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Vision Fame International Holding Limited

允升國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1315)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

FINAL RESULTS

The board (the “Board”) of directors (the “Directors”) of Vision Fame International Holding Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2013, together with the comparative figures for the year ended 31 March 2012:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Turnover	3	965,386	661,703
Cost of sales		(894,223)	<u>(572,640)</u>
Gross profit		71,163	89,063
Other income	5	3,783	16,488
Administrative expenses		(50,278)	(62,955)
Finance costs	6	(1,572)	(1,513)
Gain on disposal of a subsidiary		—	459
Share of profit (loss) of an associate		7,462	<u>(231)</u>
Profit before taxation		30,558	41,311
Taxation	7	(4,685)	<u>(8,347)</u>
Profit for the year attributable to owners of the Company	8	25,873	<u>32,964</u>

	<i>Note</i>	2013 HK\$'000	2012 <i>HK\$'000</i>
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		1,053	(937)
Reclassification adjustment for the cumulative exchange difference included in profit or loss upon disposal of foreign operation		—	39
Actuarial gains on long service payment obligations		230	—
Fair value gain on available-for-sale investments		<u>1,675</u>	<u>1,305</u>
Other comprehensive income for the year		<u>2,958</u>	<u>407</u>
Total comprehensive income for the year attributable to owners of the Company		<u>28,831</u>	<u>33,371</u>
Earnings per share (<i>HK cents</i>)			
— Basic and dilutive	9	<u>8.6</u>	<u>12.7</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Notes	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Property, plant and equipment		16,966	13,842
Interest in an associate		7,695	196
Interest in a jointly controlled entity	11	—	—
Available-for-sale investments		14,883	13,030
		<u>39,544</u>	<u>27,068</u>
Current assets			
Amounts due from customers for contract work		48,304	36,245
Trade and other receivables	12	240,115	208,831
Amount due from an associate		—	8,151
Amount due from a jointly controlled entity		642	—
Pledged bank deposits		47,901	43,197
Bank balances and cash		50,118	65,997
		<u>387,080</u>	<u>362,421</u>
Current liabilities			
Amounts due to customers for contract work		4,928	—
Trade and other payables	13	167,876	137,532
Amount due to an associate		5,006	—
Secured bank borrowings		48,500	66,599
Tax payable		899	6,203
		<u>227,209</u>	<u>210,334</u>
Net current assets		<u>159,871</u>	<u>152,087</u>
Total assets less current liabilities		<u>199,415</u>	<u>179,155</u>
Non-current liabilities			
Long service payment obligations		828	1,272
Deferred tax liability		421	414
		<u>1,249</u>	<u>1,686</u>
Net assets		<u>198,166</u>	<u>177,469</u>
Capital and reserves			
Share capital		3,000	3,000
Reserves		195,166	174,469
Total equity		<u>198,166</u>	<u>177,469</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

1. GENERAL

Vision Fame International Holding Limited (the “Company”) was incorporated in the Cayman Islands on 31 May 2011 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

Pursuant to a group reorganisation (the “Reorganisation”) of the Company and its subsidiaries (collectively referred to as the “Group”) to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing”), the Company acquired the equity interests of entities under common control and became the holding company of the subsidiaries comprising the Group. Details of the Reorganisation were set out in the prospectus of the Company dated 30 December 2011.

The shares of the Company have been listed on the Stock Exchange with effect from 18 January 2012.

Since all entities which took part in the Reorganisation were under common control of Mr. Wong Law Fai, the Group is regarded as a continuing entity resulting from the Reorganisation of entities under common control. The consolidated financial statements of the Group have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as if the group structure under the Reorganisation had been in existence at the beginning of the earliest year presented. Accordingly, the comparative consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended 31 March 2012 and relevant explanatory notes disclosed in these consolidated financial statements have been prepared on the basis as if the current group structure has been in existence throughout the prior year.

The directors of the Company consider its parent and ultimate holding company as at 31 March 2013 and the date of approval of these consolidated financial statements by the board of directors is Grand Silver Group Limited, which was incorporated in the British Virgin Islands (the “BVI”).

The Company acts as an investment holding company. The principal activities of the subsidiaries are the provision of (a) building construction services; (b) property maintenance services and (c) alteration, renovation, upgrading and fitting-out services.

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”). Other than those subsidiaries established in Macau and Singapore whose functional currency is Macau Pataca and Singapore Dollars (“SGD”), respectively, the functional currency of the Company and other subsidiaries is HK\$.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Financial Instruments: Disclosures — Transfers of Financial Assets
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009–2011 Cycle issued in 2012
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

Amendments to HKAS 1 Presentation of Financial Statements

(as part of the Annual Improvements to HKFRSs 2009–2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is Annual Improvements to HKFRSs (2009–2011 Cycle). The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013). HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. TURNOVER

	2013 <i>HK\$’000</i>	2012 <i>HK\$’000</i>
Revenue from building construction	330,760	243,453
Revenue from property maintenance	168,626	157,201
Revenue from alterations, renovation, upgrading and fitting-out works	<u>466,000</u>	<u>261,049</u>
	<u><u>965,386</u></u>	<u><u>661,703</u></u>

4. SEGMENT INFORMATION

The Group’s reportable and operating segments, based on information reported to the chief executive officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on services provided are as follows:

- (1) Building construction;
- (2) Property maintenance; and
- (3) Alterations, renovation, upgrading and fitting-out works.

No operating segments have been aggregated to form the above reportable and operating segments. Information regarding the above segments is reported below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 31 March 2013

	Building construction HK\$'000	Property maintenance HK\$'000	Alterations, renovation, upgrading and fitting-out works HK\$'000	Total HK\$'000
Segment revenue	<u>330,760</u>	<u>168,626</u>	<u>466,000</u>	<u>965,386</u>
Segment profit	<u>24,941</u>	<u>11,980</u>	<u>36,028</u>	72,949
Other income				1,997
Central administration costs				(50,278)
Finance costs				(1,572)
Share of profit of an associate				<u>7,462</u>
Profit before taxation				<u>30,558</u>

For the year ended 31 March 2012

	Building construction HK\$'000	Property maintenance HK\$'000	Alterations, renovation, upgrading and fitting-out works HK\$'000	Total HK\$'000
Segment revenue	<u>243,453</u>	<u>157,201</u>	<u>261,049</u>	<u>661,703</u>
Segment profit	<u>31,129</u>	<u>10,012</u>	<u>60,343</u>	101,484
Other income				4,067
Central administration costs				(62,955)
Finance costs				(1,513)
Gain on disposal of a subsidiary				459
Share of loss of an associate				<u>(231)</u>
Profit before taxation				<u>41,311</u>

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, certain other income, gain on disposal of a subsidiary, share of profit (loss) of an associate and finance costs. This is the measure reported to the chief executive officer, being the chief operating decision maker, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2013	2012
	HK\$'000	HK\$'000
Segment assets		
Building construction	91,336	67,722
Property maintenance	71,429	64,476
Alterations, renovation, upgrading and fitting-out works	107,068	86,252
	<u>269,833</u>	218,450
Total segment assets	269,833	218,450
Unallocated corporate assets	156,791	171,039
	<u>426,624</u>	389,489
Segment liabilities		
Building construction	55,616	35,312
Property maintenance	39,075	54,298
Alterations, renovation, upgrading and fitting-out works	67,089	35,681
	<u>161,780</u>	125,291
Total segment liabilities	161,780	125,291
Unallocated corporate liabilities	66,678	86,729
	<u>228,458</u>	212,020
Total liabilities	228,458	212,020

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in an associate and a jointly controlled entity, available-for-sale investments, certain property, plant and equipment, certain other receivables, amounts due from an associate and a jointly controlled entity, pledged bank deposits and bank balances and cash as these assets are managed on a group basis.
- all liabilities are allocated to operating segments other than certain other payables, amount due to an associate, secured bank borrowings, tax payable, long service payment obligations and deferred tax liability as these liabilities are managed on a group basis.

Other segment information

For the year ended 31 March 2013

	Building construction <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Alterations, renovation, upgrading and fitting- out works <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or segment assets:					
Additions to property, plant and equipment	—	68	—	6,050	6,118
Depreciation of property, plant and equipment	119	204	16	2,665	3,004
Interest income from subcontractors	—	(930)	(497)	—	(1,427)
Amounts regularly provided to the chief executive officer, being chief operating decision maker but not included in the measure of segment profit or segment assets:					
Interest in an associate	—	—	—	7,695	7,695
Share of profit of an associate	—	—	—	(7,462)	(7,462)
Loss on disposal of property, plant and equipment	—	—	—	40	40
Bank interest income	—	—	—	(668)	(668)
Government grant	—	—	—	(250)	(250)
Finance costs	—	—	—	1,572	1,572
Taxation	—	—	—	4,685	4,685

For the year ended 31 March 2012

	Building construction <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Alterations, renovation, upgrading and fitting- out works <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or segment assets:					
Additions to property, plant and equipment	322	60	44	3,680	4,106
Depreciation of property, plant and equipment	99	183	55	912	1,249
Interest income from subcontractors	—	(802)	(894)	—	(1,696)
Other interest income	<u>(7,705)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(7,705)</u>
Amounts regularly provided to the chief executive officer, being chief operating decision maker but not included in the measure of segment profit or segment assets:					
Interest in an associate	—	—	—	196	196
Share of loss of an associate	—	—	—	231	231
Gain on disposal of a subsidiary	—	—	—	(459)	(459)
Gain on disposal of property, plant and equipment	—	—	—	(1,744)	(1,744)
Bank interest income	—	—	—	(568)	(568)
Finance costs	—	—	—	1,513	1,513
Taxation	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,347</u>	<u>8,347</u>

Geographical information

The Group's operations are located in Hong Kong, Macau and Singapore.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about its non-current assets is presented based on the geographical location of the assets.

Revenue from external customers

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Hong Kong (country of domicile)	687,189	496,998
Macau	641	19,080
Singapore	<u>277,556</u>	<u>145,625</u>
	<u><u>965,386</u></u>	<u><u>661,703</u></u>

Non-current assets

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Hong Kong (country of domicile)	8,608	9,093
Singapore	<u>16,053</u>	<u>4,945</u>
	<u><u>24,661</u></u>	<u><u>14,038</u></u>

Non-current assets excluded available-for-sale investments.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Customer A ¹	274,651	353,912
Customer B ²	252,833	N/A ⁴
Customer C ³	<u>106,636</u>	<u>N/A⁴</u>

¹ Revenue from building construction, property maintenance and alterations, renovation, upgrading and fitting-out works.

² Revenue from building construction.

³ Revenue from alterations, renovation, upgrading and fitting-out works.

⁴ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. OTHER INCOME

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Bank interest income	668	568
Gain on disposal of property, plant and equipment	—	1,744
Government grant (<i>Note a</i>)	250	—
Gross rental income	—	112
Interest income from sub-contractors	1,427	1,696
Investment income	15	15
Other interest income (<i>Note b</i>)	—	7,705
Recovery of insurance expenses	—	1,021
Sale of scrap materials	359	1,736
Written back of retention money payables	—	718
Other income	<u>1,064</u>	<u>1,173</u>
	<u>3,783</u>	<u>16,488</u>

Notes:

- (a) During the year ended 31 March 2013, an one-off government grant of SGD40,000 (equivalent to approximately HK\$250,000) was granted to the Group from Singapore Building and Construction Authority for the Group's improvement of construction site productivity. All conditions in respect of the grant had been fulfilled and such government grant was recognised in other income for the year.
- (b) During the year ended 31 March 2012, interest income of approximately HK\$7,705,000 (2013: nil) represented revenues yielded by a recovery proceeding of the Group which was made against the other party for determination of their dispute in respect of the final contract amount of a construction project which the Group was engaged as the main contractor.

6. FINANCE COSTS

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Interest on secured bank borrowings wholly repayable within five years	<u>1,572</u>	<u>1,513</u>

7. TAXATION

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current year taxation		
Hong Kong Profits Tax	3,812	3,891
Singapore Corporate Tax	—	4,448
Underprovision in prior years		
Hong Kong Profits Tax	<u>866</u>	<u>—</u>
	4,678	8,339
Deferred taxation	<u>7</u>	<u>8</u>
	<u><u>4,685</u></u>	<u><u>8,347</u></u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for both years.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

Singapore Corporate Tax has been provided at the rate of 17% on the estimated assessable profit for the year ended 31 March 2012. No provision for Singapore Corporate Tax for the year ended 31 March 2013 has been made as the subsidiaries operating in Singapore do not generate any assessable profits in Singapore.

Macau Complementary Income Tax (“MCIT”) is charged at the progressive rate on the estimated assessable profits. No provision for MCIT for the year ended 31 March 2013 has been made as the subsidiary operating in Macau does not generate any assessable profits in Macau. No MCIT has been provided for the year ended 31 March 2012 since the assessable profits is wholly absorbed by tax losses brought forward.

8. PROFIT FOR THE YEAR

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Staff costs		
— salaries, discretionary bonus, allowances and other benefits	83,192	70,190
— cost related to long service payment obligations	45	545
— contributions to retirement benefits scheme	<u>3,246</u>	<u>2,347</u>
Total staff costs (excluding directors’ remuneration)	<u><u>86,483</u></u>	<u><u>73,082</u></u>
Auditor’s remuneration	1,043	990
Directors’ remuneration	4,184	3,602
Depreciation of property, plant and equipment	3,004	1,249
Loss on disposal of property, plant and equipment	40	—
Minimum lease payment under operating leases in respect of land and buildings	1,831	1,416
Share of taxation of an associate (included in share of results of an associate)	957	—
Exchange difference, net	<u><u>499</u></u>	<u><u>11</u></u>

9. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following:

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings		
Earnings for the purpose of basic earnings per share	<u>25,873</u>	<u>32,964</u>
	2013	2012
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>300,000</u>	<u>259,311</u>

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares during the years ended 31 March 2013 and 2012.

The weighted average number of ordinary share in issue during the year ended 31 March 2012 represents 249,000,000 ordinary shares in issue before the Listing as if such shares were issued on 1 April 2011, and the weighted average of 51,000,000 ordinary shares issued upon the Listing.

10. DIVIDEND

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends recognised as distribution and paid during the year:		
2012 final dividend HK3 cents (2012: nil) per share	<u>9,000</u>	<u>—</u>

The directors of the Company do not recommend the payment of a final dividend in respect of the year ended 31 March 2013 (2012: final dividend of HK3 cents per share in respect of the year ended 31 March 2012).

11. INTEREST IN A JOINTLY CONTROLLED ENTITY

	2013		2012	
	Amount <i>SGD</i>	Amount as presented <i>HK\$'000</i>	Amount <i>SGD</i>	Amount as presented <i>HK\$'000</i>
Cost of unlisted investments	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>

At the end of the reporting period, the Group had interest in the following jointly controlled entity:

Name	Form of entity	Place of incorporation and operation	Class of shares held	Proportion of nominal value of issued capital held by the Group and portion of voting power held indirectly		Principal activity
				2013	2012	
				Keat Seng — Vision Foundation JV Pte. Ltd.	Private limited liability company	

The summarised unaudited financial information in respect of the Group's interest in the jointly controlled entity which is accounted for using the equity method is set out below:

	2013 <i>HK\$'000</i>
Current assets	<u>1,255</u>
Current liabilities	<u>(1,268)</u>
Income recognised in profit or loss	<u>—</u>
Expenses recognised in profit or loss	<u>(12)</u>

The Group has discontinued recognition of its share of loss of a jointly controlled entity. The amounts of unrecognised share of loss of this jointly controlled entity, both for the year and cumulatively, are as follows:

	2013 <i>HK\$'000</i>
Unrecognised share of loss of a jointly controlled entity for the year	<u><u>(6)</u></u>
Accumulated unrecognised share of loss of a jointly controlled entity	<u><u>(6)</u></u>

12. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables at the end of the reporting period:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade receivables		
— from third parties	115,931	76,513
— from an associate	<u>—</u>	<u>6,886</u>
	115,931	83,399
Unbilled revenue	31,966	40,526
Retention money receivables	42,867	25,506
Advances, utility deposits and other receivables	<u>49,351</u>	<u>59,400</u>
Trade and other receivables	<u><u>240,115</u></u>	<u><u>208,831</u></u>

The Group does not hold any collateral over these balances.

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aged analysis of trade receivables, presented based on the invoice date at the end of the reporting period.

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Within 30 days	114,939	82,806
More than 30 days but within 90 days	437	—
More than 90 days	555	593
	<u>115,931</u>	<u>83,399</u>

13. TRADE AND OTHER PAYABLES

The following is an analysis of trade and other payables at the end of the reporting period:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade payables	111,475	100,645
Retention money payables	42,845	24,645
Accrued expenses and other payables	13,556	12,242
	<u>167,876</u>	<u>137,532</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Within 30 days	109,112	98,931
More than 30 days and within 90 days	1,148	1,610
More than 90 days	1,215	104
	<u>111,475</u>	<u>100,645</u>

The average credit period on trade payables is 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time-frame.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Results for the Year

For the year ended 31 March 2013, the Group reached a turnover of approximately HK\$965 million, representing an increase of approximately HK\$303 million or approximately 46% from turnover of last year (i.e. approximately HK\$662 million) year-on-year. The Group achieved a prosperous and solid growth in turnover in all core business segments. The Group's turnover grew in both Hong Kong and Singapore markets. As reported in last year's annual report of the Company, our order books were replenished and grew resulting turnover has reflected the rise of business. The increase in turnover was mainly contributed by the building construction segment in Singapore and alterations, renovation, upgrading and fitting-out works (the "A&A works") segment in Hong Kong. During the reporting period, a construction project in Singapore has been operated in full swing and another construction project in Singapore has also been commenced, resulting in more revenue to recognize. In addition, the increase in turnover was also contributed by more A&A works completed in Hong Kong during the reporting period as the market has maintained a continuous favourable condition.

Consolidated gross profit for the reporting period was approximately HK\$71,163,000 or a gross profit margin of 7.4% whilst the comparative figures for the year ended 31 March 2012 were HK\$89,063,000 and 13.5% respectively. The gross profit and gross profit margin for the year ended 31 March 2012 was higher. The gross profit margin decreased because last year gross profit was primarily benefited from several luxurious and high-end fitting out projects with higher gross profit for an international casino gaming resort in Singapore last year.

During the reporting period, the Group had entered into 11 new contracts with total contract value amounting to approximately HK\$1,168 million of which, 2 contracts with contract value of approximately HK\$617 million were of the building construction segment, 1 contract with contract value of approximately HK\$281 million was of the property maintenance segment and 8 contracts with contract value of approximately HK\$270 million were of the A&A works segment. As at 31 March 2013, the Group had projects in progress with total contract value of approximately HK\$2,936 million.

Soon after the end of the reporting period up to the date of this announcement, the Group has entered into two new contracts in aggregate of approximately HK\$25 million.

Other income for the reporting period was approximately HK\$3,783,000 representing a substantial decrease of approximately HK\$12,705,000 as compared with last year other income of approximately HK\$16,488,000. The decrease was mainly contributed by the recovery of interest income in last year from a recovery proceeding of the Group which was made against one of our customers in relation to disputes for the final account for a building construction project completed in 2001.

Share of profit of an associate of approximately HK\$7,462,000 represented profit contributed from an associated company of the Company, Castilia Development Pte Ltd, in Singapore. The residential apartments of the said associated company were handed over to the buyers during the year resulting recognition of profit from sales of the residential apartments.

For the year ended 31 March 2013, profit attributable to owners of the Company decreased to approximately HK\$25,873,000 as compared with approximately HK\$32,964,000 for the year ended 31 March 2012.

Decrease in profit of the Group was mainly attributed to the luxurious and high-end fitting out projects for an international casino gaming resort in Singapore last year were not recurring in nature.

The basic earnings per share of the Company (the “Shares(s)”) for the year ended 31 March 2013 was HK8.6 cents compared to HK12.7 cents for the year ended 31 March 2012.

(2) Review of Operations

(i) Building Construction

Building construction segment has demonstrated its underlying strength that revenue for the year was approximately HK\$330,760,000 (year ended 31 March 2012: approximately HK\$243,453,000). Segment profit for the reporting period was approximately HK\$24,941,000 compared with approximately HK\$31,129,000 in 2012. The result for the Group in this segment during the reporting period increased in segment revenue but decreased in segment profit. The increase in segment revenue was mainly due to a construction project in Singapore has been operated in full swing and another construction project in Singapore has also been commenced which resulting in more segment revenue being recorded during the reporting period. However the decrease in segment profit was primarily contributed by a recovery of revenue in the year ended 31 March 2012 in relation to disputes with one of our customers for the final contract amount for a building construction project completed in 2001.

(ii) Property Maintenance

The property maintenance segment reported a moderate but continuous growth in revenue. The segment revenue for the year was approximately HK\$168,626,000, up by 7% from approximately HK\$157,201,000 in 2012 and segment profit was approximately HK\$11,980,000 grew by 20% from approximately HK\$10,012,000 in 2012. The overall result for the Group in this segment was a moderate growth in both segment revenue and segment profit. The increase in both segment revenue and segment profit mainly due to a property maintenance term contract was in full swing, in particular more work orders being awarded and completed resulting more revenue and profit have been recognized during the reporting period. Despite the rising costs, the Group managed to maintain segment profits percentage comparable to that of last year. The Group would continue implementing methods to control project costs and strengthen operation efficiency.

(iii) *Alterations, renovation, upgrading and fitting-out works*

With good amount of contracts intakes in 2012, revenue for the A&A works segment for the reporting period was approximately HK\$466,000,000 (year ended 31 March 2012: approximately HK\$261,049,000) and segment profit was approximately HK\$36,028,000 (year ended 31 March 2012: approximately HK\$60,343,000). Turnover recorded in Hong Kong market was up by HK\$267 million or 134%. The overall result for the Group in this segment was increase in segment revenue associated with decrease in segment profit and segment profit margin as compared with last year.

The segment profit and profit margin of last year was higher which was primarily benefited from the luxurious and high-end fitting out projects for an international casino gaming resort in Singapore last year.

During the reporting period, the A&A works segment worked on many prestigious projects including construction of several lift towers for Hong Kong Housing Authority, alteration and addition works at the Harbour City and various alteration and addition works for The Link Management Ltd.

(3) Prospects

The construction industry of the Group's current core geographical areas including Hong Kong, Singapore and Macau will remain energetic and continue to grow in coming years. The positive business environment would provide and further initiate abundant opportunities to our respective three business segments. The bright outlook is also substantiated by high levels of outstanding workload.

Benefiting from many major infrastructure projects and more ambitious public housing policies as implemented by the Government of Hong Kong, the outlook of construction industry in Hong Kong is prosperous.

In Singapore, implementation of several mega size infrastructure projects and residential development scheme, the Group is very optimistic about the growth of construction business in the country.

In Macau, gaming industry continue to grow vigorously. Majority of the major casino operators have announced or commenced their further plans on casino and hotel developments, the Group would benefit from their rapid expansion in the market.

Although the outlook of our core markets is very promising, it will bring both business opportunities and operating risk. The tremendous increasing demand of construction professionals, skilled labors and construction machines and equipments, as well as the increased of industry competition would continuously drive up the construction cost and would deprive our profit margin. In order to ensure reasonable returns to shareholders of the Company (the "Shareholders") and sustainable growth, we have implemented a conservative approach when tendering and taking

on new projects. We also have worked closely with our subcontractors and suppliers, developed construction initiatives in technology and design for effective and efficient production and reduced in demand for manpower to control cost.

We believe continuous economic growth of the People's Republic of China ("PRC") will offer further market opportunities. The Group will commence to develop business in PRC going forward. Our business plan will include provision of (a) building construction services to well-established property developers, (b) property maintenance services, (c) A&A works services, (d) landscaping services, (e) property management and (f) property investment and development.

In relation to provision of building construction services, we are also exploring potential merger and acquisition opportunities with major local construction companies in PRC for further expansion of our construction business and long-term development of the Group.

The Group strongly believe that there have been a robust demand to uplift the standard no matter in areas of building constructions, property maintenance, A&A works, landscaping services, property management and property development in PRC. Such business will provide a very good opportunity to leverage professional experience of our management team gained in the past and to invest building construction and management, property management, property investment and development business.

Apart from conventional construction business in Hong Kong, Singapore and Macau, the Group would actively explore construction related business, property management, property investment and development in PRC. We have strong confidence that the new business would definitely be one of the Group's key growth drivers. Besides the expanding capacity of the Group enable us to grasp the continuous rising opportunities in PRC. The Group will keep close eyes on the developments which deliver maximized returns.

With our broadened business scope and geographical base, quality track record and strong client base support by our competent and professional team, the Group is confident that it will advance healthy and strongly.

(4) Financial Position

The Group mainly relies upon funds generated internally together with bank borrowings to finance its operations and expansion.

As at 31 March 2013, the Group's total cash in hand was approximately HK\$98,019,000 (as at 31 March 2012: approximately HK\$109,194,000).

The portfolio of the currencies of bank deposits is listed as follow:

	31 March 2013 '000	31 March 2012 '000
Hong Kong Dollars	53,323	76,176
United States Dollars	853	853
Singapore Dollars	6,045	3,558
Macao Patacas	273	3,765

During the reporting period, the Group has no financial instrument for currency hedging purpose.

The Group has certain portion of bank balances and cash denominated in currencies other than the functional currency of the entity to which they relate. The Group currently does not have any financial instruments for currency hedging purpose but will consider hedging significant foreign currency exposure should the need arise.

Whereas total interest bearing borrowings have reduced significantly from 31 March 2012 of approximately HK\$66,599,000 to 31 March 2013 of approximately HK\$48,500,000. All borrowings were denominated in Hong Kong Dollars. The total amounts of bank borrowings as at 31 March 2013 were repayable within one year based on the scheduled repayment dates set out in the loan agreements. The Group show improved cash position that the Group's net cash balance have increased moderately from 31 March 2012 of approximately HK\$42,595,000 to 31 March 2013 of approximately HK\$49,519,000.

The bank borrowings are secured by the Group's property, certain bank deposits and benefits under certain construction contracts. At the end of the reporting period, the Group had pledged the following assets to banks and an insurance company to secure the banking facilities and performance bonds granted to the Group:

	31 March 2013 HK\$'000	31 March 2012 HK\$'000
Property, plant and equipment	7,920	8,100
Other receivables	15,681	16,696
Bank deposits	47,901	43,197
	<u>71,502</u>	<u>67,993</u>

All the bank borrowings of the Group are arranged on a floating rates basis. The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary. At 31 March 2013, the Group has been

granted total banking facilities of approximately HK\$259,434,000 (as at 31 March 2012: approximately HK\$195,989,000). An amount of approximately HK\$173,697,000 (as at 31 March 2012: approximately HK\$105,868,000) remained unutilized.

(5) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2013 and 31 March 2012 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statements of financial position. To minimise the credit risk, the management of the Group has delegated a team to be responsible for determining the monitoring procedures to ensure that follow-up action will be taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivables regularly at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

(6) Liquidity and Financial Resources

The Group's liquidity and gearing ratio remain well managed as of year end. As at 31 March 2013, the gearing ratio of the Group was approximately 11.4% (31 March 2012: approximately 17.1%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at reporting date multiplied by 100%. The gearing ratio improved because of substantially reduced secured bank borrowings as at 31 March 2013 as compared to 31 March 2012 due to repayment made to banks as at 31 March 2013.

As at 31 March 2013, current assets and current liabilities were stated at approximately HK\$361,341,000 (as at 31 March 2012: approximately HK\$348,224,000) and approximately HK\$200,669,000 (as at 31 March 2012: approximately HK\$191,579,000), respectively. Current ratio decreased slightly from 1.82 times of 31 March 2012 to 1.80 times of 31 March 2013. The current ratio is calculated by dividing current assets with current liabilities as at the end of respective period.

The management and control of the Group's financial, capital management and external financing functions are monitored centrally by our Group's finance department in Hong Kong. The Group adheres to prudent principles in relation to financial management in order to control and minimize financial and operational risks.

The Group's financial position is sound and strong. With its available bank balances and cash and existing available bank credit facilities, the Group has sufficient liquidity and financial resources to satisfy its foreseeable financial requirements.

(7) Contingent Liabilities and Capital Commitments

At the end of each reporting period, the Group had provided the following guarantees:

	31 March 2013 HK\$'000	31 March 2012 HK\$'000
Guarantees in respect of performance bonds in favor of its clients	129,506	83,359
Guarantee given to a bank in respect of banking facilities granted to an associate	<u>—</u>	<u>14,227</u>
	<u>129,506</u>	<u>97,586</u>

At the end of the reporting year, the Directors considered that the fair value of the financial guarantee is insignificant.

The Group did not have any significant capital commitment as at 31 March 2013 and 31 March 2012.

(8) Available-For-Sale Investments

As at 31 March 2013, the Group has available-for-sale investments of approximately HK\$14,883,000 (as at 31 March 2012: approximately HK\$13,030,000), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 31 March 2013, the Group held 89,400,000 shares (as at 31 March 2012: held 89,400,000 shares). The fair values of the above listed shares are determined based on the quoted bid prices available on the Singapore Exchange Limited.

(9) Use of net proceeds from listing

The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited ("Stock Exchange") on 18 January 2012. The net proceeds from the Company's listing were approximately HK\$39.9 million after deducting underwriting fee and other related expenses. In accordance with the proposed applications set out in the section "Future Plans And Use of Proceeds" in the prospectus 30 December 2011, the net proceeds received were applied during the years ended 31 March 2012 and 31 March 2013 as follows:

	Net proceeds (HK\$ million)		
	Available	Utilized	Unutilized
Business development in The People's Republic of China	9.6	0.2	9.4
Operation of projects awarded from 1 July 2011 as disclosed in the prospectus of the Company dated 30 December 2011	9.6	9.6	—
Increase the performance bond facilities	9.6	4.8	4.8
Marketing and promotion	6.3	0.2	6.1
Development of new construction techniques and methodologies	<u>4.8</u>	<u>3.8</u>	<u>1.0</u>
	<u>39.9</u>	<u>18.6</u>	<u>21.3</u>

The Group held the unutilized net proceeds in short-term deposits or time deposits with reputable banks in Hong Kong as at 31 March 2013 and 31 March 2012.

(10) Movement of incomplete contracts for the year ended 31 March 2013

	31 March 2012 HK\$'000	Contracts Secured HK\$'000	Contracts Completed HK\$'000	31 March 2013 HK\$'000
Building Construction	1,015,928	617,622	39,451	1,594,099
Property Maintenance	398,256	280,912	—	679,168
Alteration, Renovation, Upgrading and Fitting-Out Works	<u>662,153</u>	<u>269,724</u>	<u>269,627</u>	<u>662,250</u>
	<u>2,076,337</u>	<u>1,168,258</u>	<u>309,078</u>	<u>2,935,517</u>

(11) Employees and remuneration policies

As at 31 March 2013, the Group employed a total of 280 staff (as at 31 March 2012: 273 staff) which included Hong Kong, Macau & Singapore employees. The total remuneration for staff was approximately HK\$91 million for the year (year ended 31 March 2012: approximately HK\$77 million).

The Group establishes its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest caliber, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package are consisted of basic salary, allowances, benefit-in-kind, fringe benefits including medical insurance and contributions to mandatory provident funds, as well as incentives like discretionary bonus. The Group also provides external training programmes which are complementary to certain job functions.

The remuneration packages of the senior management are recommended by the managing director of the respective company and approved by the Board by reference to their respective responsibilities and accountability, target achievements, business results and market competitiveness of the Group. The remuneration packages of the managerial and support staff are determined by the directors of the respective company.

DIVIDEND

The Directors do not recommend the payment of final dividend in respect of the year ended 31 March 2013 (2012: HK3 cents per Share). No interim dividend was declared for the six months ended 30 September 2012 (2011: nil).

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 March 2013, the Company had complied with the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange except the issue mentioned in the following paragraph.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 March 2013, Mr. Wong Law Fai had been both the chairman of the Board and the chief executive officer of the Company. The Group did not separate the roles of the chairman and the chief executive officer of the Company. The Board considered that Mr. Wong Law Fai has in-depth knowledge and experience in the building construction industry and is the most appropriate person to manage the Group, therefore, the roles of chairman and chief executive officer exercised by the same individual, Mr. Wong Law Fai, had been beneficial to the business prospects and management of the Group during the reporting period.

With the resignation of Mr. Wong Law Fai as the executive Director and chairman of the Board on 28 May 2013 but remains as the chief executive officer of the Company, Mr. Wang Zhijun has been appointed as the new chairman of the Board in addition to his role as executive Director. The roles of the chairman and the chief executive officer have been separated and therefore the code provision A.2.1 of the CG Code has been complied.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”). Specific enquiry has been made to each of the Directors and all Directors have confirmed that they have complied with the Model Code during the year ended 31 March 2013.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the internal control and financial reporting matters, including reviewing the financial statements and annual results for the year ended 31 March 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2013, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company’s website (<http://www.irasia.com/listco/hk/visionfame/>) and the Stock Exchange’s website (<http://www.hkex.com.hk>). The 2013 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

CHANGE OF CONTROLLING SHAREHOLDER AND MANDATORY UNCONDITIONAL CASH OFFER

On 13 March 2013, Grand Silver Group Limited (“Grand Silver”), Mr. Wang Zhijun, Smart Tactics Group Limited (“Smart Tactics”) and Mr. Wong Law Fai entered into a sale and purchase agreement (the “S&P Agreement”) in respect of the acquisition by Grand Silver of the 225,000,000 Shares (the “Sale Shares”) for a total cash consideration of HK\$350,000,000 (equivalent to approximately HK\$1.56 per Sale Share). The Sale Shares represented 75% of the issued share capital of the Company as at 15 March 2013. The completion of the S&P Agreement (the “Completion”) took place on 13 March 2013. Accordingly, Grand Silver has become the holder of 225,000,000 Shares, and thus became a controlling Shareholder.

In accordance with the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”), Grand Silver was required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned by the Grand Silver, its beneficial owner and parties acting in concert with them). Ping An of China Securities (Hong Kong) Company Limited had made the mandatory unconditional cash offer on behalf of Grand Silver for all the issued Shares (other than those already owned by Grand Silver and parties acting in concert with it) pursuant to the Takeovers Code (the “Offer”) at HK\$1.56 per Sale Share.

The Offer closed at 4:00 p.m. on 10 May 2013. Valid acceptances in respect of 25,146,000 Shares (representing approximately 8.38% of the issued share capital of the Company as at 10 May 2013) were received.

For details of the S&P Agreement and the Offer, please refer to the announcements jointly issued by the Company and Grand Silver dated 15 March 2013, 19 April 2013 and 10 May 2013 and the composite offer and response document jointly issued by the Company and Grand Silver dated 19 April 2013.

SUBSEQUENT EVENTS

CHANGE OF DIRECTORS, CHAIRMAN, COMPOSITION OF COMMITTEES OF THE BOARD AND AUTHORISED REPRESENTATIVE

On 2 May 2013, each of Mr. Wang Zhijun and Mr. Hu Baoyue has been appointed as an executive Director.

On 28 May 2013, each of Mr. Wong Law Fai, Mr. So Kwok Lam and Mr. Yip Chi Chong has resigned as executive Director. Mr. Wong Law Fai has also resigned as chairman and authorised representative of the Company and Mr. Wang Zhijun (an executive Director) and Mr. Hu Baoyue (an executive Director) have been respectively appointed as the chairman and authorised representative of the Company in place of Mr. Wong Law Fai, both with effect from 28 May 2013.

On the same day, each of Mr. Ren Yunan and Mr. Chiu Sai Chuen Nicholas has been appointed as independent non-executive Director while each of Mr. Lam Siu Lo Andrew and Mr. Li Ying Ming has resigned as an independent non-executive Director, all with effect from 28 May 2013.

Following the change of Directors with effect from 28 May 2013 as mentioned above:

- (1) the Audit Committee comprises Mr. Ren Yunan, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond (each an independent non-executive Director). Mr. Tam Tak Kei Raymond remains to act as the chairman of the Audit Committee;
- (2) the remuneration committee of the Company (the “Remuneration Committee”) comprises Mr. Wang Zhijun, Mr. Hu Baoyue (each an executive Director), Mr. Ren Yunan, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond (each an independent non-executive Director). Mr. Ren Yunan is the chairman of the Remuneration Committee; and

(3) the nomination committee of the Company (the “Nomination Committee”) comprises Mr. Wang Zhijun, Mr. Hu Baoyue (each an executive Director), Mr. Ren Yunan, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond (each an independent non-executive Director). Mr. Wang Zhijun is the chairman of the Nomination Committee.

For details of the change of Directors, change of chairman of the Board, change of authorized representative of the Company and change of composition of the committees of the Board, please refer to the announcements of the Company dated 2 May 2013 and 28 May 2013.

By Order of the Board
Vision Fame International Holding Limited
Wang Zhijun
Chairman

Hong Kong, 27 June 2013

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wang Zhijun and Mr. Hu Baoyue; and three independent non-executive Directors, namely Mr. Ren Yunan, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond.