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 2017

FINAL RESULTS

The board (the "Board") of directors (the "Directors") of Vision Fame International Holding Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2017, together with the comparative figures for the year ended 31 March 2016:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
REVENUE	2	**1,507,561**	2,502,744
Cost of sales		**(1,444,903)**	(2,427,255)
Gross profit		**62,658**	75,489
Other income and gains	2	**19,021**	32,772
Administrative expenses		**(74,124)**	(76,895)
Research and development costs		**(2,770)**	—
Other operating expenses		**—**	(4,788)
Finance costs	4	**(3,584)**	(5,575)
Share of loss of an associate		**(113)**	(6)
PROFIT BEFORE TAX	5	**1,088**	20,997
Income tax expense	6	**(1,233)**	(1,079)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**(145)**	19,918

	Note	**2017**	2016
		HK$'000	*HK$'000*
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		**2,007**	(4,537)
Reclassification adjustment for losses included in the consolidated statement of profit or loss and other comprehensive income:			
— impairment losses		**—**	4,101
		2,007	(436)
Exchange differences:			
Exchange differences on translation of foreign operations		**(20,805)**	1,567
Reclassification adjustment for deregistration of foreign operations during the year		**(681)**	—
		(21,486)	1,567
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**(19,479)**	1,131
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**(19,479)**	1,131
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**(19,624)**	21,049
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*7*		
Basic		**(HK0.002 cent)**	HK0.90 cent
Diluted		**(HK0.002 cent)**	HK0.89 cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**44,982**	15,855
Investment in an associate		**—**	572
Investment in a joint venture		**—**	—
Available-for-sale investments		**8,655**	3,396
Prepayments, deposits and other receivables		**6,375**	4,502
Total non-current assets		**60,012**	24,325
CURRENT ASSETS			
Gross amount due from contract customers		**10,785**	27,580
Trade receivables	*9*	**368,603**	330,191
Prepayments, deposits and other receivables		**123,296**	128,397
Available-for-sale investments		**14,099**	—
Tax recoverable		**1,769**	—
Pledged bank deposits and restricted cash		**54,456**	60,366
Cash and cash equivalents		**406,057**	397,801
Total current assets		**979,065**	944,335
CURRENT LIABILITIES			
Gross amount due to contract customers		**7,561**	3,872
Trade payables	*10*	**353,658**	307,385
Other payables and accruals		**75,183**	35,110
Amounts due to related parties		**36,655**	107,953
Tax payable		**1,548**	2,505
Finance lease payable		**1,086**	1,976
Total current liabilities		**475,691**	458,801
NET CURRENT ASSETS		**503,374**	485,534
TOTAL ASSETS LESS CURRENT LIABILITIES		**563,386**	509,859

	Note	2017 HK$'000	2016 HK$'000
NON-CURRENT LIABILITIES			
A convertible bond	*11*	**14,323**	12,529
Loans from a related party		**243,009**	170,000
Finance lease payable		**905**	2,216
Other payables and accruals		**487**	828
Total non-current liabilities		**258,724**	185,573
Net assets		**304,662**	324,286
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**12,000**	12,000
Equity component of a convertible bond		**11,746**	11,746
Other reserves		**280,916**	300,540
Total equity		**304,662**	324,286

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. BASIS OF PREPARATION

The Group's financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain available-for-sale investments, which have been measured at fair value. 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.

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs

The adoption of the revised standards has had no significant financial effect on the Group's financial statements.

2. REVENUE, OTHER INCOME AND GAINS

Revenue represents revenue from building construction; alterations, renovation, upgrading and fitting-out works; property maintenance; property development and provision of related management and advisory services; and graphene production and trading of metal and materials during the year.

An analysis of revenue, other income and gains is as follows:

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Building construction	**317,159**	469,748
Alterations, renovation, upgrading and fitting-out works	**346,213**	476,564
Property maintenance	**651,155**	468,380
Property development and provision of related management and advisory services	**—**	36,134
Graphene production and trading of metal and materials	**193,034**	1,051,918
	1,507,561	2,502,744
Other income		
Rental income	**—**	156
Interest income from sub-contractors	**4,119**	4,404
Bank interest income	**2,388**	770
Investment income from available-for-sale investments	**—**	13
Government grants	**1,163**	2,114
Others	**2,473**	2,608
	10,143	10,065
Gains		
Gain on disposal of a subsidiary	**—**	22,707
Gain on deregistration of subsidiaries	**681**	—
Foreign exchange difference, net	**5,824**	—
Gain on disposal of property, plant and equipment	**2,373**	—
	8,878	22,707
Total other income and gains	**19,021**	32,772

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services provided and has five reportable segments as follows:

(a) building construction and other construction related business;

(b) alterations, renovation, upgrading and fitting-out works;

(c) property maintenance;

(d) property development and provision of related management and advisory services; and

(e) graphene production and trading of metal and materials.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, finance costs, investment income, share of loss of an associate, an impairment loss of available-for-sale investments, gain on deregistration of subsidiaries and gain on disposal of a subsidiary as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude investment in an associate and a joint venture, tax recoverable, available-for-sale investments, certain property, plant and equipment, certain other receivables, pledged bank deposits and restricted cash, and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude tax payable, amounts due to related parties, loans from a related party, and certain other payables and accruals, as these liabilities are managed on a group basis.

There were no intersegment sales or transfers during the year (2016: Nil).

3. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 March 2017

	Building construction and other construction related business *HK$'000*	Alterations, renovation, upgrading and fitting-out works *HK$'000*	Property maintenance *HK$'000*	Property development and provision of related management and advisory services *HK$'000*	Graphene production and trading of metal and materials *HK$'000*	Total *HK$'000*
Segment revenue:						
Revenue from external customers	317,159	346,213	651,155	—	193,034	1,507,561
Segment results:	9,221	26,102	29,834	—	(911)	64,246
Reconciliation:						
Unallocated other income						13,982
Administrative expenses						(74,124)
Finance costs						(3,584)
Gain on deregistration of subsidiaries						681
Share of loss of an associate						(113)
Profit before tax						1,088
Segment assets:	60,657	107,528	260,852	23	103,267	532,327
Reconciliation:						
Corporate and other unallocated assets						506,750
Total assets						1,039,077
Segment liabilities:	90,433	104,960	178,985	249	55,256	429,883
Reconciliation:						
Corporate and other unallocated liabilities						304,532
Total liabilities						734,415
Other segment information:						
Depreciation	3,008	2	884	—	1,973	5,867
Capital expenditure	1,291	—	52	—	36,228	37,571

3. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 March 2016

	Building construction and other construction related business *HK$'000*	Alterations, renovation, upgrading and fitting-out works *HK$'000*	Property maintenance *HK$'000*	Property development and provision of related management and advisory services *HK$'000*	Graphene production and trading of metal and materials *HK$'000*	Total *HK$'000*
Segment revenue:						
Revenue from external customers	469,748	476,564	468,380	36,134	1,051,918	2,502,744
Segment results:	22,525	21,617	22,761	10,374	1,929	79,206
Reconciliation:						
Unallocated other income						5,661
Administrative expenses						(76,895)
Finance costs						(5,575)
Impairment loss on available-for-sale investments						(4,101)
Gain on disposal of a subsidiary						22,707
Share of loss of an associate						(6)
Profit before taxation						20,997
Segment assets:	97,588	88,849	194,463	254	96,676	477,830
Reconciliation:						
Corporate and other unallocated assets						490,830
Total assets						968,660
Segment liabilities:	103,490	95,632	129,044	324	18,976	347,466
Reconciliation:						
Corporate and other unallocated liabilities						296,908
Total liabilities						644,374
Other segment information:						
Depreciation	3,955	6	859	—	3	4,823
Capital expenditure*	24	517	165	—	22	728
Impairment loss on property, plant and equipment	—	—	—	648	39	687

* Capital expenditure consists of additions to property, plant and equipment including assets from the acquisition of a subsidiary.

3. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) ***Revenue from external customers***

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**1,058,836**	1,977,337
Singapore	**255,691**	234,196
Macau	**—**	9,616
Mainland China	**193,034**	256,014
Australia	**—**	25,581
	1,507,561	2,502,744

The revenue information above is based on the locations of the operations.

(b) ***Non-current assets***

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**7,141**	7,140
Singapore	**6,690**	12,351
Mainland China	**37,526**	1,438
Total non-current assets	**51,357**	20,929

The non-current asset information above is based on the locations of the assets and excludes available-for-sale investments.

Information about major customers

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

	2017	2016
	HK$'000	*HK$'000*
Customer A[1]	**637,248**	478,540
Customer B[2]	**238,034**	174,093
Customer C[3]	**161,011**	N/A[#]
Customer D[3]	**—**	473,642
Customer E[3]	**—**	294,695

1 Revenue from building construction and property maintenance.
2 Revenue from building construction.
3 Revenue from graphene production and trading of metal and materials.

\# Revenue from this customer amounted to less than 10% of the total revenue of the Group for the year ended 31 March 2016.

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2017	2016
	HK$'000	*HK$'000*
Interest on loans from a related party	**1,700**	4,091
Interest on obligations under finance leases	**87**	116
Interest on bank loans and other loans (including a convertible bond)	**1,797**	1,368
	3,584	5,575

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2017	2016
	HK$'000	*HK$'000*
Cost of services provided	**1,253,728**	1,377,307
Cost of inventories sold	**191,175**	1,049,948
Auditor's remuneration	**1,300**	1,200
Depreciation	**6,512**	8,266
Minimum lease payments under operating leases on land and buildings	**4,510**	3,814
Loss/(gain) on disposal of items of property, plant and equipment	**(2,373)**	2,056
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	**102,982**	106,713
Pension scheme contributions*	**4,321**	3,886
	107,303	110,599
Foreign exchange differences, net	**(5,824)**	3,821
Impairment loss on available-for-sale investments^	**—**	4,101
Impairment loss on property, plant and equipment^	**—**	687

* At 31 March 2017, there were no forfeited contributions available to the Group to reduce contributions to the pension schemes in future years (2016: Nil).

^ These amounts are included in "Other operating expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. In the prior year, no provision for Hong Kong profits tax had been made as the Company had available tax losses brought forward from prior years to offset the assessable profits generated during that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2017	2016
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the year	**1,233**	—
Current — Elsewhere		
Charge for the year	**—**	2,445
Overprovision in prior years	**—**	(62)
Deferred	**—**	(1,304)
Total tax charge for the year	**1,233**	1,079

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 6,000,000,000 (2016: 2,213,114,754 after taking into account the share subdivision which became effective on 3 May 2016) in issue during the year.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on a convertible bond, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2017	2016
	HK$'000	*HK$'000*
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculation	**(145)**	19,918
Interest on a convertible bond	**1,794**	275
Profit attributable to ordinary equity holders of the parent before interest on a convertible bond	**1,649***	20,193

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

	Number of shares	
	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation *(note)*	**6,000,000,000**	2,213,114,754
Effect of dilution — weighted average number of ordinary shares:		
A convertible bond	**390,388,125**	60,820,165
	6,390,388,125*	2,273,934,919

* Because the diluted earnings/(loss) per share amount is increased when taking convertible bond into account, the convertible bond had an anti-dilutive effect on the basic earnings/(loss) per share for the year and was ignored in the calculation of diluted earnings/(loss) per share. Therefore, the diluted earnings/(loss) per share amount is based on the profit/(loss) for the year, and the weighted average number of ordinary shares of 6,000,000,000 in issue during the year.

Note: The weighted average number of ordinary shares for the prior year have been adjusted as if the share subdivision had occurred at the beginning of the earliest period presented.

8. DIVIDEND

The board does not recommend payment of any dividend for the year ended 31 March 2017 (2016: Nil).

9. TRADE RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**308,257**	271,718
Retention monies receivables *(note)*	**60,346**	58,473
	368,603	330,191

Note: The amount represents retentions held by customers for contract works, of which approximately HK$40,735,000 (2016: HK$45,610,000) is expected to be recovered or settled in more than twelve months from the end of the reporting period.

The Group does not have a standardised and universal credit period granted to its customers, and the credit periods of individual customers are considered on a case-by-case basis and stipulated in the project contract, as appropriate. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

9. TRADE RECEIVABLES (Continued)

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	2017 HK$'000	2016 HK$'000
Within 1 month	**299,474**	227,516
1 to 3 months	**8,783**	43,888
Over 3 months	**—**	314
	308,257	271,718

The aged analysis of the trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2017 HK$'000	2016 HK$'000
Neither past due nor impaired	**298,439**	244,795
Less than 3 months past due	**9,818**	26,813
More than 3 months past due	**—**	110
	308,257	271,718

Receivables that were neither past due nor impaired relate to a number of independent customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

10. TRADE PAYABLES

	2017 HK$'000	2016 HK$'000
Trade payables	**280,655**	236,547
Retention monies payables	**73,003**	70,838
	353,658	307,385

10. TRADE PAYABLES (Continued)

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2017	2016
	HK$'000	*HK$'000*
Within 1 month	**257,112**	224,443
1 month to 3 months	**13,412**	6,713
Over 3 months	**10,131**	5,391
	280,655	236,547

Trade payables are non-interest-bearing and are normally settled on 30 to 60 day terms.

11. A CONVERTIBLE BOND

On 3 February 2016, the Company issued a convertible bond with a principal amount of HK$24,000,000 to Mega Start Limited ("Mega Start"), which is a substantial shareholder and a company wholly owned by Mr. Chau Chit (being the Co-Chairman and an executive Director of the Company). The convertible bond can be converted into ordinary shares of the Company at the initial conversion price of HK$0.3 per conversion share which was revised to HK$0.06 per conversion share after the share subdivision on 3 May 2016, bearing no interest and will mature in 5 years after the date of issue. The holder of the convertible bond shall convert the outstanding principal amount of the convertible bond into ordinary shares in full mandatorily, if and only if, the gross profits of the new graphene business of the Group for the two financial years ending 31 March 2017 and 2018 exceed HK$300 million in aggregate.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bond issued during the prior year had been split into the liability and equity components as follows:

	2017	2016
	HK$'000	*HK$'000*
Nominal value		
At 31 March 2016, 1 April 2016 and 31 March 2017	**24,000**	24,000
Liability component		
At 1 April 2016/3 February 2016 (issuance date)	**12,529**	12,254
Interest expense	**1,794**	275
At 31 March	**14,323**	12,529
Equity component		
At 31 March 2016, 1 April 2016 and 31 March 2017	**11,746**	11,746

MANAGEMENT DISCUSSION AND ANALYSIS

Results of the Group

The Group recorded total turnover of approximately HK$1,508 million for the financial year ended 31 March 2017 ("Fy2017"), representing a decrease of approximately 39.8% or HK$995 million as compared to the financial year ended 31 March 2016 ("Fy2016"). Such decrease was mainly attributable to the loss of revenue from the two non-performing business, property development and provision of related management and advisory services and trading of metals, which had contributed HK$36.1 million and HK$886 million to the turnover of the Group for Fy2016 respectively. These businesses entered into hibernation during Fy2017, with no turnover was recorded in the year.

The loss attributable to shareholders of the Company for Fy2017 is approximately HK$0.1 million (Fy2016: profit of approximately HK$19.9 million). For Fy2017, the Group did not recorded any significant non-operating gains as in Fy2016, in which the Group recorded a gain from disposal of a subsidiary of approximately HK$22.7 million. However, we could see a decrease in administrative expenses, other operating expenses and finance costs in Fy2017. Thanks to the stringent cost control imposed by the Group and the gain from the foreign exchange fluctuation between Hong Kong dollars and Renminbi, the result of the Group was not significantly affected by the loss of revenue from the abovementioned non-performing business.

Basic loss per share for Fy2017 is approximately HK0.002 cent (Fy2016: earnings of approximately HK0.9 cent) and diluted loss per share is approximately HK0.002 cent (Fy2016: earnings of approximately HK0.89 cent). The Board does not recommend any payment of dividends for Fy2017 (Fy2016: Nil).

Results of Operations

(i) *Building Construction*

Building construction segment recorded revenue of approximately HK$317 million (Fy2016: approximately HK$470 million) for Fy2017. Segment profit for Fy2017 was approximately HK$9.2 million compared with segment profit approximately HK$22.5 million in Fy2016. The revenue for building construction segment for Fy2016 and Fy2017 was mainly generated from certain large scale contracts secured in the financial year ended 31 March 2015, in which the Group had won 11 contracts with total contract value of approximately HK$712 million. These large scale contracts were in full swing or completed in succession during Fy2016 and Fy2017. On the other hand, fewer building construction contracts and of less contract values were secured in the last and current year (4 contracts with total value of approximately HK$20 million in Fy2016 and 5 contracts with total value of approximately HK$174 million in Fy2017). Accordingly, the segment revenue and profit for building construction decreased in Fy2016 and Fy2017.

(ii) ***Property Maintenance***

Revenue for the property maintenance segment increased from approximately HK$468 million in Fy2016 to approximately HK$651 million in Fy2017 and segment profit increased from approximately HK$22.8 million in Fy2016 to approximately HK$29.8 million in Fy2017.

The property maintenance projects mainly included maintenance works for public sectors, which were negotiated for terms ranging from two to three years. During Fy2016, the Group won 2 property maintenance contracts with total contract value of approximately HK$766 million, for which the related work was commenced in the second quarter of Fy2016 and became in full swing in Fy2017. This explained the increment in both segment revenue and segment profits for Fy2017.

During Fy2017, the Group won a property maintenance contract with total value of approximately HK$780 million. The work of this contract commenced in April 2017.

(iii) ***Alterations, Renovation, Upgrading and Fitting-out ("A&A") Works***

Revenue for the A&A works segment for Fy2017 was approximately HK$346 million (Fy2016: approximately HK$477 million) and segment profit was approximately HK$26.1 million (Fy2016: approximately HK$21.6 million).

Similar to building construction segment, the decrease in the revenue from A&A works was mainly attributable to the completion of several large scale projects secured in prior years, revenue of which was mainly recognised in Fy2016 and first half of Fy2017. During the year, the Group had won 6 (Fy2016: 16) contracts for A&A works with total contract value of approximately HK$99 million (Fy2016: approximately HK$420 million).

A&A works are mainly performed for private sectors. The profit margins for A&A projects are dependent on a number of factors, including the types of work, labour skills, materials involved, which could vary significantly from project to project. The higher profit margin and segment profit of A&A works in Fy2017 than that of Fy2016 was primarily attributable to the high profit margin contributed by a number of sizable A&A projects in Hong Kong in Fy2017.

(iv) ***Property Development and Provision of Related Management and Advisory Services ("PDMAS")***

The PDMAS segment had entered into a hibernation since April 2016. Following the disposal of the property under development in Australia in Fy2016, there was unexpected hiccups in the development of PDMAS business and there was no income recognised for PDMAS for Fy2017 (Fy2016: approximately HK$36 million). Meanwhile the management is reviewing and re-formulating a better business model of this operation.

(v) ***Graphene Production and Trading of Metal and Materials***

Revenue for this segment for Fy2017 included sales of graphene of approximately HK$2 million (Fy2016: Nil) and sales of metals and materials of approximately HK$191 million (Fy2016: HK$1,052 million). Segment loss was approximately HK$0.9 million (Fy2016: segment profit of approximately HK$2 million).

The Group commenced the graphene production business in Fy2016 and completed the installation and trial run of the first graphene production line in April 2016. The Group had entered into cooperation agreements with universities and research institutes on the application of graphene outputs and made certain sales in Fy2017 to manufacturers in the nanometer-scaled/metals material industry for application test purposes.

For trading of metals and materials business, the Group commenced the trading of titanium dioxide, which was widely used in pigment, sunscreen, food coloring, and shrunk the trading of metals in Fy2017. During the year, the Group sold approximately 5,535 tonnes of titanium dioxide. The change was made in view of the declining metal price and the thin profit margin (approximately 0.1%) in trading of metals recorded in prior financial years.

Prospect

Graphene production business

Graphene might be the strongest and thinnest material known to exist in nature. It has excellent properties, including good elasticity, light weight, exceptionally high electronic and thermal conductivities, bacteriostasis, memory function and impermeability, which give rise to its extensive downstream applications possible.

During Fy2017, the installation and trial run of the first graphene production line with annual production capacity of approximately 3.5 tonnes was successfully completed. We also cooperated with reputable research institutions and universities to develop downstream applications with our high quality graphene output. The Group had entered into cooperation agreements with the following universities and research institutes:

(i) The National Centre for Nanoscience and Technology of China ("NCNTC") in respect of the establishment of The Joint Engineering Laboratory for Research and Applications of Graphene for a term of 3 years;

(ii) Marine Chemical Research Institute ("MCRI") for research and applications of graphene in anti-erosion coatings and paints for a term of 3 years; and

(iii) Tonji University and Shanghai Jiao Tong University for the development of graphene-based electrochemical energy storage equipment.

Up to date of this announcement, two targeted applications, namely anti-corrosive coating and visible light photocatalytic net have been successfully developed using the Group's graphene output.

The anti-corrosive coating or primer is a light weight heavy-duty coating layer for application in the marine and navigating environment. The Group has entered into a joint venture with the subsidiary of Shuangliang Eco-Energy System Holding Company Limited and other investor to set up a joint venture company in the PRC for the purpose of investing and developing in the Graphene Anti-corrosive Coating Technology. Commercial feasibility studies have been performed and it is expected that the joint venture company would commence production in one to two years.

The visible light photocatalysis net is designed to decompose the toxic organic matter in the water, is a deodorant that increase the oxygen content of rivers, and has strong compatibility over other water treatment technology. The Group has entered into a sales contract with a customer whereby the Group agreed to supply not less than 1,200 kilograms of graphene for production of photocatalytic products for a period of 12 months to the customer, who has submitted tenders for the municipal engineering projects in respect of the water purification treatment of rivers, sewage plants and odour water by using visible light photocatalysis products and technologies. Management expected the related operations would commence in the second half of 2017.

Both anti-corrosive coating and odour water treatment are the key items in the 13th Five-year Plan of China. The high potential market is a prime business opportunity to the Group. We are now at a prominent position as the technology is developed based on our high quality graphene output and unique production methodology, substitutes of which could hardly found in the market. The Group has already commenced the set up of production lines with annual capacity of 100 tonnes graphene output.

To maintain our foremost position in the market, the Group will continue to cooperate with specialists, universities and research institutes to extend the use of graphene in other areas, such as electrical equipment, military and aerospace facilities and other high-energy and high-power electronic products, further widening the market for graphene products.

Construction related businesses

The Hong Kong building market is still booming under the strong demand for more housing and the commencement of ten major infrastructure projects by government. On the other hand, the keen competition (particularly in new projects tender price among contractors) in both public and private sectors and on-going rise in labour costs are still our major challenges. Under such environment, the Group adhere to its prudent approach in tendering and adopt a more proactive customer reach approach and enhance our project management both in terms of quality and costs, we were able to secure our market position and won premium projects in recent years.

The Group will continue to strengthen our strong market position in the areas of re-vitalization, and RMAA ("repair, maintenance, alteration and addition) by raising clients' satisfaction for ensuring growth and profitability.

The Singapore construction market in Fy2017 registered a moderate decline compared to the previous year. The decrease was largely due to the decrease in private sector demand. Public sector construction volume increased during the year and offset the decline in the private sector. The rise in the public sector construction demand were attributed mainly to several large civil engineering projects.

Looking forward to 2017-2018, private sector construction demand is likely to remain subdued. Public sector construction volume is expected to increase further. Besides civil engineering works, demand pick-up is also forecasted for the public housing, industrial and institutional sectors. In line with the market conditions, the Group will put efforts at these sectors for both new build works as well as addition and alteration or upgrading works.

Demand for construction in Macau keeps slowing down and the Group would maintain local construction license registration and look out the coming market changes.

Available-for-sale Investments

As at 31 March 2017, the Group has available-for-sale investments of approximately HK$22.8 million (as at 31 March 2016: approximately HK$3.4 million), which comprised primarily (1) investment in the certificate of deposit issued by Dah Sing Bank Limited due in April 2017, of approximately HK$14.1 million (as at 31 March 2016: Nil); (2) investment in the 89,400,000 listed shares (as at 31 March 2016: 89,400,000) with market value of approximately HK$5.0 million (as at 31 March 2016: approximately HK$3.4 million) of a listed company in Singapore, HLH Group Limited; and (3) equity investment in a company in the PRC for the purpose of investing and developing in graphene anti-corrosive coating technology of approximately HK$3.4 million ((as at 31 March 2016: Nil).

Liquidity and Financial Resources

The Group maintained a strong and healthy financial position. As at 31 March 2017, the current assets and current liabilities were stated at approximately HK$979.1 million (as at 31 March 2016: approximately HK$944.3 million) and approximately HK$475.7 million (as at 31 March 2016: approximately HK$458.8 million), respectively. The current ratio maintained at 2.06 times as at 31 March 2016 and 2017. The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective period. As at 31 March 2017, the Group had total cash and bank deposits of approximately HK$460.5 million (as at 31 March 2016: approximately HK$458.2 million). As at 31 March 2017, total interest-bearing loans and zero-coupon convertible bond amounted to approximately HK$172.0 million (31 March 2016: approximately HK$174.2 million) and HK$14.3 million (31 March 2016: approximately HK$12.5 million) respectively. The Group's net cash balance (the sum of pledged bank deposits and restricted cash and cash and cash equivalents less interest-bearing bank and other borrowings in current portion) has increased from approximately HK$456.2 million as at 31 March 2016 to approximately HK$459.4 million as at 31 March 2017. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. As at 31 March 2017, the Group had obtained credit facilities from various banks and financial institutions up to a maximum amount of approximately HK$142,786,000 (31 March 2016: approximately HK$98,000,000) and approximately HK$51,175,000 (31 March 2016: approximately HK$38,749,000) of the credit facilities has been utilized. As at 31 March 2017, the gearing ratio of the Group was approximately 24% (as at 31 March 2016: approximately 18%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at the reporting date multiplied by 100%. With its available bank balances and cash and existing available bank credit facilities, the Group has sufficient liquidity and financial resources to satisfy the financial requirements of its existing businesses.

Pledge of Assets

At the end of the reporting period, the Group had pledged the following assets to banks and insurance companies to secure the banking facilities and performance bonds granted to the Group:

	31 March 2017	31 March 2016
	HK$'000	*HK$'000*
Other receivables	**18,477**	14,692
Available-for-sale investments	**14,099**	—
Bank deposits	**48,005**	39,816
Cash at bank	**6,451**	20,550
	87,032	75,058

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

There was no material acquisition or disposal of subsidiaries or associated companies by the Group in Fy2017.

Use of Proceeds From Issue of Shares and a Convertible Bond

On 16 December 2015, the Company entered into:

(i) a subscription agreement with Mr. Dai Jialong ("Mr. Dai"), an independent third party at that time, pursuant to which the Company will allot and issue, and Mr. Dai will subscribe for, 120,000,000 subscription shares* at the subscription price of HK$0.3 per share (the "Subscription Price");

(ii) a subscription agreement with Mega Start Limited ("Mega Start"), a substantial shareholder and a company wholly owned by Mr. Chau Chit ("Mr. Chau") (being the Co-Chairman of the Company and an executive Director), pursuant to which, the Company will allot and issue, and Mega Start will subscribe for, 90,000,000 subscription shares* at the Subscription Price;

(iii) a convertible bond agreement with Mega Start, pursuant to which, the Company will issue, and Mega Start will subscribe for, a convertible bond in a principal amount of HK$24,000,000 (the "Convertible Bond"); and

(iv) subscription agreements with eight investors (the "Investors"), each of whom is an independent third party and not related to each other, respectively, pursuant to which, the Company will allot and issue, and the Investors will subscribe for, a maximum of 690,000,000 subscription shares* at the Subscription Price (collectively, the "Shares and Convertible Bond Subscriptions").

On 3 February 2016, the Company completed the Shares and Convertible Bond Subscriptions. As a result, a total of 900,000,000 subscription shares* with aggregate nominal value of HK$9,000,000 have been subscribed for cash and duly allotted and issued to the subscribers, included Mr. Dai, Mega Start and the Investors, and the Convertible Bond in the principal amount of HK$24,000,000 has been subscribed for cash and duly issued to Mega Start. The aggregate net proceeds from the Shares and Convertible Bond Subscriptions are approximately HK$289,000,000 after deducting relevant expenses raised. Details of the Shares and Convertible Bond Subscriptions and the intended uses of the net proceeds therefrom are set out in the Company's announcements dated 16 December 2015 and 3 February 2016 and the Company's circular dated 15 January 2016.

* The number of subscription shares represented the ordinary shares of the Company of HK$0.01 each to be issued before the share subdivision as set out in note 8 below.

As of 31 March 2017, the net proceeds received were utilised as follows:

Intended application of the net proceeds	**Amount to be utilised**	**Amount utilised at 31 March 2017**	**Unutilised as at 31 March 2017**
	(HK$ million)	*(HK$ million)*	*(HK$ million)*
Setting up of the production plant and ancillary facilities for the new graphene production business	20	15	5
Installation of production lines	110	—	110
Establishment of the product quality control and testing centre	60	16	44
Recruitment of professional staff for the graphene production business, and establishments of scientific laboratories jointly with governmental institutes and universities	20	5	15
General working capital for the Group	79	11	68
Total	289	47	242

Share Subdivision

By an ordinary resolution passed at the extraordinary general meeting on 29 April 2016, each of the existing issued and unissued ordinary shares of HK$0.01 each in the share capital of the Company was subdivided into five ordinary shares of HK$0.002 each (the "Subdivided Shares") (the "Share Subdivision"). Upon the Share Subdivision having became effective on 3 May 2016 and at the date of this announcement, the Company's authorised share capital was HK$20,000,000 divided into 10,000,000,000 ordinary shares of HK$0.002 each, of which 6,000,000,000 ordinary shares were in issue and fully paid. Details of the Share Subdivision are set out in the Company's announcements dated 23 March 2016 and 29 April 2016 and the Company's circular dated 13 April 2016.

Principal Risks and Uncertainties

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risk relating to graphene production segment

(i) The graphene production business of the Group may not compete successfully as more and more companies are expected to enter into the graphene production business and start to engage in the research and development of the production and application of graphene. These companies may eventually be able to achieve research breakthroughs and produce graphene of similar or even higher quality compared to the graphene produced by the Group, or be able to produce it in a faster and more cost-effective way. There is no certainty that the Group will be able to compete successfully in the marketplace when the technology of producing high-quality graphene has become common.

Risks relating to constructions related and other segments

(i) The Group's construction works are labour-intensive in nature. In the event that there is a significant increase in the costs and demand of labour, the Group's staff cost and/or subcontracting cost will increase and thus lower its profitability. On the other hand, if the Group or its subcontractors fail to retain the Group's existing labour and/or recruit sufficient labour in a timely manner to cope with the Group's existing or future projects, the Group may not be able to complete the Group's projects on schedule and within budget, the Group's operations and profitability may be adversely affected.

(ii) The Group needs to estimate the time and costs involved in projects in order to determine the fee. There is no guarantee that the actual amount of time and costs would not exceed the Group's estimation during the performance of the jobs. The actual amount of time and costs involved in completing the jobs may be adversely affected by many factors, including adverse weather conditions, accidents, breakdown of machinery and equipment, unforeseen site conditions. Any material inaccurate estimation in the time and costs involved in a job may adversely affect the profit margin and results of operations of the Group.

(iii) The projects undertaken by the Group are mostly on a case by case basis. As such, our revenue derived from such projects is not recurring in nature and we cannot guarantee that our customers will provide us with new business after the completion of the current projects. The Group has to go through the competitive tendering process to secure new project works. In the event we are unable to maintain business relationship with existing customers or unable to price our tender competitively, our business and hence our revenue will be adversely affected.

Financial Risk

(i) The Group adheres to prudent financial management principle in order to control and minimise financial and operational risks. 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. The Group will, from time to time, review its foreign exchange position and market conditions to determine if any hedging is required. Similarly, 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.

(ii) 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 2017, the Group has obtained credit facilities from various banks and financial institutions of approximately HK$143 million (as at 31 March 2016: approximately HK$98 million). An amount of approximately HK$91.8 million (as at 31 March 2016: approximately HK$59.3 million) remained unutilised.

Contingent Liabilities and Capital Commitments

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

	31 March 2017	31 March 2016
	HK$'000	*HK$'000*
Guarantees in respect of performance bonds in favor of its clients	**107,392**	141,189

At the end of each reporting period, the Group had the following capital commitments:

	2017	2016
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Land and buildings	**21,420**	—
Plant and machinery	**6,787**	—
	28,207	—

Movement of Incomplete Contracts for the year ended 31 March 2017

	31 March 2016	**Contracts Secured**	**Contracts Completed**	**31 March 2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Building Construction	1,111,301	173,513	613,890	670,924
Property Maintenance	1,984,401	779,868	922,188	1,842,081
Alteration, Renovation, Upgrading and Fitting-Out Works	809,480	99,479	305,243	603,716
	3,905,182	1,052,860	1,841,321	3,116,721

Employees and Remuneration Policies

As at 31 March 2017, the Group employed a total of 315 staff (as at 31 March 2016: 338 staff) which included Hong Kong, Macau, Singapore and Mainland China employees. The total remuneration for staff was approximately HK$107 million for Fy2017 (Fy2016: approximately HK$111 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 consist 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 Board does not recommend the payment of final dividend in respect of the year ended 31 March 2017 (2016: Nil). No interim dividend was declared for the six months ended 30 September 2016 (2015: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICE

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 2017, 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 2017, 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, 11 regular Board meetings were held.

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. With effect from 1 March 2017, Mr. Chau was the co-chairman of the Board of Directors of the Company and chief-executive officer of the Company.

The Co-Chairmen are the positions in the Board to execute the administrative functions designated to the Co-Chairmen by the Board from time to time. As decided by the Board, Mr. Chau and Mr. Dai will take up the administrative functions of the Board in ensuring that the Board works effectively and performs its responsibilities. They act together to carry out and share the responsibilities of the role of the chairman of the Board. When a Co-Chairman proposed any matters to be considered in a Board meeting, the other Co-Chairman shall be responsible for, amongst other things, drawing up and approving the agenda for such Board meeting, preside the Board meeting and encouraging all directors to make a full and active contributions to the Board's affairs to ensure that Board decisions fairly reflect Board consensus and the Board acts in the best interests of the Group. In respect of other duties and responsibilities of the chairman of the Board contemplated under the articles of association of the Company, A.2 of the CG Code and the Listing Rules (including Rule B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules), these will be taken up by Mr. Chau.

Besides, Mr. Dai, the other co-chairman, is primarily responsible for providing overall strategic plan in the development of the graphene business of the Group and Mr. Chau, who is the chief executive officer of the Company, carries out executive functions including day-to-day business and operations management of the Group.

Part A.2 of the CG Code set out the principle and code provision of the chairman and chief executive. It stipulated that there should be a clear division of the two key aspects of management, the management of the Board and the day-to-day management of business.

Based on this principle, the Company adopts the above corporate governance measures to ensure a balance of power and authority, so that power is not concentrated in any one individual. The Board believes that the Co-Chairmen each acts as a check and balance on each other and that there is a clear understanding and expectation of the Board and within the Company as to the separation of roles and responsibilities of Mr. Chau and Mr. Dai. The Board also considered the composition of the Board and senior management of the Company, which comprises experienced and high calibre individuals. In view of the above, the Board believes that the balance of power and authority is adequately maintained to ensure that the overall interests of the Company and its shareholders are protected.

Further details of the above are set out in the Company's announcements dated 1 March 2017 and 28 March 2017.

A resolution to amend its articles of association to expressly contemplate for the appointment of Co-Chairman will be proposed in the annual general meeting of the Company to be held on 21 September 2017.

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. During the year ended 31 March 2017, the co-chairmen had met the non-executive Director and the independent non-executive Directors respectively and individually without the presence of other executive Directors.

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 2017.

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 interim financial information for the six months ended 30 September 2016 and the consolidated financial statements and annual results for the year ended 31 March 2017.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2017 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 18 September 2017 to Thursday, 21 September 2017 (both dates inclusive) during which period no transfer of shares of the Company will be registered. In order to attend and vote at the annual general meeting of the Company which is scheduled to be held on Thursday, 21 September 2017, all transfer of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Friday, 15 September 2017.

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 2017 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

On 12 December 2016, the Group entered into a sale and purchase agreement to acquire a property at Offices A and B on the 18th floor, Alliance Building, 130–135 Connaught Road Central, Hong Kong (the "Property") at a consideration of HK$23,800,000. The transaction was completed on 7 April 2017. The property was pledged as the security to a bank for a mortgage loan facility of an amount up to HK$9,120,000 granted to the Group.

By Order of the Board
Vision Fame International Holding Limited
CHAU CHIT
Co-Chairman and Chief Executive Officer

Hong Kong, 29 June 2017

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Chau Chit, Mr. Dai Jialong and Mr. Xie Xiaotao; one non-executive director, Mr. Chen Guobao; and three independent non-executive directors, namely Mr. Tam Tak Kei Raymond, Mr. Wong Kai Tung Simon and Mr. Wong Wai Kwan.