008: Nil). Direct operating expenses arising from the investment properties amounted to approximately HK$198,000 during the year.

The investment properties are located in the PRC and are held on medium term leases.

19. INVESTMENTS IN SUBSIDIARIES – COMPANY

	2009	2008
	HK$'000	*HK$'000*
Unlisted investments, at costs *(Note a)*	31,741	42,670
Amounts due from subsidiaries *(Note b)*	137,751	159,879
	169,492	202,549
Less: Provision for impairment	(153,812)	(183,247)
	15,680	19,302

19. INVESTMENTS IN SUBSIDIARIES – COMPANY *(Continued)*

Notes:

(a) Particulars of the principal subsidiaries of the Company at 30 June 2009 are as follows:

Name	Place of incorporation	Particulars of issued share capital	Interest held by the Company	Interest held by the Group	Principal activities and place of operation
Cyber On-Air (Asia) Limited	Hong Kong	100 ordinary shares of HK$1 each and 100,000 non-voting deferred shares of HK$1 each	–	100%	Provision of network solutions and project services in Hong Kong
Jetco Technologies Limited	Hong Kong	1,250,000 ordinary shares of HK$1 each	–	100%	Property investment in the PRC
Lipro Prosper Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Property investment in the PRC

(b) The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

20. GOODWILL – GROUP

	2009	2008
	HK$'000	*HK$'000*
At beginning of the year	3,592	–
Acquisition of subsidiaries	–	3,592
At end of the year	3,592	3,592

21. TRADE RECEIVABLES – GROUP

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	5,333	3,079
Less: provision for impairment of trade receivables	(29)	(32)
Trade receivables – net	5,304	3,047

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

	2009	2008
	HK$'000	*HK$'000*
1 – 30 days	2,702	268
31 – 60 days	631	1,128
61 – 90 days	486	182
91 – 180 days	674	1,198
Over 180 days	811	271
	5,304	3,047

As of 30 June 2009, trade receivables of HK$2,592,000 (2008: HK$2,779,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2009	2008
	HK$'000	*HK$'000*
Past due 1 – 30 days	385	1,128
Past due 31 – 60 days	576	182
Past due 61 – 90 days	403	291
Past due 91 – 180 days	636	1,111
Past due over 180 days	592	67
	2,592	2,779

As of 30 June 2009, trade receivables of HK$29,000 (2008: HK$32,000) were impaired, and full provision were made on these trade receivables. The individually impaired receivables mainly relate to several customers, which are in unexpected difficult economic situations. The ageing of these trade receivables is over 90 days.

21. TRADE RECEIVABLES – GROUP *(Continued)*

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

	2009	2008
	HK$'000	*HK$'000*
HK dollars	5,266	2,851
Renminbi	–	29
US dollars	38	167
	5,304	3,047

The carrying amounts of trade receivables approximate their fair values.

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

	2009	2008
	HK$'000	*HK$'000*
At the beginning of the year	32	6,197
Acquisition of subsidiaries	–	32
Provision for receivables impairment	29	–
Provision written off during the year as uncollectible	(32)	(6,197)
At the end of the year	29	32

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

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

22. INVENTORIES – GROUP

	2009	2008
	HK$'000	*HK$'000*
Raw materials	33	200
Work in progress	1,088	843
Finished goods	553	188
	1,674	1,231

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK$9,773,000 (2008: HK$1,453,000).

23. RESTRICTED BANK BALANCE – GROUP

	2009	2008
	HK$'000	*HK$'000*
Restricted bank balance	–	1,000

As at 30 June 2008, restricted bank balance denominated in HK dollar represents mandatory reserve deposits placed by a newly acquired subsidiary in a bank as pledges against facilities granted. The weighted average effective interest rate per annum on restricted bank balance was 0.84%.

24. CASH AND BANK BALANCES – GROUP AND COMPANY

	Group		Company	
	2009	2008	2009	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash at banks and on hand	27,888	35,000	25,221	30,440

The cash and bank balances of the Group as at 30 June 2009 included balances with the PRC banks totalling HK$240,000 (2008: HK$746,000) which were denominated in RMB and USD. The remittance of these balances outside the PRC is subject to foreign exchange control rules and regulations of the PRC.

The weighted average effective interest rate on short-term bank deposits was 0.42% (2008: 1.54%) per annum. The maturity days of the short-term bank deposit ranged from one week to one month.

25. DEFERRED INCOME TAX LIABILITIES – GROUP

	Investment properties
	HK$'000
At 1 July 2007 & 2008	–
Charge to income statement *(Note 13)*	23
Charge to equity *(Note 29)*	263
At 30 June 2009	286

The Group has no deferred tax asset recognised for the year (2008: Nil). Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. In this regard, the Group has estimated tax losses of HK$156,575,000 (2008: HK$173,353,000) to carry forward against future taxation income. Except for the tax losses of HK$47,216,000 (2008: HK$85,620,000) expiring within 5 years, the balance has no expiry date. These tax losses have not been recognised due to uncertainty of their future recoverability.

26. TRADE PAYABLES – GROUP

The ageing analysis of the trade payables is as follows:

	2009	**2008**
	HK$'000	*HK$'000*
1 – 30 days	4,431	2,813
31 – 60 days	408	1,022
61 – 90 days	76	69
91 – 180 days	133	411
Over 180 days	136	271
	5,184	4,586

The carrying amounts of trade payables approximate its fair value.

27. AMOUNTS DUE FROM/(TO) A RELATED COMPANY – GROUP AND COMPANY

The amounts due from/(to) a related company are unsecured, interest-free and repayable on demand.

Mr. Lo Lin Shing, Simon, a director of the Company, is also a director of the related company.

28. SHARE CAPITAL – GROUP AND COMPANY

	Ordinary shares of HK$1.00 each	
	No. of shares	*HK$'000*
Authorised:		
At 1 July 2007, 30 June 2008 and 2009	2,000,000,000	2,000,000
Issued and fully paid:		
At 1 July 2007	97,692,069	97,692
Issue of new ordinary shares *(Note)*	200,000	200
At 30 June 2008 and 30 June 2009	97,892,069	97,892

28. SHARE CAPITAL – GROUP AND COMPANY *(Continued)*

Note:

Share option schemes

At an extraordinary general meeting of the Company held on 28 May 2002, the shareholders of the Company approved the termination of the share option scheme adopted by the Company on 11 September 1998 (the "1998 Share Option Scheme") and the adoption of a new share option scheme (the "2002 Share Option Scheme") in compliance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchanges (the "Listing Rules"). Upon termination of the 1998 Share Option Scheme, no further options could be granted under the 1998 Share Option Scheme. However, the outstanding share options granted there under would continue to be valid and exercisable in accordance with the provisions of the 1998 Share Option Scheme.

The 2002 Share Option Scheme is valid and effective for a period of 10 years commencing on 28 May 2002. The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time unless separately approved by the shareholders in general meeting.

An option may be exercised in accordance with the terms of the 2002 Share Option Scheme at any time during the period as the board of directors at their absolute discretion determine and in any event such period shall not be more than 10 years from the date upon which the offer of the option is made to the grantee. The directors may, if consider appropriate, determine the minimum period for which an option must be held before it can be exercised.

Upon acceptance of the offer for an option, the grantee shall pay HK$1.00 as consideration for the grant. The subscription price of a share in respect of any option granted shall be determined by the board of directors at their absolute discretion but shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of a share.

Movements in the share options are as follows:

1998 Share Option Scheme:	**Exercise period**	**Exercise price**	**Number of options**
		HK$	
At 1 July 2007			200,000
Exercised	9.2.2002 to 8.2.2008	2.44	(200,000)
At 30 June 2008 and 30 June 2009			–

Share options outstanding at the year end have the following expiry dates and exercise prices:

2002 Share Option Scheme:	**Exercise period**	**Exercise price**	**Number of options**
		HK$	
At 30 June 2008 and 30 June 2009	28.1.2005 to 31.12.2010	1.26	78,000

29. OTHER RESERVES

(a) Group

	Share premium	Revaluation reserve	Currency translation reserve	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 July 2007	12,062	–	839	12,901
Currency translation differences	–	–	(449)	(449)
Premium on issue of new ordinary shares	288	–	–	288
At 30 June 2008 and 1 July 2008	12,350	–	390	12,740
Currency translation differences	–	–	1,705	1,705
Revaluation gain on investment property	–	2,629	–	2,629
Deferred income tax liabilities	–	(263)	–	(263)
At 30 June 2009	12,350	2,366	2,095	16,811

(b) Company

	Share premium	Currency translation reserve	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 July 2007	12,062	–	12,062
Premium on issue of new ordinary shares	288	–	288
Currency translation differences	–	1,893	1,893
At 30 June 2008 and 1 July 2008	12,350	1,893	14,243
Currency translation differences	–	(1,893)	(1,893)
At 30 June 2009	12,350	–	12,350

Note: The share premium is to be applied as the directors of the Company may consider appropriate, subject to the compliance with the laws of Cayman Islands.

30. NOTE TO CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of loss before income tax to net cash used in operations:

	2009	2008
	HK$'000	*HK$'000*
Loss before income tax	(4,436)	(11,649)
Depreciation of property, plant and equipment	412	1,179
(Gain)/loss on disposal of property, plant and equipment	(47)	271
Fair value gain on investment property	(230)	–
Loss on disposals and deregisteration of the subsidiaries	1,038	–
Interest income	(201)	(1,248)
Impairment loss on property, plant and equipment	–	165
Changes in working capital (excluding the effects of acquisitions and exchange differences on consolidation):		
– trade receivables	(2,257)	1,225
– prepayments, deposits and other receivables	469	704
– inventories	(443)	(553)
– trade payables	598	106
– amount due to a related company	(3)	–
– accrued charges, other payables, deposits received and deferred revenue	(3,719)	(4,627)
– restricted bank balances	1,000	(171)
Net cash used in operations	(7,819)	(14,598)

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2009	2008
	HK$'000	*HK$'000*
Net book amount	226	475
Gain/(loss) on disposal of property, plant and equipment	47	(271)
Proceeds from disposal of property, plant and equipment	273	204

31. DISPOSALS AND DEREGISTRATION OF THE SUBSIDIARIES

The Group disposed and deregistered certain subsidiaries during the year. Details of net assets disposed of and loss on the disposals were as follows:

	2009
	HK$'000
Net book value of net assets disposed of	
Cash and bank balances	(1)
Prepayments, deposits and other receivables	(12)
Accrued charges, other payables and deposit received	107
Reserve	(1,132)
Loss on disposals and deregistration of the subsidiaries	(1,038)
Satisfied by:	
Consideration settled in cash	–
Net cash outflows on disposals of the subsidiaries	(1)

32. OPERATING LEASE COMMITMENTS

At 30 June 2009, the Group had total future aggregate minimum lease payments under non-cancellable operating leases which expire as follows:

	2009	**2008**
	HK$'000	*HK$'000*
No later than 1 year	423	383
Later than 1 year	23	–
	446	383

The Group did not have any operating lease receivable as at 30 June 2009 and 2008.

33. RELATED PARTY TRANSACTIONS

The Group is controlled by Moral Glory International Limited (incorporated in the British Virgin Islands), which owns 56.55% of the Company's shares. The remaining 43.45% of the shares are widely held. In the opinion of the Directors, the ultimate holding company of the Company is Moral Glory International Limited.

(a) The year end balance with a related party is as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Payable to a related company		
– Mongolia Energy Corporation		
(Greater China) Limited	443	446

A Director and a substantial shareholder of the Company is also the common director of a related company.

The balances are unsecured, interest free and repayable on demand.

(b) Key management compensation of the Group for the year is as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Salaries and other employee benefits	1,527	1,406

C. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

Business Review

It was a challenging year for the Group due to the economic downturn induced by the financial tsunami which swept globally. Unavoidably, the Group has experienced negative impact on its business performance due to the adverse economic environment. However, through the management team's continuous effort, we are still a competitive player in the market offering broadband, multimedia and wireless solutions to the industry by having focus in the two business streams of project services and network solutions.

Due to our proven track record, the Group was appointed as one of the contractors by SmarTone-Vodafone in Hong Kong for their cellular system installation. In addition, the Group is striving to broaden its Project Service business into other areas such as indoor structural cabling, other telecom system installation etc. as well as partnering with other network operators and system manufacturers.

In Network Solutions business, the Group successfully participated in several large scale projects during the year that are meeting the Group's direction and positioning. These projects included:

Television Broadcast Limited (TVB) — the network synchronization of their high definition television digital broadcasting system. This project helps us to further strengthen the Group's expertise on system synchronization as well as preparing ourselves to apply this latest technology in the coming mobile digital broadcasting networks.

Amway Hong Kong Limited — a free Wi-Fi wireless access in their retail outlets and the internal Wi-Fi wireless access in their Hong Kong office. The Group will be benefit from this project by expanding similar applications to other local firms.

CSL Ltd. and Hong Kong Government — for the provision of advanced digital microwave technology to provide broadband wireless access and backhaul. This application helps users to extend their IP network to remote areas. This application will become a new market demand due to the increased bandwidth requirements by both the fixed and mobile operators as well as organisations that are looking for broadband solutions for specific applications such as video surveillance.

The Group's investment properties include a high-ended villa and an office building in Beijing, the PRC. During the year, the Group had appointed a local property agent to locate suitable tenants but in vain. The investment properties remained vacant as at 30 June 2009.

During the year, the management determined to exit the wireless value-added business due to poor business prospects and this exit was completed before the year end.

Financial Review

1. *Results analysis*

    For the year ended 30 June 2009, turnover from continuing operations was HK$25.1 million (2008: HK$2.9 million). The turnover was solely generated from the business of network solutions and project services. These business segments were acquired from an independent third party in late April 2008. The reflection of full year operating results from these business segments accounted for the more than 7 times increase in turnover.

    Loss attributable to equity holders was HK$4.5 million (2008: HK$11.6 million).

2. *Liquidity and financial resources*

    As at 30 June 2009, the capital and reserves attributable to the equity holders of the Company was HK$43.7 million (2008: HK$44.1 million). The Group had no bank or other borrowings as at 30 June 2009 (2008: Nil) and the bank balances were HK$27.9 million (2008: HK$35 million). The Group has sufficient liquidity and financial resources to meet the daily operational needs and make additional investments should opportunities arise.

3. *Gearing*

The Group has no gearing as at 30 June 2009 (2008: Nil).

4. *Foreign exchange*

The key operations of the Group are located in Hong Kong and the PRC. The Group's assets and liabilities are mainly denominated in Hong Kong dollar, United States dollar and Renminbi. The Group does not establish a foreign currency hedging policy. However, the 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 2009, the Group did not have significant contingent liabilities (2008: Nil).

D. FINANCIAL AND TRADING PROSPECTUS OF THE ENLARGES GROUP

The Group is principally engaged in the provision of network solutions, project services and properties investment. Upon completion of the Acquisition, the Group will diversify its business to the aircraft leasing.

The Directors are of the view that the Group would benefit from the expansion of business scope and broaden of the revenue base.

Looking ahead, the Group will endeavor to make more investment decisions with a prudent manner in order to develop a diversified business portfolio. The Group currently has sufficient financial resources to support its daily operations.

E. INDEBTEDNESS STATEMENT OF THE ENLARGED GROUP

As at the close of business on 30 November 2009, being the latest practicable date for the purpose of ascertaining the indebtedness of the Enlarged Group prior to the printing of this circular, the Enlarged Group had unguaranteed and unsecured amount due to a related company of approximately HK$0.4 million, unguaranteed and unsecured amounts due to ultimate holding company and fellow subsidiaries of Glory Key of approximately HK$162.7 million and HK$15.5 million respectively.

As at the close of business on 30 November 2009, the Enlarged Group did not have significant contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 30 November 2009, the Enlarged Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

F. WORKING CAPITAL

The Directors are of the opinion that, following Completion and taking into account the present internal financial resources, the Enlarged Group will have sufficient working capital for its requirements in next 12 months from the Latest Practicable Date.

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountants, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

29th Floor
Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

27 January 2010

The Board of Directors
Vision Values Holdings Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Glory Key Investments Ltd. ("Glory Key") for each of the three years ended 31 March 2009 and the six months ended 30 September 2009 (the "Relevant Periods") for inclusion in the circular dated 27 January 2010 (the "Circular") issued by Vision Values Holdings Limited (the "Company") in connection with the proposed acquisition of the entire equity interest in Glory Key.

Glory Key was incorporated on 25 October 2005 in the British Virgin Islands with limited liability and is engaged in the provision of charter flight services.

No audited financial statements of Glory Key have been prepared for the Relevant Periods as there is no statutory audit requirement in the country of its incorporation. For the purpose of this report, the directors of Glory Key have prepared the management accounts of Glory Key for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

For the purpose of this report, we have examined the unaudited management accounts of Glory Key (the "Underlying Financial Statements") for the Relevant Periods and carried out such additional procedures as are necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information has been prepared from the Underlying Financial Statements in accordance with HKFRSs. No adjustments were considered necessary for the purpose of preparing our report for inclusion in the Circular.

The directors of Glory Key are responsible for the preparation of the Underlying Financial Statements. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

For the purpose of this report, the directors of Glory Key have prepared the comparative financial information of Glory Key for the six months ended 30 September 2008 (the "Comparative Financial Information") in accordance with HKFRSs. We have reviewed the Comparative Financial Information in accordance with Hong Kong Standard on Review Engagements 2400 "Engagements to Review Financial Statements" issued by the HKICPA. The review consists principally of making enquiries of Glory Key's management and applying analytical procedures to the Comparative Financial Information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed, but excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the Comparative Financial Information.

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the Comparative Financial Information.

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the state of affairs of Glory Key as at 31 March 2007, 2008 and 2009 and 30 September 2009 and of Glory Key's results for the Relevant Periods.

Material uncertainty relating to the going concern basis

Without qualifying our opinion, we draw attention to note 2 to the Financial Information which mentions that Glory Key incurred a loss of approximately HK$25,443,000 for the six months ended 30 September 2009 and as at 30 September 2009, Glory Key had net current liabilities and net liabilities of approximately HK$176,951,000 and HK$80,951,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about Glory Key's ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the financial support of the ultimate holding company, at a level sufficient to finance the working capital requirements of Glory Key. The Financial Information does not include any adjustments that would result from the failure to obtain the financial support. We consider that the material uncertainty has been adequately disclosed in the Financial Information.

FINANCIAL INFORMATION

A. STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 March			Six months ended 30 September	
		2007	**2008**	**2009**	**2008**	**2009**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenue	*8*	13,174	3,044	2,005	1,569	1,239
Direct operating costs		(6,720)	(1,792)	(1,763)	(1,294)	(513)
Crew costs		(4,128)	(4,396)	(5,170)	(2,585)	(2,585)
Repairs and maintenance		(1,739)	(4,656)	(4,435)	(1,650)	(2,122)
Depreciation		(8,253)	(8,252)	(8,253)	(4,126)	(4,454)
Aircraft management fee		(1,188)	(1,021)	(936)	(468)	(468)
Impairment losses on property, plant and equipment		—	—	(5,195)	—	(16,179)
Other expenses		(2,988)	(1,054)	(859)	(419)	(361)
Loss before tax		(11,842)	(18,127)	(24,606)	(8,973)	(25,443)
Income tax expense	*9*	—	—	—	—	—
Loss and total comprehensive income for the year/period	*10*	(11,842)	(18,127)	(24,606)	(8,973)	(25,443)

B. STATEMENTS OF FINANCIAL POSITION

		As at 31 March			As at 30 September
		2007	2008	2009	2009
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment	*11*	134,674	126,422	116,250	96,000
Current assets					
Trade receivables	*12*	1,981	976	—	375
Prepayments, deposits and other receivables		390	872	780	780
Amount due from immediate holding company	*13*	902	902	902	902
		3,273	2,750	1,682	2,057
Current liabilities					
Trade payables	*14*	419	8,307	5,927	929
Accruals and other payables		116	484	—	—
Amount due to ultimate holding company	*13*	130,765	135,745	151,975	162,541
Amounts due to fellow subsidiaries	*13*	19,422	15,538	15,538	15,538
		150,722	160,074	173,440	179,008
Net current liabilities		(147,449)	(157,324)	(171,758)	(176,951)
NET LIABILITIES		(12,775)	(30,902)	(55,508)	(80,951)
Capital and reserves					
Share capital	*15*	—	—	—	—
Accumulated losses		(12,775)	(30,902)	(55,508)	(80,951)
EQUITY		(12,775)	(30,902)	(55,508)	(80,951)

C. STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$'000*	Accumulated losses *HK$'000*	Total equity *HK$'000*
At 1 April 2006	—	(933)	(933)
Total comprehensive income for the year	—	(11,842)	(11,842)
At 31 March 2007 and 1 April 2007	—	(12,775)	(12,775)
Total comprehensive income for the year	—	(18,127)	(18,127)
At 31 March 2008 and 1 April 2008	—	(30,902)	(30,902)
Total comprehensive income for the year	—	(24,606)	(24,606)
At 31 March 2009 and 1 April 2009	—	(55,508)	(55,508)
Total comprehensive income for the period	—	(25,443)	(25,443)
At 30 September 2009	—	(80,951)	(80,951)
At 1 April 2008 (unaudited)	—	(30,902)	(30,902)
Total comprehensive income for the period (unaudited)	—	(8,973)	(8,973)
At 30 September 2008 (unaudited)	—	(39,875)	(39,875)

D. NOTES TO FINANCIAL INFORMATION

1. GENERAL INFORMATION

Glory Key was incorporated in the British Virgin Islands with limited liability. The address of its registered office is 325 Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickham's Cay, Road Town, Tortola, British Virgin Islands. The address of its principal place of business is 40th Floor, New World Tower 1, 16 - 18 Queen's Road Central, Hong Kong.

Glory Key is principally engaged in the provision of charter flight services.

In the opinion of the directors of Glory Key, as at 30 September 2009, Asia Business Aviation Limited, a company incorporated in the British Virgin Islands, is the immediate parent; Mongolia Energy Corporation Limited, a company incorporated in Bermuda, is the ultimate parent.

Glory Key does not maintain any bank account and therefore no statements of cash flows are presented.

2. GOING CONCERN BASIS

Glory Key incurred a loss of approximately HK$25,443,000 for the six months ended 30 September 2009 and as at 30 September 2009 Glory Key had net current liabilities and net liabilities of approximately HK$176,951,000 and HK$80,951,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on Glory Key's ability to continue as a going concern. Therefore, Glory Key may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Financial Information has been prepared on a going concern basis, the validity of which depends upon the financial support of the ultimate holding company, at a level sufficient to finance the working capital requirements of Glory Key. The ultimate holding company has agreed to provide adequate funds for Glory Key to meet its liabilities as they fall due. The directors are therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. Should Glory Key be unable to continue as a going concern, adjustments would have to be made to the Financial Information to adjust the value of Glory Key's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the Relevant Periods, Glory Key has adopted all the new and revised HKFRSs that are relevant to its operations and effective for its accounting period beginning on 1 April 2009. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations.

Glory Key has not applied the new HKFRSs that have been issued but are not yet effective. Glory Key has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Hong Kong Companies Ordinance.

The Financial Information has been prepared under the historical cost convention.

The preparation of Financial Information in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 5 to the Financial Information.

The significant accounting policies applied in the preparation of the Financial Information are set out below.

(a) Functional and presentation currency

Items included in the Financial Information are measured using the currency of the primary economic environment in which Glory Key operates (the "functional currency"). The Financial Information is presented in Hong Kong dollars, which is Glory Key's functional and presentation currency.

(b) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Glory Key and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Aircraft and engines	12 - 20 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

4. **SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(c) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when Glory Key becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; Glory Key transfers substantially all the risks and rewards of ownership of the assets; or Glory Key neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(d) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that Glory Key will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of Glory Key after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(ii) Equity instruments

Equity instruments issued by Glory Key are recorded at the proceeds received, net of direct issue costs.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to Glory Key and the amount of revenue can be measured reliably.

Charter flight income is recognised when the transportation services are rendered.

(g) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the Relevant Periods. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Glory Key's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Taxation *(Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Glory Key intends to settle its current tax assets and liabilities on a net basis.

(h) Related parties

A party is related to Glory Key if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, Glory Key; has an interest in Glory Key that gives it significant influence over Glory Key; or has joint control over Glory Key;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of Glory Key or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of Glory Key, or of any entity that is a related party of Glory Key.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Impairment of assets

At the end of each reporting period, Glory Key reviews the carrying amounts of its tangible and intangible assets except receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, Glory Key estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Glory Key has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

4. **SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(k) Events after the reporting period

Provisions are recognised for liabilities of uncertain timing or amount when Glory Key has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

5. **CRITICAL JUDGEMENTS AND KEY ESTIMATES**

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the Financial Information.

Going concern basis

The Financial Information has been prepared on a going concern basis, the validity of which depends upon the financial support of the ultimate holding company at a level sufficient to finance the working capital requirements of Glory Key. Details are explained in note 2 to Financial Information.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Property, plant and equipment and depreciation

Glory Key determines the estimated useful lives, residual values and related depreciation charges for Glory Key's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. Glory Key will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

6. FINANCIAL RISK MANAGEMENT

Glory Key's activities expose it to a variety of financial risks: credit risk and liquidity risk. Glory Key's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Glory Key's financial performance.

(a) Credit risk

The carrying amount of trade and other receivables and amount due from immediate holding company included in the statements of financial position represents Glory Key's maximum exposure to credit risk in relation to Glory Key's financial assets.

Glory key is exposed to concentration of credit risk on amount due from an associate of the ultimate holding company included in trade receivables and amount due from immediate holding company.

In order to minimise credit risk, the directors have established procedures to monitor the business operation and financial position of the associate of the ultimate holding company and the immediate holding company. In addition, the directors review the recoverable amount regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the directors consider that Glory Key's credit risk is significantly reduced.

(b) Liquidity risk

Glory Key's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of Glory Key's financial liabilities is as follows:

	Less than 1 year
	HK$'000
At 31 March 2007	
Trade payables	419
Accruals and other payables	116
Amount due to ultimate holding company	130,765
Amounts due to fellow subsidiaries	19,422
At 31 March 2008	
Trade payables	8,307
Accruals and other payables	484
Amount due to ultimate holding company	135,745
Amounts due to fellow subsidiaries	15,538
At 31 March 2009	
Trade payables	5,927
Amount due to ultimate holding company	151,975
Amounts due to fellow subsidiaries	15,538
At 30 September 2009	
Trade payables	929
Amount due to ultimate holding company	162,541
Amounts due to fellow subsidiaries	15,538

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Fair values

The carrying amounts of Glory Key's financial assets and financial liabilities as reflected in the statements of financial position approximate their respective fair values.

7. SEGMENT INFORMATION

(a) Reportable segment

No reportable segment information is presented as all Glory Key's revenue, profit or loss, assets and liabilities are derived from the single operating segment of provision of charter flight service.

(b) Geographical information

Glory Key's income from external customers, based on the location of the customers, is derived solely in Hong Kong. Its non-current assets are located in Hong Kong.

(c) Information about products and services

All revenue from customers of Glory Key is derived from the operating segment of provision of charter flight service.

(d) Revenue from major customers

An analysis of revenue from major customers which account for over 10 per cent or more of Glory Key's revenue is as follows:

	Year ended 31 March			**Six months ended 30 September**	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Largest customer	6,776	908	708	494	810
Second largest customer	1,789	899	671	449	375
Third largest customer	1,701	715	380	380	N/A
Fourth largest customer	N/A	N/A	246	246	N/A
	10,266	2,522	2,005	1,569	1,185

8. REVENUE

An analysis of Glory Key's revenue is as follows:

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Charter flight income	13,174	3,044	2,005	1,569	1,239

9. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since Glory Key has no assessable profit for the Relevant Periods.

The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Loss before tax	11,842	18,127	24,606	8,973	25,443
Tax at the domestic income tax rate	2,072	3,172	4,060	1,481	4,198
Tax effect of temporary differences not recognised	(2,072)	(3,172)	(4,060)	(1,481)	(4,198)
Income tax expense	—	—	—	—	—

Domestic income tax rates are 17.5% for the years ended 31 March 2007 and 2008 and 16.5% for the year ended 31 March 2009 and for the six months ended 30 September 2008 and 2009.

10. LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD

Glory Key's loss and total comprehensive income for the year/period are stated after charging the following:

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Depreciation	8,253	8,252	8,253	4,126	4,454
Directors' emoluments	—	—	—	—	—
Auditor's remuneration	—	—	—	—	—
Impairment losses on property, plant and equipment	—	—	5,195	—	16,179
Charter flight income from an associate of the ultimate holding company	6,776	908	671	449	810
Aircraft management fee to an associate of the ultimate holding company	—	624	936	468	468
Administrative management fee to an associate of the ultimate holding company	121	763	536	240	241
Handling charges to an associate of the ultimate holding company	2,427	1,021	786	637	322

11. PROPERTY, PLANT AND EQUIPMENT

	Aircraft and engines
	HK$'000
Cost	
At 1 April 2006, 31 March 2007, 1 April 2007, 31 March 2008 and 1 April 2008	143,568
Additions	3,276
At 31 March 2009 and 1 April 2009	146,844
Additions	383
At 30 September 2009	147,227
Accumulated depreciation and impairment	
At 1 April 2006	641
Charge for the year	8,253
At 31 March 2007 and 1 April 2007	8,894
Charge for the year	8,252
At 31 March 2008 and 1 April 2008	17,146
Charge for the year	8,253
Impairment loss	5,195
At 31 March 2009 and 1 April 2009	30,594
Charge for the period	4,454
Impairment loss	16,179
At 30 September 2009	51,227
Carrying amount	
At 31 March 2007	134,674
At 31 March 2008	126,422
At 31 March 2009	116,250
At 30 September 2009	96,000

12. TRADE RECEIVABLES

Included in trade receivables were balances due from an associate of the ultimate holding company as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Due from an associate of the ultimate holding company	764	—	—	—

Glory Key's trading terms with customers are mainly on credit. The credit term with customers is generally 30 days.

The ageing analysis of trade receivables, based on the invoice date, and net off allowance, is as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current to 30 days	312	154	—	211
31 to 60 days	11	89	—	164
61 to 90 days	233	—	—	—
Over 90 days	1,425	733	—	—
	1,981	976	—	375

As of 31 March 2007, 2008, 2009 and 30 September 2009, trade receivables of approximately HK$1,669,000, HK$822,000, nil and HK$164,000 respectively were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
31 to 60 days	11	89	—	164
61 to 90 days	233	—	—	—
Over 90 days	1,425	733	—	—
	1,669	822	—	164

13. AMOUNTS DUE FROM/(TO) FELLOW SUBSIDIARIES, IMMEDIATE AND ULTIMATE HOLDING COMPANIES

Amounts due from/(to) fellow subsidiaries, immediate and ultimate holding companies are unsecured, interest-free and repayable on demand.

14. TRADE PAYABLES

Included in trade payables were balances due to an associate of the ultimate holding company as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Due to an associate of the ultimate holding company	—	8,307	5,927	929

The ageing analysis of trade payables, based on the date of services received, is as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current to 30 days	—	1,191	1,505	—
31 to 60 days	—	2,709	3,369	—
61 to 90 days	—	1,363	—	—
Over 90 days	419	3,044	1,053	929
	419	8,307	5,927	929

15. SHARE CAPITAL

	Number of Share(s)	Amount
		HK$
Authorised:		
Ordinary shares of US$1 each		
At 1 April 2006, 31 March 2007, 2008, 2009 and 30 September 2009	50,000	390,000
Issued and fully paid:		
Ordinary shares of US$1		
At 1 April 2006, 31 March 2007, 2008, 2009 and 30 September 2009	1	8

Glory Key's objectives when managing capital are to safeguard Glory Key's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balances.

Glory Key currently does not have any specific policies and processes for managing capital.

Glory Key is not subject to any externally imposed capital requirement.

16. RELATED PARTY TRANSACTIONS

During the Relevant Periods, the ultimate holding company and a fellow subsidiary had used the aircraft for flights of their own. No charter flight income had been charged to them for their uses. The corresponding flight costs were also borne by the above mentioned group companies.

17. SUBSEQUENT EVENTS

On 3 December 2009, Glory Key entered into an agreement with Business Aviation Asia Limited, an associate of the ultimate holding company. Pursuant to the agreement, Glory Key shall lease the aircraft to Business Aviation Asia Limited at a monthly lease payment of US$40,000 from 1 January 2010 to 31 December 2010. The lessee shall have and retain exclusive operational control and exclusive possession, command and control, of the aircraft.

Apart from the above, no significant subsequent event took place subsequent to 30 September 2009.

18. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by Glory Key in respect of any period subsequent to 30 September 2009.

Yours faithfully,
RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The accompanying unaudited pro forma statement of assets and liabilities of the Enlarged Group (the "Statement") has been prepared to illustrate the effect of the Acquisition, assuming the transaction had been completed as at 30 June 2009, might have affected the financial position of the Enlarged Group.

The Statement is prepared based on the audited consolidated statement of financial position of the Group as at 30 June 2009 as extracted from the annual report of the Group for the year ended 30 June 2009 and the audited statement of financial position of Glory Key as at 30 September 2009 as extracted from the financial information set out in Appendix II to the Circular after making certain proforma adjustments resulting from the Acquisition.

The Statement is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Statement, it may not give a true picture of the actual financial position of the Enlarged Group that would have been attained had the Acquisition actually occurred on 30 June 2009. Furthermore, the Statement does not purport to predict the Enlarged Group's future financial position.

The Statement should be read in conjunction with the financial information of the Group as set out in Appendix I to the Circular, the financial information of Glory Key as set out in Appendix II to the Circular and other financial information included elsewhere in the Circular.

	The Group	Glory Key	Total	Adjustments		Adjusted Balance
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Non-current assets						
Property, plant and equipment	681	96,000	96,681			96,681
Investment properties	13,850	—	13,850			13,850
Goodwill	3,592	—	3,592			3,592
	18,123	96,000	114,123			114,123
Current assets						
Inventories	1,674	—	1,674			1,674
Trade receivables	5,304	375	5,679			5,679
Prepayments, deposits and other receivables	588	780	1,368			1,368
Amount due from immediate holding company	—	902	902	(902)	*2*	—
Cash and bank balances	27,888	—	27,888	(50,000)	*1*	(22,112)
	35,454	2,057	37,511			(13,391)
Current liabilities						
Trade payables	5,184	929	6,113			6,113
Accrued charges, other payables, deposits received and deferred revenue	3,976	—	3,976			3,976
Amount due to a related company	443	—	443			443
Amount due to ultimate holding company	—	162,541	162,541	(162,541)	2	—
Amounts due to fellow subsidiaries	—	15,538	15,538	(15,538)	2	—
	9,603	179,008	188,611			10,532
Net current assets/ (liabilities)	25,851	(176,951)	(151,100)			(23,923)
Total assets less current liabilities	43,974	(80,951)	(36,977)			90,200
Non-current liabilities						
Loan note	—	—	—	46,000	*1*	46,000
Deferred tax liabilities	286	—	286			286
	286	—	286			46,286
Net assets/(liabilities)	43,688	(80,951)	(37,263)		*3*	43,914

Notes:

1. The adjustments represent the settlement of the consideration ("Share Consideration") for the acquisition of entire issued share capital of Glory Key by the Company and the consideration ("Loan Consideration") for assignment of loan (the "Sale Loan") owing from Glory Key to the Vendor's Guarantor by cash of HK$50.0 million and by issue of Loan Note of HK$46.0 million upon completion.

   According to the sale and purchase agreement entered into between the Company and Vendor on 9 December 2009, the Share Consideration is US$1.0 and the Loan Consideration is HK$96.0 million less the Share Consideration, subject to certain adjustment mechanism. For the purpose of the Statement, there is no further adjustment to the consideration. The consideration shall be settled by way of cash of HK$50.0 million and by issue of Loan Note of HK$46.0 million

   Since the Group had only cash and bank balances of approximately HK$27,888,000 at 30 June 2009, the cash portion of the consideration cannot be fully settled. The shortfall of approximately HK$22,112,000 represents a negative cash and bank balances. The Loan Note is recognised initially at its fair value, which is measured by reference to the fair value of the consideration given, according to Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" issued by the Hong Kong Institute of Certified Public Accountant. For the purpose of the Statement, the fair value of the Loan Note is approximately HK$46.0 million, which is the Transaction Consideration of approximately HK$96.0 million, less the cash portion of HK$50.0 million.

   On 13 November 2009, the Company issued 19,578,000 Shares at a subscription price of HK$3.0 each, pursuant to a subscription agreement dated 2 November 2009 entered into between the Company and Moral Glory International Limited, a company incorporated in the British Virgin Islands and beneficially wholly-owned by Mr. Lo, the chairman and an executive Director of the Company. The gross proceeds of HK$58,734,000 from the issue of the Shares, net of the expenses, will be applied to settle the balance of the Transaction Consideration.

2. The adjustments represent

   (a) undertaking by the Vendor's Guarantor for the amount due from immediate holding company to Glory Key of approximately HK$902,000,

   (b) assignment to the Vendor's Guarantor for the amount owing from Glory Key to its fellow subsidiaries,

   (c) a waiver of loan owing from Glory Key to the Vendor's Guarantor of approximately HK$81,177,000 immediately after the undertaking and assignment stated in notes 2 (a) and 2(b) above, assuming that the waiver had taken place on 30 June 2009, and

   (d) consolidation adjustment to eliminate (i) the amount due to Vendor's Guarantor incurred by Glory Key immediately after the waiver stated in note 2(c) and, (ii) the Sale Loan at the Loan Consideration assigned to the Group as part of the Acquisition.

3. The amount of adjusted net assets after the pro forma adjustments is approximately HK$226,000 over the original amount of the net assets of the Group. The difference represents the gain from a bargain purchase arising on the Acquisition. The calculation of the gain from a bargain purchase is as follows:

	HK$'000
Net liabilities of Glory Key at 30 September 2009	(80,951)
Waiver of loan as set out in note 2(c) above	81,177
Net assets of Glory Key after the waiver of loan	226
Share Consideration	—
Gain from a bargain purchase	226

The above calculation is based on assumptions as follows:

(a) The cost of investment in Glory Key is equivalent to the Share Consideration of US$1.0;

(b) The fair value of the identifiable assets and liabilities of Glory Key approximate their respective carrying amounts at 30 September 2009.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountants, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

29th Floor
Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

27 January 2010

The Board of Directors
Vision Values Holdings Limited

Dear Sirs,

We report on the unaudited pro forma statement of assets and liabilities (the "Statement") of Vision Values Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), and Glory Key Investments Ltd. ("Glory Key") (together with the Group hereinafter referred to as the "Enlarged Group"), which has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the proposed acquisition of the entire equity interest in Glory Key might have affected the assets and liabilities of the Group presented, for inclusion in Appendix III to the circular of the Company dated 27 January 2010 (the "Circular"). The basis of preparation of the Statement is set out on pages 100 to 103 to the Circular.

Respective responsibilities of the directors of the Company and the reporting accountants

It is the responsibility solely of the directors of the Company to prepare the Statement in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Statement and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Statement beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Statement with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Statement had been properly compiled by the directors of the Company on the basis stated, that such basis was consistent with the accounting policies of the Group and that the adjustments were appropriate for the purpose of the Statement as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The Statement is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2009 or at any future date.

Opinion

In our opinion:

(a) the Statement has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Statement as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,
RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 30 November 2009 of the Gulfstream G200 aircraft.

JONES LANG LASALLE® SALLMANNS

Jones Lang LaSalle Sallmanns Limited
17/F Dorset House Taikoo Place
979 King's Road Quarry Bay Hong Kong
tel +852 2169 6000 fax +852 2169 6001
Licence No: C-030171

Our Ref. No.: CON000050990

27 January 2010

The Board of Directors
Vision Values Holdings Limited
Unit 309, 3/F.,
Fook Hong Industrial Building,
19 Sheung Yuet Road,
Kowloon Bay, Kowloon,
Hong Kong

Dear Sirs,

In accordance with your instructions to value a business jet (Registration Mark B-8085) exhibited to us as those held by Glory Key Investments Ltd. (the "Company"), which is a wholly-owned subsidiary of Mongolia Energy Corporation Limited. We confirm that we have carried out inspections, made relevant inquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market value for continued use of the business jet as part of an on-going business as at 30 November 2009.

It is our understanding that this valuation report shall be used for the purpose of inclusion in the circular to be issued to the shareholders of Vision Values Holdings Limited.

Market Value is defined herein as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein parties had acted knowledgeably, prudently and without compulsion.

Market Value In Continued Use is further defined as amount of money at which a given property would change hands between a willing buyer and a willing seller, in an appropriate marketplace, when neither is acting under compulsion and when both have reasonable knowledge of relevant facts, including installation and other turnkey costs and assumes that earnings support the value reported.

Market Value In Continued Use does not represent the amount that might be realised in the event of piecemeal disposition of the assets in the open market or from any alternative use to which they may be put.

This summary report forms part of the detailed valuation report dated 27 January 2010, which comprises:—

— A narrative section, which identifies the business jet valued, scope and character of our investigation; the premise of the value adopted; the valuation process employed and the opinion of value;

— Limiting Conditions;

— A summary of values; and

— A schedule with technical description of the business jet.

NARRATIVE DESCRIPTION

Company Background

The subject company, Glory Key Investments Ltd., which is a wholly-owned subsidiary of Mongolia Energy Corporation Limited. Mongolia Energy Corporation Limited and its subsidiaries engage in the business of energy and related resources, property investments and provision of charter flight services.

Assets Valued

Model:	Gulfstream G200
Serial Number:	114
Registration Mark:	B-8085
Type:	"Super mid-size" business-jet
Manufacturer:	Gulfstream Aerospace Corp. 500 Gulfstream Road Savannah, Georgia 31407 USA

General:

Crew:	2 in cockpit
Passengers:	8 to 10 in typical luxury arrangement, 18 in shuttle interior
Baggage volume:	3,53 cu m
Power plant:	2 x Pratt & Whitney Canada PW306A turbofans with Nordam thrust reversers
Thrust:	2 x 6040 lbs (26,84 kN) at ISA + 10 deg C

Dimensions:

Length:	18,97 m
Height:	6,53 m
Span:	17,70 m
Wing area:	34,28 sq m
Leading-edge sweep:	34,5 deg inboard, 25 deg outboard
Cabin length:	7,44 m without flight deck
Cabin width:	2,18 m
Cabin height:	1,91 m
Cabin volume:	24,56 cu m

Weights

Basic operating weight:	9049 kg with two crew
Payload:	1837 kg
Payload with maximum fuel:	295 kg
Max. usable fuel:	7882 lites (2080 US gallons)
Max. zero-fuel weight:	10886 kg
Max. ramp weight:	16148 kg
Max. take-off weight:	16080 kg
Max. landing weight:	13608 kg

Performance

Maximum operating speed:	Mach 0.85
Normal cruise speed:	Mach 0.8/459 kts (850 km/h)
Long range cruise speed:	Mach 0.75/430 kts (797 km/h)
Stall speed:	102 KCAS (189 km/h)
Initial cruise altitude:	39000 ft (11890 m)
Max. operating altitude:	45000 ft (13715 m)
Takeoff distance:	1853 m at max. take-off weight, sea level, ISA
Landing distance at max. landing weight:	1000 m (at max. landing weight)
Range:	3400 NM (6300 km) with NBAA IFR reserves, four passengers 2710 NM (5020 km) in a corporate shuttle configuration, with NBAA IFR reserves
Load factors:	+ 2,65/-1,0 g

Avionics:

Collins Proline IV 5 Tube EFD-4077
Dual Collins FCC 4005 Autopilot
Dual Collins AHC-85E
Dual Collins ADC-850C Air Data System
Dual Collins VHF-422D VHF COMM
Dual Collins VIR-432 NAVS
Dual Collins ADF-462
Dual Collins DME-442
Dual Collins TDR-94D Transponders
Dual Collins RTU-4200 Radio Tuning
Collins ICC-4005 IAPS
TCAS II with RVSM approved

FINDINGS

Overview

Gulfstream G200, a large-carbin, mid-range business jet, was first introduced to the market in 1999 and it was reported that so far 226 G200 jets were manufactured.

Along with the rest of the business jet industry, G200 also suffered from the effects of the 2008/2009 economic recession with prices of second-hand corporate jets being slashed as businesses offload luxury assets.

After the rapid decent in these two years, signs of recovery are observed from the aircraft market in late 2009. However, the overall economy has to start a noticeable pickup before the business jet market can pick up.

Inspection

We have carried out inspection of the aircraft on 10 December 2009 in Hong Kong Business Aviation Centre Ltd., Hong Kong International Airport, Hong Kong SAR.

Conditions of the Aircraft

The plane was manufactured and delivered to the customer in 2005. We found that the aircraft was well maintained in accordance to manufacturer's recommendations. No obvious damage or corrosion was noted during our inspection of the external surfaces of the aircraft and no report of damage was noted.

The utilization data for the aircraft as at the Valuation Date are:

Registration Mark:	B-8085			
Serial Number:	114			
Airframe Total Time		1284.3 hrs	@	30 Nov 2009
Landings		535		
Left Engine:	Total Time	1238.7 hrs	Cycles	519
Right Engine:	Total Time	1238.7 hrs	Cycles	519
HSI Cycle		3000 hrs		
Overhaul Cycle		6000 hrs		

Exclusions

We have excluded in this valuation: spare parts, stocks, company records or any current or intangible assets.

VALUATION METHODOLOGY

There are three generally accepted approaches to value, namely:

The Cost Approach

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence present (physical, functional or economic), taking into consideration past and present maintenance policy and rebuilding history.

The cost approach generally furnishes the most reliable indication of value for assets without a known used market.

The Market Approach

The market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised machinery and equipment relative to the market comparative.

Assets for which there is an established used market may be appraised by this approach.

The Income Approach

The income approach is the present worth of the future economic benefits of ownership. This approach is general applied to an aggregation of assets that consists of all assets of a business enterprise including working capital and tangible and intangible assets.

Analysis

In accordance to valuation procedures, all valuation approaches must be considered, as one or more approaches may be applicable to the subject asset. In certain situations, elements of the three approaches may be combined to reach a value conclusion. However, the relative strength, applicability, and significance of the approaches and their resulting values must be analyzed and reconciled.

In estimating the value of the assets, the market approach was primarily utilized for those assets where an active secondary market exists. Verified market comparables is the best proof of transacted value as it reflects the dynamics of secondary market. Factors such as the availability and desirability of particular types of machines are vital consideration, as supply and demand is an influencing factor on the transactions.

For all other assets without active secondary market, we relied on the cost approach, where an estimate is made on the cost of reproduction new or replacement cost, less allowance for depreciation or loss of value arising from condition, utility, age, wear and tear, and obsolescence, taking into consideration past and present maintenance policy, and rebuilding history, if any, and current utilization.

In situation where we can identify and collect sufficient data on certain equipment that has direct contribution to the revenue generation, the income approach will be applied as part of the cross-checking procedure with the result from the cost approach and the market approach in arriving at our conclusion of value.

We have considered and concluded that income approach should be excluded due to the lack of proven financial data that can be attributed to the subject business jet.

For this exercise, we have used the market approach in arriving at our estimate of market value in continued use.

Valuation Comments

In arriving at the value of the target business jet aircraft, we have taken into consideration the following factors:

- The year of manufacture
- The total airframe time
- Addition equipment on-board (vs the standard equipment)
- The price trend (future forecast) of same model new airplane
- The backlog of manufacturer for the same model plane
- The used market price for the same model from the last few years
- The demand of the same model planes in the used market
- The price structure of the competition
- The growth (decline) of the market for the same class of aircraft

Document Availability

We have reviewed the certification and documents for the aircraft Serial Number 114 and Registration Mark B-8085:

- Approval of Aircraft Radio Installation
- Noise Certificate
- Certificate of Airworthiness
- Certificate of Registration

We have relied to a considerable extent on information such as aircraft specifications, utilization, maintenance records and other documents furnished to us by the Company.

We have not investigated the title or any liabilities affecting the business jet appraised. No consideration was made for any outstanding amount owed under financing agreements, if any.

We hereby certify that we have neither present nor prospective interest in the assets appraised or on the value reported.

OPINION OF VALUE

Premised on the foregoing, we are of the opinion that as at 30 November 2009 the market value in continued use of the business jet is fairly represented in the amount of USD12,300,000 (US DOLLAR TWELVE MILLION AND THREE HUNDRED THOUSAND.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited

James Lai, ASA
Director
Plant & Machinery Valuation

Note: James Lai is an Accredited Senior Appraiser of the American Society of Appraisers and he has more than 25 years of experience in plant and machinery valuation in the Asia Pacific region.

Disclosures
Jones Lang LaSalle Sallmanns ("JLLS") is also the valuer for Mongolia Energy Corporation Limited ("MEC") in connection with the valuation of this business jet (Registration Mark B-8085). Both MEC and Vision Values Holdings Limited have agreed on the appointment of JLLS as the valuer of the subject business jet.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) The Company

As at the Latest Practicable Date, the interests of the Directors in the Shares were as follows:

	Number of Shares				
Name of Director	**Personal interests**	**Family interests**	**Corporate interests**	**Total**	**Approximate percentage of shareholding in the Company as at the Latest Practicable Date**
Mr. Lo *(Note)*	—	—	55,355,406 *(Note)*	55,355,406 (L)	47.12%
Ho Hau Chong, Norman	78,000	—	—	78,000 (L)	0.07%

(L) denotes long position

Note: The corporate interest of Mr. Lo represents an interest in 55,355,406 Shares held by Moral Glory International Limited, a company wholly-owned by Mr. Lo.

(ii) Associated corporations of the Company

As at the Latest Practicable Date, none of the Directors had any interest in the shares of the associated corporations of the Company.

(iii) Interest in underlying Shares — share options of the Company

As at the Latest Practicable Date, the following Directors had personal interest in options to subscribe for the Shares granted under the share option schemes of the Company:

Name of Director	Number of share options as at the Latest Practicable Date	Date of grant	Exercisable price *(HK$)*	Exercise period
Mr. Lo	78,000	28-1-2005	1.26	28-1-2005 to 31-12-2010

As at the Latest Practicable Date, save as disclosed above, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short positions in the Shares and/or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Interests in the Shares and underlying Shares:

Name	Capacity	Interests in the Shares	Interests in physically settled unlisted equity derivatives	Total	Approximate percentage of shareholding in the Company as at the Latest Practicable Date
Ku Ming Mei, Rousia *(Note 1)*	Interest of spouse	55,433,406	—	55,433,406 (L)	47.19%
Moral Glory International Limited *(Note 2)*	Beneficial owner	55,355,406	—	55,355,406 (L)	47.12%

(L) denotes long position

Notes:—

1. Ms. Ku Ming Mei, Rouisa is the spouse of Mr. Lo and accordingly, she is deemed to be interested in 55,433,406 Shares under the SFO.

2. Moral Glory International Limited is wholly-owned by Mr. Lo.

As at the Latest Practicable Date, save as disclosed above, so far as was known to the Directors and chief executive of the Company, no other person (other than the Directors or chief executive of the Company) had, or was deemed or taken to have an interest or short positions in the Shares and/or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

Save as stated above, as at the Latest Practicable Date, according to the register of interests required to be kept by the Company under Section 336 of the SFO, no other persons were recorded to hold any long or short positions in the Shares or underlying Shares of the equity derivatives of the Company.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group nor were there any other service agreements proposed which would not expire or be determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which since 30 June 2009, the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. LITIGATION

For completeness, a wholly-owned subsidiary of the Company has issued several demand letters through its Hong Kong legal adviser to a former customer on an overdue amount of approximately HK$4.4 million. The Group is considering different measures to recover this outstanding balance including but not limited to take appropriate legal proceedings against this former customer. Up to the Latest Practicable Date, the Group has not made any provisions in respect of such debt as its Hong Kong legal adviser is of the view that there is a good chance of recovering the outstanding amount.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Enlarged Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened by or against any member of the Enlarged Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors and their respective associates were considered to have interests in any businesses which compete or are likely to compete, either directly or indirectly, with the business of the Enlarged Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Enlarged Group.

8. MATERIAL CONTRACTS

The following are the material contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Enlarged Group within two years immediately preceding the date of this circular:—

(i) the Agreement;

(ii) the placing agreement dated 2 November 2009 entered into between the Company and Taifook Securities Company Limited for the placing of 19,578,000 Shares at the placing price of HK$3.00 per Shares. The net proceeds from the placing amounted to HK$57.9 million;

(iii) the conditional sale and purchase agreement dated 14 April 2008 entered into between Mr. Ng Chun Ping, Brendan as vendor and the Company as purchaser in relation to the sale and purchase of the entire issued share capital of, and the related shareholder's loan extended to, Ideal Honour Limited at the consideration of HK$7.7 million; and

(iv) the Lease Agreement.

Save as disclosed above, none of the members of the Enlarged Group has entered into any contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular that are or may be material.

9. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinion or advice contained in this circular:—

Name	Qualification
RSM Nelson Wheeler	certified public accountants
Yu Ming Investment Management Limited	a licensed corporation under the SFO permitted to be engaged in types 1,4,6 and 9 of the regulated activities as stipulated in the SFO
Jones Lane LaSalle Sallmanns Limited	Independent valuer

As at the Latest Practicable Date, none of the experts had any interest in any share in any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or nominee persons to subscribe for any share in any member of the Group.

As at the Latest Practicable Date, none of the aforesaid experts had any direct or indirect interests in any assets which had since 30 June 2009 (being the date to which the latest published consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to or by the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, or by the Company or any of its subsidiaries.

Each of the experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letter and/or report (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

10. MISCELLANEOUS

(a) The registered office of the Company is at P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.

(b) The principal place of business of the Company in Hong Kong is at Unit 309, 3/F., Fook Hong Industrial Building, 19 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

(c) The company secretary of the Company is Mr. Tang Chi Kei, CPA.

(d) The branch share registrars and transfer office of the Company in Hong Kong is Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(e) In the event of inconsistency, the English texts of this circular and the accompanying proxy form shall prevail over their respective Chinese texts.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit 309, 3/F., Fook Hong Industrial Building, 19 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the EGM:—

(a) the memorandum and articles of association of the Company;

(b) the letter from the Independent Board Committee, the text of which is set out in the section headed "Letter from the Independent Board Committee" of this circular;

(c) the letter from the IFA, the text of which is set out in the section headed "Letter from independent financial adviser" of this circular;

(d) the accountant's report on the financial information of the Group, the text of which is set out in Appendix I to this circular;

(e) the accountant's report on the financial information of Glory Key, the text of which is set out in Appendix II to this circular;

(f) the report on unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix III to this circular;

(g) the Valuation Report, the text of which is set out in Appendix IV to this circular;

(h) the material contracts referred to in the paragraph headed "Material contracts" in this appendix;

(i) the written consents referred to in the paragraph headed "Qualifications and consents of experts " in this appendix; and

(j) all circulars issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules which have been issued by the Company since 30 June 2009, the date to which the latest published audited consolidated financial statements of the Group have been made up (if any).

VISION VALUES HOLDINGS LIMITED

(formerly known as New World Mobile Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 862)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Vision Values Holdings Limited (the "Company") will be held at Room Everest, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 26 February 2010 at 3:00 p.m. for the purpose of considering and, if thought fit, pass (with or without modification) the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(A) the conditional agreement dated 9 December 2009 (the "Agreement") entered into, among others, (i) Asia Business Aviation Limited (the "Vendor"), an indirect wholly-owned subsidiary of Mongolia Energy Corporation Limited, as vendor; and (ii) the Company as purchaser, in relation to the acquisition (the "Acquisition") of one share of Glory Key Investments Ltd. ("Glory Key"), representing the entire issued share capital of Glory Key, and the entire amount of the shareholder's loan owing from Glory Key to the Vendor (a copy of the Agreement has been produced to the meeting marked "A" and initialed by the Chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(B) the directors of the Company (the "Directors") be and are hereby authorised to do all such acts and things, sign and execute all such further documents and take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to implement and/or give effect to or in connection with the Agreement and the transactions contemplated thereunder."

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

Hong Kong, 27 January 2010

Registered office:
P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal place of business in Hong Kong:
Unit 309, 3/F.
Fook Hong Industrial Building
19 Sheung Yuet Road
Kowloon Bay, Kowloon,
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person(s) as his/her proxy to attend and vote instead of him/her. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead. A proxy need not be a member of the Company.

2. In order to be valid, the proxy form together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the branch share registrars and transfer office of the Company in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be).

3. Completion and return of the proxy form shall not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof if he or she so desires and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.

4. Where there are joint holders of any share, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he/she were solely entitled to vote; but if more than one of such joint holders be present at the meeting in person or by proxy, then the one of such holders whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

Note: In case of inconsistency, the English version shall prevail.