

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2015

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 2015, together with the comparative figures for the year ended 31 March 2014:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	<i>Notes</i>	2015 HK\$’000	2014 HK\$’000
Revenue	2	1,776,238	863,928
Cost of sales		<u>(1,798,767)</u>	<u>(842,166)</u>
Gross (loss) profit		(22,529)	21,762
Other income	3	7,061	4,953
Administrative expenses		(87,717)	(72,212)
Finance costs	4	(6,834)	(3,071)
Impairment loss on available-for-sale investments		(2,943)	—
Impairment loss on property under development		(3,217)	—
Share of profit of an associate		<u>392</u>	<u>—</u>
Loss before taxation	5	(115,787)	(48,568)
Taxation	6	<u>(1,476)</u>	<u>250</u>
Loss for the year attributable to owners of the Company		<u>(117,263)</u>	<u>(48,318)</u>

	<i>Note</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Other comprehensive income (expense)			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Reclassification adjustment for impairment loss on available-for-sale investments		<u>2,943</u>	<u>—</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations		(2,314)	(1,726)
Fair value loss on available-for-sale investments		<u>(2,156)</u>	<u>(3,343)</u>
		<u>(4,470)</u>	<u>(5,069)</u>
Other comprehensive expense for the year		<u>(1,527)</u>	<u>(5,069)</u>
Total comprehensive expense for the year attributable to owners of the Company		<u>(118,790)</u>	<u>(53,387)</u>
Loss per share (<i>HK cents</i>)	7		
— Basic and diluted		<u>(39.1)</u>	<u>(16.1)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		31,497	32,399
Interests in associates		567	8,432
Interest in a joint venture		—	—
Available-for-sale investments		7,879	11,274
		39,943	52,105
CURRENT ASSETS			
Amounts due from customers for contract work		53,285	43,123
Property under development	9	24,284	—
Trade and other receivables	8	448,808	250,246
Pledged bank deposits		19,717	44,661
Bank balances and cash		188,754	267,180
		734,848	605,210
CURRENT LIABILITIES			
Amounts due to customers for contract work		5,977	14,547
Trade and other payables	10	410,699	185,630
Amount due to an associate		—	7,025
Amount due to a related party		119,862	122,607
Tax payable		2,683	87
Obligations under financial leases — due within one year		2,348	3,387
Secured bank loans	11	30,659	—
		572,228	333,283
NET CURRENT ASSETS		162,620	271,927
TOTAL ASSETS LESS CURRENT LIABILITIES		202,563	324,032
NON-CURRENT LIABILITIES			
Loan from a related party		170,000	170,000
Obligations under finance leases — due after one year		4,112	7,646
Deferred tax liability		1,634	845
Other payables and accruals		828	762
		176,574	179,253
		25,989	144,779
CAPITAL AND RESERVES			
Share capital		3,000	3,000
Reserves		22,989	141,779
		25,989	144,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which measured at fair values at the end of reporting period. The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosure for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

The adoption of other new or revised HKFRSs has had no material effect on the amounts reported, or disclosures set out, in the consolidated financial statements.

2. REVENUE AND SEGMENTAL INFORMATION

Revenue comprises:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue from:		
Building construction	557,794	352,382
Alterations, renovation, upgrading and fitting-out works	405,949	297,335
Property maintenance	281,834	214,211
Property development and provision of related management and advisory services	3,114	—
Trading of commodities	<u>527,547</u>	<u>—</u>
	<u>1,776,238</u>	<u>863,928</u>

The Group's operating segments are determined based on information reported to the chief operating decision maker (the "CODM"), being the board of directors of the Company, for the purpose of resource allocation and performance assessment which focuses on types of contracting services provided, for which discrete financial information is available. The Group's reportable and operating segments are as follows:

- (i) building construction
- (ii) alterations, renovation, upgrading and fitting-out works
- (iii) property maintenance
- (iv) property development and provision of related management and advisory services*
- (v) trading of commodities*

* During the year, the Group expanded to property development and provision of related management and advisory services and trading of commodities, each of which constitutes a new operating segment.

2. REVENUE AND SEGMENTAL INFORMATION (continued)

Segment revenue and results

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

	Building construction <i>HK\$'000</i>	Alternations, renovation, upgrading and fitting- out works <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Property development and provision of related management and advisory services <i>HK\$'000</i>	Trading of commodities <i>HK\$'000</i>	Total <i>HK\$'000</i>
2015						
Segment revenue — external customers	<u>557,794</u>	<u>405,949</u>	<u>281,834</u>	<u>3,114</u>	<u>527,547</u>	<u>1,776,238</u>
Segment results	<u>(35,620)</u>	<u>26,432</u>	<u>(14,786)</u>	<u>(103)</u>	<u>1,414</u>	(22,663)
Unallocated other income						3,978
Administrative expenses						(87,230)
Finance costs						(6,834)
Impairment loss on available-for-sale investments						(2,943)
Impairment loss on goodwill arising from an associate						(487)
Share of profit of an associate						<u>392</u>
Loss before taxation						<u>(115,787)</u>
	Building construction <i>HK\$'000</i>	Alternations, renovation, upgrading and fitting- out works <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Property development and provision of related management and advisory services <i>HK\$'000</i>	Trading of commodities <i>HK\$'000</i>	Total <i>HK\$'000</i>
2014						
Segment revenue — external customers	<u>352,382</u>	<u>297,335</u>	<u>214,211</u>	<u>—</u>	<u>—</u>	<u>863,928</u>
Segment results	<u>(933)</u>	<u>13,345</u>	<u>10,683</u>	<u>—</u>	<u>—</u>	23,095
Unallocated other income						3,620
Administrative expenses						(72,212)
Finance costs						<u>(3,071)</u>
Loss before taxation						<u>(48,568)</u>

There is no inter-segment revenue in current and prior financial years.

2. REVENUE AND SEGMENTAL INFORMATION (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit earned (loss incurred) by each segment without absorption of reconciling items, details of which are set out above. This is the measure reported to the CODM 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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Segment assets		
Building construction	123,673	121,494
Alternations, renovation, upgrading and fitting-out works	57,490	85,622
Property maintenance	109,606	77,043
Property development and provision of related management and advisory services	30,987	—
Trading of commodities	<u>176,180</u>	<u>—</u>
Total segment assets	497,936	284,159
Unallocated corporate assets	<u>276,855</u>	<u>373,156</u>
Total assets	<u><u>774,791</u></u>	<u><u>657,315</u></u>
Segment liabilities		
Building construction	138,379	90,539
Alternations, renovation, upgrading and fitting-out works	64,602	62,122
Property maintenance	73,163	42,281
Property development and provision of related management and advisory services	599	—
Trading of commodities	<u>144,087</u>	<u>—</u>
Total segment liabilities	420,830	194,942
Unallocated corporate liabilities	<u>327,972</u>	<u>317,594</u>
Total liabilities	<u><u>748,802</u></u>	<u><u>512,536</u></u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates and a joint venture, available-for-sale investments, certain property, plant and equipment, certain other receivables, pledged bank deposits, and bank balances and cash; and
- all liabilities are allocated to operating segments other than amount due to an associate, tax payable, secured bank loans, amount due to/loan from a related party, other payable and accrual and deferred tax liability.

2. REVENUE AND SEGMENTAL INFORMATION (continued)

Geographical information

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

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets (excluding available-for-sale investments) is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Hong Kong (Country of domicile)	1,299,659	533,275	11,282	16,988
Singapore	456,469	323,607	19,783	23,835
Macau (Country of domicile)	15,900	7,046	5	8
Mainland China	4,210	—	994	—
	<u>1,776,238</u>	<u>863,928</u>	<u>32,064</u>	<u>40,831</u>

Information about major customers

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

	2015 HK\$'000	2014 HK\$'000
Customer A ¹	313,372	—
Customer B ²	303,834	190,598
Customer C ³	207,065	211,000
Customer D ⁴	—	108,246

¹ Revenue from trading of commodities.

² Revenue from building construction and property maintenance.

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

⁴ Revenue from alterations, renovation, upgrading and fitting-out works.

3. OTHER INCOME

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>

Other income comprises:

Rental income	124	1,973
Interest income from sub-contractors	3,089	1,098
Bank interest income	820	625
Investment income from available-for-sale debt investments	14	14
Government grant	750	277
	<u>750</u>	<u>277</u>

4. FINANCE COSTS

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>

Interest on secured bank loans wholly repayable within five years	186	793
Interest on obligations under finance leases	188	137
Interest on loan from a related party	6,460	2,141
	<u>6,834</u>	<u>3,071</u>

5. LOSS BEFORE TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss before taxation has been arrived at after charging:		
Directors' remuneration	5,173	3,345
Other staff costs included in cost of sales		
Salaries and allowances	63,539	57,928
Retirement benefit scheme contributions	2,231	1,728
Other staff cost included in administrative expenses		
Salaries and allowances	43,458	36,016
Retirement benefit scheme contributions	<u>1,717</u>	<u>1,467</u>
Total other staff costs	<u>110,945</u>	<u>97,139</u>
Depreciation of property, plant and equipment		
Included in cost of sales	5,380	2,934
Included in administrative expenses	<u>2,198</u>	<u>2,210</u>
	<u>7,578</u>	<u>5,144</u>
Auditor's remuneration	1,320	1,279
Impairment loss on amount due from a joint venture	—	642
Loss on disposal of property, plant and equipment	727	—
Operating lease rentals in respect of premises	<u>6,581</u>	<u>4,256</u>

6. TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
The tax charge (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	34	6
Overprovision of Hong Kong Profits Tax in prior years	(38)	(130)
Overprovision of Singapore Corporate Tax in prior year	(22)	(552)
Enterprise Income Tax in the People's Republic of China ("PRC")	<u>703</u>	<u>—</u>
	677	(676)
Deferred tax	<u>799</u>	<u>426</u>
	<u>1,476</u>	<u>(250)</u>

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for both years.

6. TAXATION (continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Macau Complementary Income Tax ("MCIT") is charged at the progressive rate on the estimated assessable profit. Singapore Corporate Tax has been provided at the rate of 17% on the estimated assessable profit for the year. No provision for MCIT and Singapore Corporate Tax has been made for the both years as the subsidiaries operating in Macau or Singapore have no assessable profits.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2015 HK\$'000	2014 HK\$'000
Loss:		
Loss for the purpose of basic and diluted loss per share	<u>(117,263)</u>	<u>(48,318)</u>
	2015 '000	2014 '000
Number of shares:		
Number of ordinary shares in issue for the purpose of basic and diluted loss per share	<u>300,000</u>	<u>300,000</u>

The diluted loss per share is equal to the basic loss per share as the Company does not have dilutive potential ordinary shares during the current and prior years.

8. TRADE AND OTHER RECEIVABLES

	2015 HK\$'000	2014 HK\$'000
Trade and bills receivables (<i>note i</i>)	187,521	134,273
Advance payments to suppliers	140,977	—
Retention money receivables (<i>note ii</i>)	50,908	49,548
Advances to subcontractors (<i>note iii</i>)	35,743	34,523
Restricted deposit with a broker	775	—
Utility deposits and other receivables (<i>note iv</i>)	<u>32,884</u>	<u>31,902</u>
	<u>448,808</u>	<u>250,246</u>

8. TRADE AND OTHER RECEIVABLES (continued)

Notes:

- (i) The amount includes bills receivable of HK\$30,659,000 (2014: Nil) at the end of the reporting period that is transferred to a bank by discounting bills receivable on a full recourse basis. If the bills receivable is not paid on maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the receivable, it continues to recognise the full carrying amount of the receivable and has recognised the cash received on the transfer as secured bank loans. The financial asset is carried at amortised cost in the consolidated statement of financial position.

	2015 HK\$'000	2014 HK\$'000
Carrying amount of transferred asset	30,659	—
Carrying amount of associated liability	<u>(30,659)</u>	<u>—</u>

- (ii) The amount represents retentions held by customers for contract work, of which approximately HK\$24,300,000 (2014: HK\$17,502,000) is expected to be recovered or settled in more than twelve months from the end of the reporting period.
- (iii) The advances to subcontractors are unsecured, expected to be realised within one year and interest bearing at rates ranging from 7% to 9% (2014: 7% to 9%) per annum.
- (iv) Included in other receivables are amounts of approximately HK\$10,335,000 (2014: HK\$10,023,000) pledged to secure short-term banking facilities granted to the Group. In addition, HK\$3,794,000 as at 31 March 2014 (2015: Nil) was also pledged for guarantees in respect of performance bonds in favour of the Group's customers.

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 and bills receivables, presented based on the certified report which approximates revenue recognition date at the end of the reporting period:

	2015 HK\$'000	2014 HK\$'000
Within 30 days	158,788	117,988
More than 30 days but within 90 days	27,265	15,234
More than 90 days	<u>1,468</u>	<u>1,051</u>
	<u>187,521</u>	<u>134,273</u>

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of approximately HK\$15,316,000 (2014: HK\$1,821,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. There has not been a significant change in credit quality of the relevant customers and the Group believes that the amounts are still recoverable as there are continuing subsequent settlement. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired is as follows:

	2015	2014
	HK\$'000	HK\$'000
More than 30 days but within 90 days	11,812	770
More than 90 days	3,504	1,051
	<u>15,316</u>	<u>1,821</u>

The directors of the Company consider that there has not been a significant change in credit quality of the trade receivables and there is no recent history of default, therefore the amounts are considered recoverable.

9. PROPERTY UNDER DEVELOPMENT

The property is located in Australia and held under development for sale. No interest has been capitalised in property under development during the year.

10. TRADE AND OTHER PAYABLES

	2015	2014
	HK\$'000	HK\$'000
Trade payables	174,608	117,927
Retention money payables	63,057	51,435
Receipts in advance from customers	141,198	—
Other payables and accruals	31,836	16,268
	<u>410,699</u>	<u>185,630</u>

The retention money payables represent retentions held by the Group for contract work, of which approximately HK\$20,995,000 (2014: HK\$15,166,000) is due for settlement in more than twelve months from the end of the reporting period pursuant to the construction contracts.

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

	2015	2014
	HK\$'000	HK\$'000
Within 30 days	155,280	112,977
More than 30 days but within 90 days	17,270	4,043
More than 90 days	2,058	907
	<u>174,608</u>	<u>117,927</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 settled within the credit timeframe.

11. SECURED BANK LOANS

The bank loans are secured by the Group's bills receivable, repayable within one year and bear interest at a fixed rate of 4% (2014: nil) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Results for the Year

Turnover of the Group has increased from approximately HK\$864 million in the year ended 31 March 2014 ("Fy2014") to approximately HK\$1,776 million in the year ended 31 March 2015 ("Fy2015"), representing an increase of approximately HK\$912 million or approximately 106% compared with Fy2014. In Fy2015, the Group recorded a gross loss of approximately HK\$23 million (Fy2014: gross profit approximately HK\$22 million).

On 31 January 2015, in order to enter the property development management and advisory services sector in the PRC, the Group has completed the acquisition of the entire equity interests in China Worth International (Qingdao) Real Estate Management Limited ("CWIL"), a property development management and advisory services company in Mainland China, which is engaged in the provision of comprehensive real estate operation and management services, which include project evaluation, planning and design, development and construction, cost control, financial management, human resources management and general administration, targeting at the various real estate projects. Since its acquisition on 31 January 2015, CWIL has contributed revenue and profit of HK\$3.1 million and HK\$2.1 million, respectively, in Fy2015.

Increase in revenue was mainly attributable to (i) a newly established commodities trading business with revenue of HK\$528 million in Fy2015 (Fy2014: Nil); (ii) increase in revenue of the building construction segment in Hong Kong and Singapore because a number of sizable projects in this segment were in full swing in Fy2015; and (iii) increase in revenue of the alteration, renovation, upgrading and fitting-out works (collectively "A&A works") in Hong Kong market due to several sizable projects were in full swing in Fy2015.

In Fy2015, the Group recorded a gross loss of approximately HK\$23 million as compared with gross profit of approximately HK\$22 million in Fy2014. The change from gross profit in Fy2014 to gross loss in Fy2015 was mainly attributable to (i) significant increase in construction costs including materials, staff and labour cost in building construction projects in Singapore; and (ii) revenue contributions of several property maintenance contracts were lower than the costs incurred.

During Fy2015, the Group had won twenty four new contracts with total contract value amounting to approximately HK\$1,247 million of which eleven contracts with total contract value of approximately HK\$712 million were of the building construction segment and thirteen contracts with total contract value of approximately HK\$535 million were of the A&A works segment. As at 31 March 2015, the Group had projects in progress with total contract sum of approximately HK\$3,367 million.

During the period of FY2015 and up to the date of this announcement, the Group has entered into several new contracts with total contract value of approximately HK\$898 million.

Other income for FY2015 was approximately HK\$7.1 million representing an increase of approximately HK\$2.1 million as compared with FY2014 of approximately HK\$5 million.

Loss attributable to owners of the Company in FY2015 is approximately HK\$117 million as compared with a loss of approximately HK\$48 million in FY2014.

The basis loss per share of the Company for FY2015 was HK\$39.1 cents compared to HK\$16.1 cents for FY2014.

(2) Review of Operations

(i) *Building Construction*

The building construction segment recorded revenue of approximately HK\$558 million for FY2015 (FY2014: approximately HK\$352 million). Segment loss for FY2015 was approximately HK\$36 million compared with segment loss approximately HK\$0.9 million in FY2014. The increase in segment revenue was mainly due to several construction projects which were in full swing in FY2015. However, segment loss was recorded in FY2015 due to significant increase in construction costs including materials, staff and labour cost in Singapore.

(ii) *Property Maintenance*

The property maintenance segment reported a continuous growth in segment revenue. The segment revenue for FY2015 was approximately HK\$282 million, up by 32% from approximately HK\$214 million in FY2014. However, segment loss of approximately HK\$14.8 million was recorded in FY2015 as compared with segment profit of approximately HK\$10.7 million in FY2014. The overall result of the Group in this segment was a growth in segment revenue and change from segment profit in FY2014 to segment loss in FY2015. It is mainly due to revenue contributions of several property maintenance contracts were lower than the costs incurred.

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

Revenue for the A&A works segment for FY2015 was approximately HK\$406 million (FY2014: approximately HK\$297 million) and segment profit was approximately HK\$26.4 million (FY2014: approximately HK\$13.3 million). The overall result in this segment was increase in both segment revenue and segment profit associated with increase in segment profit margin as compared with FY2014.

The segment profit and segment profit margin of FY2015 was higher than that of FY2014 primarily due to the fact that a number of sizable projects of A&A works segment in Hong Kong with higher gross profit margin were substantially completed or in full swing in FY2015.

(iv) *Property development and provision of related management and advisory services (“PDMAS”)*

Since the completion of the acquisition of CWIL on 31 January 2015, the Group has grouped together all relevant property development and related resources to form a new segment, called PDMAS. PDMAS recorded revenue and loss of HK\$3.1 million and HK\$0.1 million, respectively in FY2015. Since its acquisition, CWIL contributed revenue and profit of HK\$3.1 million and HK\$2.1 million, respectively, in FY2015. The segment loss was mainly due to an impairment loss of property under development of HK\$3.2 million which was recognised as a result of decrease in its market value.

(v) *Trading of commodities*

Revenue for the trading of commodities segment for FY2015 was approximately HK\$527.5 million (FY2014: Nil) and segment profit was approximately HK\$1.4 million (FY2014: Nil). The Group has newly established the business of trading of commodities during FY2015. Although the prices of commodities had been falling during FY2015, our management who has extensive experience in commodities markets continuously adopted a prudent approach to minimise the risk of price fluctuations in association with the trading business.

(3) Prospect

Although the operating environment of the construction business is expected to remain tough in the coming year, the Board is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works in the past two decades. The Group will continue to adopt a prudent approach when submitting new tenders.

The newly acquired property development and provision of related management and advisory services business is expected to generate stable source of income for the Group in the coming year as the progress of its business development is satisfactory. In addition, the Group will continue to explore other relevant business opportunities so as to expand the scope of services and customer base for this business segment.

The commodities trading business also commenced in FY2015. The Board will strive to strengthen its business network and trading platform for the resources sector so as to develop another income stream for the Group.

Furthermore, the Board is committed to strive to increase the shareholders' value of the Group by continuously exploring new investment opportunities that could provide promising returns and prospects in long term.

(4) Financial Position

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

The Group has certain portion of bank balances and cash denominated in currencies other than the functional currencies of the relevant entities to which they relate. In addition, the Group's sales and purchases are mainly transacted in Hong Kong dollar, United States dollar, Singapore dollar and Renminbi. Given that the exchange rates of such foreign currencies against Hong Kong dollar, our reporting currency, are relatively stable, the management believes that the foreign currency exchange risk is insignificant to the Group. As such, during Fy2015 and Fy2014, the Group does not have any financial instruments for currency hedging purpose but will consider hedging significant foreign currency exposure should the need arise.

Total interest bearing loans have increased from HK\$181 million as at 31 March 2014 to HK\$207 million as at 31 March 2015. All borrowings were denominated in Hong Kong dollars and Renminbi. The Group's net cash balance have decreased from 31 March 2014 of approximately HK\$308.5 million to 31 March 2015 of approximately HK\$175.5 million.

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 2015 HK\$'000	31 March 2014 HK\$'000
Property, plant and equipment	7,560	7,740
Other receivables	10,335	13,817
Bank deposits	19,717	44,661
Bills receivable	30,659	—
	<u>68,271</u>	<u>66,218</u>

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 2015, the Group has been granted total banking facilities of approximately HK\$80.6 million (as at 31 March 2014: approximately HK\$202 million). An amount of approximately HK\$34.2 million (as at 31 March 2014: approximately HK\$106.4 million) remained unutilised.

(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 2015 and 31 March 2014 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 and the amount of contingent liabilities in relation to financial guarantees issued by the Group. To minimise the credit risk, the management of the Group has delegated a team responsible for determination of 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 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 the year end. As at 31 March 2015, the gearing ratio of the Group was 26.7% (31 March 2014: 27.5%). The gearing ratio is calculated by dividing total interest-bearing loans with total assets as at reporting date multiplied by 100%. The decrease in gearing ratio was due to the increase in total assets during FY2015.

As at 31 March 2015, current assets and current liabilities were stated at approximately HK\$734.8 million (as at 31 March 2014: approximately HK\$605.2 million) and approximately HK\$572.2 million (as at 31 March 2014: approximately HK\$333.3 million), respectively. The current ratio decreased from 1.82 times as at 31 March 2014 to 1.28 times as at 31 March 2015. 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 financial management principles in order to control and minimise 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 2015 HK\$'000	31 March 2014 HK\$'000
Guarantees in respect of performance bonds in favor of its clients	<u>164,306</u>	<u>127,080</u>

The Group did not have any significant capital commitment as at 31 March 2015 and 31 March 2014.

(8) Available-For-Sale Investments

As at 31 March 2015, the Group has available-for-sale investments of approximately HK\$7.8 million (as at 31 March 2014: approximately HK\$11.3 million), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 31 March 2015, the Group held 89,400,000 shares (as at 31 March 2014: held 89,400,000 shares). An impairment loss of approximately HK\$2.9 million is recorded in profit or loss in FY2015 as a result of the prolonged decline in the market value of the listed 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 first listed on the Main Board of the 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 of the Company dated 30 December 2011, the net proceeds received were applied during the years ended 31 March 2014 and 31 March 2015 as follows:

	Net proceeds (HK\$ million)					
	Available as at 31 March 2014	Reallocated	Available as at 31 March 2015	Utilised Fy2013 & Fy2014	Utilised Fy2015	Unutilised
Business developments	9.6	10.1	19.7	1.2	18.5	—
Operation of projects awarded from 1 July 2011 as disclosed in the prospectus of the Company dated 30 December 2011	9.6	—	9.6	9.6	—	—
Increase in the performance bond facilities	9.6	(4.8)	4.8	4.8	—	—
Marketing and promotion	6.3	(5.3)	1.0	0.6	0.4	—
Development of new construction techniques and methodologies	4.8	—	4.8	3.8	1.0	—
	<u>39.9</u>	<u>—</u>	<u>39.9</u>	<u>20.0</u>	<u>19.9</u>	<u>—</u>

The Group held the unutilised net proceeds in short-term deposits or time deposits with reputable banks in Hong Kong as at 31 March 2014.

(10) Movement of incomplete contracts for the year ended 31 March 2015

	31 March 2014 HK\$'000	Contracts Secured HK\$'000	Contracts Completed HK\$'000	31 March 2015 HK\$'000
Building Construction	1,364,140	712,401	583,915	1,492,626
Property Maintenance	1,217,918	—	—	1,217,918
Alteration, Renovation, Upgrading and Fitting-Out Works	<u>430,700</u>	<u>534,683</u>	<u>308,451</u>	<u>656,932</u>
	<u>3,012,758</u>	<u>1,247,084</u>	<u>892,366</u>	<u>3,367,476</u>

(11) Employees and remuneration policies

As at 31 March 2015, the Group employed a total of 328 staff (as at 31 March 2014: 324 staff) which included Hong Kong, Macau, Singapore and Mainland China employees. The total remuneration for staff was approximately HK\$116 million for FY2015 (FY2014: approximately HK\$100 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.

(12) Material acquisitions and disposal of subsidiaries and associated companies

On 31 December 2014, Smart Sky Hong Limited (the “SSHL”), a wholly-owned subsidiary of the Company, entered into a share transfer agreement with the vendor and the guarantor pursuant to which the SSSL agreed to acquire and the vendor agreed to dispose of the entire equity interest in China Estate International Limited (the “CEIL”), which is an investment holding company and directly holds the entire equity interest in CWIL, and a shareholder’s loan amounting to USD0.5 million owed by the CEIL to the vendor at a consideration of HK\$11 million. The share transfer of the CEIL was completed on 31 January 2015.

Saved as disclosed above, there was no material acquisition or disposal of subsidiaries or associated companies by the Company in Fy2015.

(13) Plan for significant investment or acquisition of capital assets in the future

At the date of this announcement, the Company has no plan for material investment or acquisition of material capital asset.

DIVIDEND

The Board does not recommend the payment of final dividend in respect of the year ended 31 March 2015 (2014: Nil). No interim dividend was declared for the six months ended 30 September 2014 (2013: nil).

CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders, customers and employees of the Company. During the year ended 31 March 2015, the Board had adopted the principles and the code provisions as set out in Corporate Governance Code and Corporate Governance Report (the “CG Code”) in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee, a remuneration committee and a nomination committee with specific written terms of reference and made such terms of reference available on the websites of the Stock Exchange and the Company.

Save as disclosed below, during the year ended 31 March 2015, the Company had complied with the CG Code as set out in Appendix 14 to the Listing Rules.

According to the code provision A.1.1 of the CG Code, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the year, three regular Board meetings were held. As business operations of the Company were under the management and supervision of the executive Directors who had from time to time held meetings to resolve all material business or management issues and therefore certain Board resolutions were concluded through circulation of written resolutions.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the year ended 31 March 2015, Mr. Wang Zhijun was the chairman of the Company and Mr. Gavin Xing was the chief executive officer until he resigned on 28 February 2015. Following the resignation of Mr. Gavin Xing as the executive Director and chief executive officer of the Company, Mr. Hu Baoyue was appointed as the acting chief executive officer of the Company on 28 February 2015, in addition to his role as an executive Director. Therefore, the code provision A.2.1 of the CG Code has been complied with.

According to the code provision A.2.7 of the CG Code, the chairman should at least annually hold meetings with the non-executive Directors and independent non-executive Directors without the executive Directors present. Although the chairman did not hold a meeting with independent non-executive Directors during the year ended 31 March 2015, he delegated the company secretary to gather any concerns and/or questions that independent non-executive Directors might have and report to him for setting up follow-up meetings, whenever necessary, in due course.

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 had complied with the Model Code during the year ended 31 March 2015.

AUDIT COMMITTEE

The audit committee of the Company 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 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries had 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.visionfame.com>) and the Stock Exchange’s website (<http://www.hkex.com.hk>). The 2015 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites in due course.

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 March 2015 and up to the date of this announcement.

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

Hong Kong, 30 June 2015

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wang Zhijun, Mr. Hu Baoyue and Mr. Kwan Ngai Kit; and three independent non-executive Directors, namely Mr. Chiu Sai Chuen Nicholas, Mr. Tam Tak Kei Raymond and Mr. Wong Kai Tung Simon.