



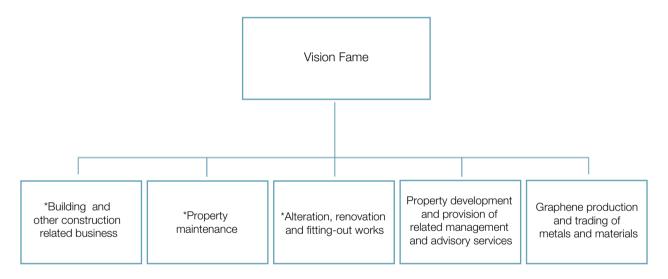
About Vision Fame

Vision Fame International Holding Limited ("Vision Fame" or "the Company") and its subsidiaries (collectively "the Group") are engaged in the provision of construction services, property maintenance services, alteration, renovation, upgrading and fitting-out works, property development and provision of related management and advisory services ("PDMAS"). In addition, the Group is engaged in graphene production and the trading of metals and materials.

The Group operates its building construction, maintenance and renovation business through its direct wholly-owned subsidiary, Wan Chung Construction Company Limited ("Wan Chung"). In the past 20 years, the Group has completed over 200 construction projects in Hong Kong.

Wan Chung is qualified as one of the Repair and Restoration of Historic Buildings specialist contractors in Hong Kong. The Group has long-term and well-established relationships with both public and private sector clients.

BUSINESS STRUCTURE OF THE GROUP



* These three business segments are directly operated by Wan Chung.

About this Report

This is the first Environmental, Social and Governance Report issued by Vision Fame setting out the Group's actions and performance on sustainability issues in a transparent and open manner with the intention of increasing stakeholders' confidence in and understanding of the Group.

REPORTING YEAR

Information in the report reflects the performance of Vision Fame in environmental stewardship and social responsibility between April 2016 and March 2017. In future, the Group will publish the Environmental, Social and Governance Report on an annual basis and make it available to the public at any time to enhance transparency and accountability.

REPORTING BOUNDARY

The report focuses on the Group's operations in building and other construction related business, property maintenance, and alteration, renovation and fitting-out works in Hong Kong, which is operated by Wan Chung. For environmental and health and safety Key Performance Indicators (KPIs), the below five representative projects were covered:

Project Title	Project Period
Maintenance of Slopes for the Architectural Services Department (ASD) Designated Area: Kowloon and Lantau Island	1 Apr 13 – 30 Sept 17
Alterations, Additions, Maintenance and Repair of Buildings and Lands and Other Properties for ASD Designated Area: Hong Kong Island Eastern and Outlying Islands (South)	1 Apr 14 – 31 Mar 17
Alterations, Additions, Maintenance and Repair of Buildings and Lands and Other Properties for ASD Designated Area: Kwun Tong, Yau Ma Tei, Tsim Sha Tsui and Mong Kok	1 Apr 14 – 31 Mar 17
Minor Works for Hospital Authority Designated Area: Kowloon East and Central Clusters	1 Jun 15 – 31 May 18
Revitalization of Haw Par Mansion to create Haw Par Music Farm	13 Jun 16 – 7 Nov 17

The Group will extend the scope of disclosures and will ultimately cover all operations of the Group when the data collection system is better established and the environmental, social and governance work is strengthened. The report excludes the disclosure of environmental Key Performance Indicators (KPIs). The Group will conduct carbon assessment next year to further refine and standardize the indicators for reporting, and will extend the scope of disclosures when the data collection system is better established and the environmental, social and governance work is strengthened.

About this Report

REPORTING GUIDELINE

This report is published in accordance with the Environmental, Social and Governance Reporting Guide (ESG Guide) issued by The Stock Exchange of Hong Kong Limited (HKEX). The report outlines the environmental, social and governance performance of Vision Fame in a concise manner. Information contained herein is sourced from the official documents and statistical data of the Group, and is aggregated from the monitoring, management and operational information provided by the subsidiaries in accordance with the relevant rules of the Group. A complete index is inserted in the last chapter of the report for reference. The report is written in the Chinese and English languages and both are uploaded onto the Group's website at www.visionfame.com. In case of any conflict or inconsistency between the Chinese version and the English version, the English version shall prevail.

We Value Your Feedback

Our continuous improvement relies on your valuable feedback on both the content and the form of this report. If you have any questions or comments, please send us your views via info@1315.com.hk to help with our continued improvement in environmental, social and governance performance.

Message from the Chairman

"By collaborating with stakeholders at different levels, we are committed to pioneering more sustainable solutions in every aspect of our business."

As a responsible enterprise, Vision Fame proactively responds to social expectations related to sustainable development. In this regard, we collaborate with stakeholders at different levels to employ environmental and social best practices throughout our business and operations.

As a main contractor, we deploy a series of measures to manage the environmental impact of emissions generated from our construction sites. By the implementation of the ISO 14001 Environmental Management System, we have aligned with environmental best practices to minimize significant impact on the environment. Major emissions are strictly managed. We have developed detailed operational requirements to address air, noise, water and waste pollution during construction, so as to ensure a healthy and comfortable environment for neighbouring occupants.

People are our most valuable asset and the key to sustainable development. We always put employee safety as the first priority in our business operations and hence we endeavour to create a safe and comfortable working environment for our employees. We have established operational guidelines on safety and provide comprehensive occupational protection measures and equipment. All construction workers are also adequately trained to eliminate all kinds of potential health and safety risks.

We believe that customer confidence is dependent on the quality standard of our products. We have therefore developed a quality management system in accordance with the ISO 9001 standard, which establishes the procedures to manage any nonconformity detected during the construction process. Meanwhile, we strictly select and monitor suppliers and subcontractors to ensure that they comply with our standards in terms of business reputation, past performance, company organization and financial status.

We have actively been cooperating with universities and research institutes to develop graphene products with the potential for broad application in the field of environmental protection. The graphene production line was successfully installed and piloted in April 2016 and we hope it can contribute to the development of the environmental protection sector in China.

Chau Chit

Co-Chairman and Chief Executive Officer

Vision Fame International Holding Limited

Stakeholder Engagement

The HKEX has set forth four principles for reporting in the ESG Guide: Materiality, Quantitative, Balance and Consistency, which should form the basis for preparing the Environmental, Social and Governance Report. As the HKEX emphasizes, stakeholder engagement is the method by which materiality is assessed. Through stakeholder engagement, companies can understand wide-ranging views and identify material environmental and social issues.

For Vision Fame, stakeholders refer to groups and individuals materially influencing or affected by the Group's business. The Group's stakeholders include employees, management and directors, as well as external stakeholders such as clients, business partners, investors, regulatory authorities and various types of community groups. In the past year, we communicated with the key stakeholders through a variety of methods. While preparing the report, we commissioned a professional consultancy firm to conduct the materiality analysis in the form of management interview. With expert advice, we identified the material aspects for this report and these will in turn guide the formulation of the Group's sustainability roadmap.

METHODS OF STAKEHOLDER ENGAGEMENT IN THE REPORTING PERIOD

Newcomers	Shareholders
All staff	Investors
Line management	Bank
Senior management	Customers
Board of Directors and senior management	Sub-contractors and suppliers

External Stakeholders

Engagement methods:

Newcomer orientation, intranet, training, meetings, electronic communication

The business of Vision Fame affects different stakeholders, and these stakeholders have various expectations of the Group. To enhance materiality analysis, the Group will in the future continue and expand stakeholder engagement, and collect a diverse range of stakeholders' views through various activities. At the same time, the Group will consider advancing the reporting principles of Quantitative, Balance and Consistency in order to present the report in a way that continues to improve alignment with stakeholder expectations.

Internal Stakeholders

Protecting The Environment

As an environmentally conscious company, the Group strives to operate its business in a manner that minimizes the impacts to the environment, and ensures that the operations are compliant with all the relevant environmental, legal and statutory requirements. Wan Chung has developed an Environmental Management System and an Energy Management System which respectively comply with the ISO 14001 and ISO 50001 standards. The requirements are documented in the Operational Control Handbook which aims to provide each project team with guidelines for identifying, assessing and mitigating any environmental risks.

EMISSIONS

Major emissions from construction sites are air pollutants, noise, effluents and waste. Wan Chung strictly manages these emissions and is committed to seeking practical means to reduce their impact on the environment.

To prevent dust from spreading, Wan Chung lays sturdy materials on the main haul road with relatively high vehicle flow rate and rinse the vehicles at every vehicle exit point. In operations such as stockpiling, excavation, site clearance, blasting, demolition and resurfacing work, dust producing materials are either sprayed with water or covered by impervious spray to prevent dispersal of dust.

The Paris Agreement entered into force in November in 2016, aiming to keep a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.

To reduce the noise nuisance in the surrounding environment, Wan Chung always uses equipment which has been effectively silenced, such as low-noise transformers, air receivers and hand-held breakers. Machines are enclosed within insulation materials and silencers are used to suppress the noise generated by pipes. Noise barriers are also placed between the noise source and noise sensitive receivers to minimize the disturbance. Wan Chung recognizes that noise challenges are unique to each project and there is always room to further reduce noise in communities surrounding our sites. In this regard, Wan Chung is going to kick off a review next year to evaluate the internal noise abatement procedures, especially for projects at noise-sensitive areas.

Wan Chung has developed a set of procedures to deal with effluent from construction sites. Wan Chung restricts the discharge of surface runoff into communal sewers, storm water drains, river courses, water bodies or soakaway systems. Wan Chung also paves soil surfaces and covers construction materials to prevent soil erosion and surface runoff from open stockpiles of construction materials. Sediment traps, pits and basin facilities are also provided to abstract wastewater and remove waste particles from on-site sewage systems.

For Construction and Demolition ("C & D") material, the inert C & D material is disposed of at the public filling facilities whereas the non-inert and mixed C & D waste are disposed of at three strategic landfills. To prevent illegal dumping, Wan Chung keeps track of the transaction records to ensure proper disposal of C & D waste at public filling facilities or landfills. Wan Chung packs the chemical waste in containers which are securely closed to prevent leakage. Every container of chemical waste is labeled with a hazard symbol to identify the danger posed by each chemical and what care should be taken. The chemical waste is stored near the sites of the waste production to minimize waste handling. To ensure that the chemical wastes are properly disposed of, Wan Chung uses a licensed 'Waste Collector" for the collection and removal of chemical waste.

During the reporting period, Wan Chung did not find any non-compliance with laws and regulations related to emissions.

Protecting The Environment

Environmental Key Performance Indicators

Air emission	Volume (Tonnes)
NO_x	0.02
SO _x	0.0004
particulate	0.001
Hazardous waste	Volume (Tonnes)
spent fluorescent tubes	0.6
unwanted paint	0.04
Non-hazardous waste	Volume (Tonnes)
inert C&D waste	2,430
non-inert C&D waste	1,720
mixed C&D waste	944

USE OF RESOURCES

The resources most consumed at the construction sites are water, energy and construction materials. Wan Chung records and analyzes the weekly consumption rate of water at individual water supply points. After identifying the causes of high rates of water consumption, Wan Chung will take remedial action to minimize water use. Wan Chung also posts reminders at water supply points to cultivate employee water saving habits in daily operations.

Wan Chung is determined to identify and seek achievable reductions in energy consumption. Wan Chung has established the ISO 50001 Energy Management System to provide a framework for improving energy efficiency and integrating energy management into daily operations. Based on specific circumstances, Wan Chung may provide training to employees to ensure that they are aware of the energy policy and the significant energy use associated with their work. Wan Chung procures energy efficient equipment, products and services where those are expected to have significant impact on energy performance. Energy labels are considered to evaluate whether products have a high energy performance. Wan Chung also monitors its energy consumption regularly to identify abnormal load behavior, in order to take remedial actions to reduce energy use.

For reducing the use of construction material and minimizing waste, Wan Chung orders materials in varying lengths instead of single lengths to meet various construction project conditions. Meanwhile, Wan Chung encourages the reuse and recycling of construction and demolition materials by diverting them from waste stream to the construction cycle. To facilitate waste recovery for reuse and recycle, a specific area is allocated for on-site sorting of waste while containers are provided as temporary storage for the sorted material.

Apart from maximizing the resource efficiency of water, energy and construction materials, Wan Chung has also established "Green Office Tips" to reduce the use of paper and energy. Wan Chung orders 10% recycled paper in every order and encourages the use of electronic mail for inter-office memos.

Protecting The Environment

Environmental Key Performance Indicators

Water consumption	Volume (Tonnes)
Total water consumption ²	1,699

ENVIRONMENT AND NATURAL RESOURCES

With the implementation of ISO 14001 Environmental Management System and ISO 50001 Energy Management System, Wan Chung has aligned with environmental best practices to minimize all significant impact on the environment and natural resources.

Moreover, Wan Chung has established procedures to manage the incidents which could pose significant impacts on the environment. In case of spillage of chemicals, the Project-In-Charge shall be the Emergency Responders to make sure that the incidents are appropriately reported as well as cleaned up. They should also perform area monitoring to ensure that the harmful contaminants are fully addressed prior to the reoccupation of the site, so as to prevent adverse impact on the environment.

² The total water consumption shown is only for water consumption of the project, "Revitalization of Haw Par Mansion into Haw Par Music Farm", which commenced in June 2016. The data is not available for other four projects as the water metering system is not well established at the corresponding sites.

Operating with Responsibility

PRODUCT RESPONSIBILITY

Wan Chung has developed a quality management system in accordance with the ISO 9001 standard, which establishes the procedure to manage the nonconformity detected during construction process. When non-conforming work is identified, Wan Chung will review the situation and stop these below standard works from continuing or re-occurring. If the defect is likely to recur, Wan Chung will require remedial action by the sub-contractor and shall more closely supervise this work whenever practicable.

Wan Chung has established an "Intellectual Property Policy" to specify that its employees, suppliers and sub-contractors should not infringe the intellectual property rights of others. In addition, as specified in the "Code of Conduct", Wan Chung's employees should not disclose any customers' personal data without authorization.

SUPPLY CHAIN MANAGEMENT

In global business, business outsourcing is a common practice. However, outsourcing does not mean that companies can avoid the responsibilities or risks of poor ESG performance. Wan Chung understands that it plays a role throughout the product and service lifecycle, and the proper management of the supply chain is key to maintaining its brand reputation and ensuring business sustainability while managing its operating costs.

In selecting sub-contractors, Wan Chung considers factors such as reputation, past performance, company organization and financial status to assess their suitability to be added to the list of approved sub-contractors. Meanwhile, according to the "Green Purchasing Tips" developed by Wan Chung, Wan Chung encourages its sub-contractors to use durable, reused or recycled products and adopt best management practices to avoid damaging the environment. The "Green Purchasing Tips" also specify that Wan Chung procures environmentally-friendly materials and equipment to minimize the impact to the environment. Wan Chung shall include the requirements and preferences for the use of green products in future service contracts.

Wan Chung has established a legally binding "Code of Conduct" for sub-contractors and suppliers to require them to conduct their business in accordance with the Prevention of Bribery Ordinance and avoid potential conflict between their personal interests and their duties relating to the contract.

Each sub-contractor and supplier is reviewed at least once every three years or after completion of their contracts. In cases of major non-performance of an approved sub-contractor or supplier, Wan Chung will review their suitability to remain on the approved list.

Operating with Responsibility

ANTI-CORRUPTION

The Group is committed to maintaining the integrity of its corporate culture. Staff members are not allowed to solicit or accept any advantages. Wan Chung sets out the relevant policies in the Employee Handbook and guides the employees to abide by the Code of Conduct. The Code of Conduct provides a clear definition of the provision and acceptance of interests, such as gifts and souvenirs, and ways to deal with conflicts of interest.

Directors and employees are required to make a declaration to the management through the reporting channels when actual or potential conflict of interest arises. Employees need to submit a report once a gift is received. Wan Chung will then determine the disposal method to prevent any conflict of interest. In addition, Wan Chung requires its contractors and suppliers to sign a declaration, committing them to comply with similar requirements.

During the reporting period, Wan Chung has had no non-compliance cases regarding violations of relevant laws and regulations on anti-corruption.

Caring for Employees

HEALTH AND SAFETY

The Group recognizes safety and health at work as an integral part of its business performance. Wan Chung has established the Occupational Health and Safety (OHS) Manual which is prepared in accordance with OHSAS 18001 to manage the health and safety risks of its operations.

To ensure the operation complies with the OHS requirement, Wan Chung has enacted OHS rules which cover the following areas:

- Safe operation and maintenance of plant, machinery and equipment
- Proper and safe procedures for each production process in the form or method statement
- Rules and instructions on various risk control systems including the permit-to-work system.
- Provision, use and maintenance of personal protective equipment
- Rules for the provision, use and maintenance of safe access and egress and for traffic and plant movement
- Fire precautionary measures
- Safe handling and movement of materials
- Safety procedures for chemical processes and for the handling, transporting and storage of chemicals
- Safety procedures for emergency
- Duties and procedures for reporting hazards
- Duties and procedures for reporting incidents, accidents and ill health
- Good housekeeping of the workplace

Wan Chung strictly requires employees to comply with the safety policy and guidelines in the Occupational Health and Safety Management System which is included in the Employee Handbook. The policy statement is reviewed every two years to ensure its appropriateness to meet the changing working environment.

Wan Chung has established a risk assessment programme that consists of a number of sequential steps such as risk identification, analysis, evaluation, treatment, monitoring and reviewing based on the existing controls and recommendations to reduce those risks which are not deemed to be under acceptable limits.

Employees receive "site specific induction training" soon after commencing work in the workplace. Thereafter, they are given refresher talks at intervals of six months depending on the amount of changes to the site condition. Wan Chung also provides tool-box talks at a frequency of one talk per worker on site every two weeks, aiming to heighten employee awareness of workplace hazards and OSHA regulations.

During the reporting period, Wan Chung had no non-compliance cases regarding violation of relevant laws and regulations on occupational health and safety.

Health and Safety Key Performance Indicators (Employee)

Number of work injuries	Rate of work injury (per thousand employees)
0	0

Health and Safety Key Performance Indicators (Subcontractor worker)

Number of workers	Number of work injuries	Rate of work injury (per thousand employees)
490	6	12.25

EMPLOYMENT

The Group is convinced that its employees are the Group's largest asset. To establish and offer "tailor-made" systems and welfare for employees, Wan Chung has set up the Joint Consultation Committee to encourage employees at all levels to actively participate in the formation of internal policies. The committee is also responsible for organizing Wan Chung's activities and publishing an e-magazine to enrich their leisure time.

As Wan Chung is principally engaged in construction, maintenance and renovation, manual work is generally required in most positions. Hence, the ratio of the number of male to female employees is around 2.8 to 1. However, Wan Chung treats all employees equally. Wan Chung prohibits any form of harassment and discrimination with respect to race, sex, disabilities, pregnancy, marital status or family status in the workplace. Wan Chung has also formulated communication channels, such as advice boxes and an online platform for employees to express their thoughts to Wan Chung. The above measures have helped ensure that every employee is treated equally and fairly.

Any employee has the right to complain to direct supervisors regarding their job and employment terms. If employees disagree with the reply or decision from their supervisors, they can report the questions to the Human Resources Department or to senior management. During the reporting period, Wan Chung had no non-compliance cases regarding violation of any laws and regulations on employment.

Employment Key Performance Indicators (Employee)

Number of employees

						Ratio of	Ratio of
						number of	salaries of
				Number of	Total	male to	male to
	Age		Age	employees	number of	female	female
	below 30	Age 30-50	over 50	by gender	employees	employees	employees
Male	30	79	36	145	197	2.8:1	1.4:1

Caring for Employees

Employee recruit

	Age below 30	Age 30–50	Age over 50	Number of new recruits by gender	Total number of new recruits	Percentage of new recruits to total number of employees
Male	8	7	3	18		
Female	2	2	0	4	22	11%
Employee turnover						
						Ratio of employee turnover to
	Age		Age	Staff turnover	Total staff	total number
	below 30	Age 30–50	over 50	by gender	turnover	of employees
Male	9	13	7	29		0.124
Female	2	4	6	12	41	21%

DEVELOPMENT AND TRAINING

Wan Chung views its employees as strategic partners and encourages them to participate in job-related training and courses. Wan Chung not only provides monthly internal training and career planning to all employees based on the "five core values", but also supports their participation in work related external training, seminars and sharing sessions. The training covers a variety of topics, such as the basic skills of staff training, safety card training or revision training, new staff orientation and "Learning Organization" training.

Employees who are under apprenticeship with Wan Chung will also be entitled to have four working days of paid study leave per academic year.

Training and Development Key Performance Indicators (Employee)

Trained staff	Senior Managerial level	Managerial level	General staff	Percentage of employees receiving training by gender	Overall percentage of employees receiving training
Male	67%	53%	69%	66%	62%
Female	100%	100%	46%	50%	

³ The five core values are system thinking, personal mastery, mental models, shared values and team learning.

Average training hours	Senior Managerial level	Managerial level	General staff	Average training hour by gender	Overall average training hour
Male	39	27	12	15 hours	401
Female	80	53	16	20 hours	16 hours

LABOUR STANDARDS

The Group is fully aware of the importance of fundamental human rights. Wan Chung does not allow child labor or forced labor with strict adherence to the Policy of Employment of Children under the Employment Ordinance in Hong Kong. During the recruitment process, Wan Chung checks the Hong Kong identity cards and conducts interview to make sure no child labor and forced labor are recruited. None of Wan Chung's businesses employs children under the age of 16.

During reporting period, Wan Chung has had no non-compliance cases regarding violations of relevant child labour or forced labour laws.

The International Labour Organisation (ILO) is the United Nations specialised agency that promotes working and living standards around the world through the promulgation of labour standards through a range of International Labour Conventions and Recommendations. China is a founding member of the ILO and a permanent member. Hong Kong has currently adopted 41 International Labour Conventions, which therefore apply to working conditions and employment policies.

Investing in the Community

COMMUNITY INVESTMENT

As a corporate citizen, one of the visions of Wan Chung is "Care for the needs of the community, shoulder social responsibility". Wan Chung has established a Corporate Social Responsibility Statement and devotes itself to making positive impact on the communities where it operates.

Wan Chung supports a variety of fund-raising for local charities and arranges volunteer teams to cooperate with non-profit organizations to organize various activities for the elderly and for children. The volunteer team has been working continuously with The Industrial Evangelistic Fellowship Limited and The Boys' & Girls' Clubs Association of Hong Kong and is planning to team up with other corporate volunteer teams or local charities to organize different kinds of community programmes for the needy.

Meanwhile, Wan Chung actively encourages employees to participate in the volunteer team. For example, Wan Chung allows early release or paid time off for those employees who participate in volunteer activities organized by Wan Chung, and allows them to use company facilities or resources to organize company volunteer functions. Moreover, opinion surveys have been designed to gain a better understanding of employee's thoughts on the community activities of Wan Chung.

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