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**Vision Fame International Holding Limited**  
**允升國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1315)

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

**INTERIM RESULTS**

The board (the “Board”) of directors (the “Directors”) of Vision Fame International Holding Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2015, together with the comparative figures for the corresponding period in financial year 2014:

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

*For the six months ended 30 September 2015*

		<b>Six months ended</b>	
		<b>30.9.2015</b>	30.9.2014
	<i>NOTES</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	3	<b>1,420,654</b>	623,357
Cost of sales		<u><b>(1,393,085)</b></u>	<u>(634,655)</u>
Gross profit (loss)		<b>27,569</b>	(11,298)
Other income		<b>5,175</b>	4,484
Administrative expenses		<b>(33,026)</b>	(40,917)
Other losses	4	<b>(7,986)</b>	(21)
Finance costs	5	<b>(3,996)</b>	(3,428)
Impairment loss on available-for-sale investments		<u><b>(1,014)</b></u>	<u>(2,943)</u>
Loss before taxation	6	<b>(13,278)</b>	(54,123)
Taxation	7	<u><b>(2,399)</b></u>	<u>—</u>
Loss for the period attributable to shareholders of the Company		<u><b>(15,677)</b></u>	<u>(54,123)</u>

		<b>Six months ended</b>	
		<b>30.9.2015</b>	30.9.2014
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	(Unaudited)
Other comprehensive income (expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations		(569)	375
Fair value loss on available-for-sale investments		(1,902)	(4,073)
Reclassification adjustment for impairment loss on available-for-sale investments		<u>1,014</u>	<u>2,943</u>
Other comprehensive expense for the period		<u>(1,457)</u>	<u>(755)</u>
Total comprehensive expense for the period attributable to shareholders of the Company		<u>(17,134)</u>	<u>(54,878)</u>
Loss per share (in HK cents)			
Basic	8	<u>(5.23)</u>	<u>(18.04)</u>

## Condensed Consolidated Statement of Financial Position

At 30 September 2015

	<i>NOTES</i>	<b>30.9.2015</b> <i>HK\$'000</i> (Unaudited)	31.3.2015 <i>HK\$'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>23,500</b>	31,497
Interests in associates		<b>546</b>	567
Interest in a joint venture		<b>—</b>	—
Available-for-sale investments		<b>5,642</b>	7,879
Pledged bank deposits		<b>10,000</b>	—
		<b>39,688</b>	39,943
<b>CURRENT ASSETS</b>			
Inventories		<b>40,264</b>	—
Amounts due from customers for contract work		<b>21,740</b>	53,285
Property under development	<i>10</i>	<b>22,195</b>	24,284
Trade and other receivables	<i>11</i>	<b>397,317</b>	448,808
Pledged bank deposits		<b>9,705</b>	19,717
Bank balances and cash		<b>101,514</b>	188,754
		<b>592,735</b>	734,848
<b>CURRENT LIABILITIES</b>			
Amounts due to customers for contract work		<b>11,652</b>	5,977
Trade and other payables	<i>12</i>	<b>277,679</b>	410,699
Amount due to a related party	<i>13</i>	<b>110,260</b>	119,862
Tax payable		<b>3,747</b>	2,683
Obligations under finance leases — due within one year		<b>1,970</b>	2,348
Secured bank loans		<b>30,659</b>	30,659
		<b>435,967</b>	572,228
<b>NET CURRENT ASSETS</b>		<b>156,768</b>	162,620
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>196,456</b>	202,563

	<i>NOTE</i>	<b>30.9.2015</b> <b><i>HK\$'000</i></b> <b>(Unaudited)</b>	31.3.2015 <i>HK\$'000</i> (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Loan from a related party	<i>13</i>	<b>181,840</b>	170,000
Other payable and accrual		<b>828</b>	828
Obligations under finance leases — due after one year		<b>2,914</b>	4,112
Deferred tax liability		<b>2,019</b>	1,634
		<b>187,601</b>	176,574
		<b>8,855</b>	25,989
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>3,000</b>	3,000
Reserves		<b>5,855</b>	22,989
		<b>8,855</b>	25,989

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

### 1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares have been listed on The Stock Exchange of Hong Kong Limited with effect from 18 January 2012.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institutes of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of the reporting period.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale.

In addition, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Statements (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current interim period. The application of the amendments to the HKFRSs in the current interim period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

	Six months ended	
	30.9.2015	30.9.2014
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Revenue from construction business:		
— Building construction	282,903	261,712
— Alternations, renovation, upgrading and fitting-out works	247,803	153,464
— Property maintenance	170,467	120,287
Revenue from provision of property development management and advisory services	9,234	—
Gross proceeds from metals and materials sales contracts (trading)	<u>710,247</u>	<u>87,894</u>
	<u>1,420,654</u>	<u>623,357</u>

	<b>Six months ended</b>	
	<b>30.9.2015</b>	30.9.2014
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of sales from construction business:		
— Building construction	<b>278,903</b>	275,055
— Alternations, renovation, upgrading and fitting-out works	<b>241,055</b>	144,889
— Property maintenance	<b>163,632</b>	126,944
Gross amount of metals and materials purchase contracts (trading)	<u><b>709,495</b></u>	<u>87,767</u>
	<u><b>1,393,085</b></u>	<u>634,655</u>

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

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

\* The Group started provision of property development management and advisory services subsequent to 30 September 2014.

\*\* The segment includes mainly trading of copper and aluminium.

## Segment revenue and results

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

	<b>Building construction</b>	<b>Alternations, renovation, upgrading and fitting-out works</b>	<b>Property maintenance</b>	<b>Property development and provision of related management and advisory services</b>	<b>Metals and materials trading</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Six months ended 30.9.2015</b>						
Segment revenue —						
external customers	<u>282,903</u>	<u>247,803</u>	<u>170,467</u>	<u>9,234</u>	<u>710,247</u>	<u>1,420,654</u>
Segment results	<u>4,247</u>	<u>7,360</u>	<u>8,512</u>	<u>8,056</u>	<u>753</u>	28,928
Unallocated other income and other losses						(5,348)
Administrative expenses						(31,848)
Finance costs						(3,996)
Impairment loss on available-for-sale investments						<u>(1,014)</u>
Loss before taxation						<u>(13,278)</u>

	Building construction <i>HK\$'000</i>	Alternations, renovation, upgrading and fitting-out works <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Metals and materials trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Six months ended 30.9.2014</b>					
Segment revenue — external customers	<u>261,712</u>	<u>153,464</u>	<u>120,287</u>	<u>87,894</u>	<u>623,357</u>
Segment results	<u>(11,990)</u>	<u>8,576</u>	<u>(6,658)</u>	<u>127</u>	<u>(9,945)</u>
Unallocated other income and other losses					3,110
Administrative expenses					(40,917)
Finance costs					(3,428)
Impairment loss on available-for-sale investments					<u>(2,943)</u>
Loss before taxation					<u>(54,123)</u>

#### 4. OTHER LOSSES

	<b>Six months ended</b>	
	<b>30.9.2015</b>	30.9.2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss (gain) on disposal/written off of property, plant and equipment	<b>4,310</b>	(175)
Foreign exchange loss, net	<u><b>3,676</b></u>	<u>196</u>
	<u><b>7,986</b></u>	<u>21</u>

#### 5. FINANCE COSTS

	<b>Six months ended</b>	
	<b>30.9.2015</b>	30.9.2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
Secured bank loans wholly repayable within five years	<b>695</b>	82
Obligations under finance leases	<b>62</b>	107
Loan from a related party ( <i>Note 13</i> )	<u><b>3,239</b></u>	<u>3,239</u>
	<u><b>3,996</b></u>	<u>3,428</u>



## 6. LOSS BEFORE TAXATION

Six months ended	
30.9.2015	30.9.2014
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)

Loss before taxation has been arrived at after charging (crediting):

Depreciation of property, plant and equipment	3,593	3,612
Operating lease rentals in respect of premises	2,464	3,185
Bank interest income	(278)	(419)
Interest income from sub-contractors	(2,537)	(1,353)
Investment income from available-for-sale investments	<u>—</u>	<u>(7)</u>

## 7. TAXATION

Six months ended	
30.9.2015	30.9.2014
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)

Current tax		
— Enterprise Income Tax in the People's Republic of China	2,014	—
Deferred tax	<u>385</u>	<u>—</u>
	<u>2,399</u>	<u>—</u>

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Company and its subsidiaries have no assessable profit.

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%.

## 8. LOSS PER SHARE

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

	<b>Six months ended</b>	
	<b>30.9.2015</b>	30.9.2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Loss</b>		
Loss for the purpose of basic loss per share, represented by loss for the period attribute to shareholders of the Company	<u>(15,677)</u>	<u>(54,123)</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Number of ordinary shares in issue for the purpose of basic loss per share	<u>300,000</u>	<u>300,000</u>

No diluted loss per share is presented as the Company does not have dilutive potential ordinary shares during the current and prior periods.

## 9. DIVIDEND

No dividends were paid, declared or proposed during the current and prior periods. The directors of the Company have determined that no dividend will be paid in respect of the periods.

## 10. 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 period. The property has subsequently been disposed of after the end of reporting period for a cash consideration of approximately HK\$23,448,000.

## 11. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade and bills receivables, presented based on the related payment certificates verified by the customers for construction business, and invoice date for provision of property development management and advisory services business, at the end of the reporting period:

	<b>30.9.2015</b>	31.3.2015
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Within 30 days	<b>232,269</b>	128,129
More than 30 days but less than 90 days	<b>5,100</b>	27,265
More than 90 days	<u>1,358</u>	<u>1,468</u>
	<u><b>238,727</b></u>	<u>156,862</u>

## 12. TRADE AND OTHER PAYABLES

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

	<b>30.9.2015</b>	31.3.2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 30 days	<b>178,620</b>	155,280
More than 30 days but less than 90 days	<b>4,694</b>	17,270
More than 90 days	<b>4,492</b>	2,058
	<b><u>187,806</u></b>	<u>174,608</u>

## 13. AMOUNT DUE TO/LOAN FROM A RELATED PARTY

The amounts are advanced by Mr. Wong Law Fai, a former executive director of the Company who resigned in May 2013 but remains as a director of certain subsidiaries of the Company. Pursuant to a loan agreement dated 1 December 2013 and supplementary agreements entered into subsequently in 2014 and 2015, the amounts comprise (i) a loan of HK\$170,000,000 which is unsecured and interest bearing at 3.80% per annum, and (ii) other interest-free advances. The loan principal and accural interest of HK\$181,840,000 will be repaid in June 2017 as agreed to be extended by Mr. Wong Law Fai on September 30, 2015 and the balance of HK\$110,260,000 (31.3.2015: HK\$119,862,000) is unsecured, interest-free and repayable on demand.

## 14. SUBSEQUENT EVENTS

### (a) Completion of disposal of property under development

As set out in note 10, the Group has completed the disposal of the property under development subsequent to the end of the reporting period.

### (b) Disposal of property interest classified as property, plant and equipment

Subsequent to the end of the reporting period, the Group entered into a conditional sale and purchase agreement with an independent third party pursuant to which the Group agreed to disposed of the entire issued share capital of and the shareholders' loan to Wan Chung Property Company Limited ("WCP") for a cash consideration of HK\$29,800,000. The principal asset of WCP is a building property in Hong Kong classified as property, plant and equipment with a carrying amount of approximately HK\$7,470,000 as at 30 September 2015.

The transaction has not yet been completed at the date of approval of these condensed consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (1) Interim Results

For the half year ended 30 September 2015 (the “Period”), the Group recorded a turnover of approximately HK\$1,420,654,000, representing a 128% increase compared with approximately HK\$623,357,000 of the same period in 2014 (“Prior Interim Period”). During the Period, the Group recorded a gross profit of approximately HK\$27,569,000 (Prior Interim Period: gross loss approximately HK\$11,298,000).

The increase in turnover of the Group was mainly contributed by (i) increase in turnover of the metals and materials trading business segment by HK\$622,353,000 as the metals and materials trading business had a full six months of operations in the Period compared with just less than two months of operations in Prior Interim Period; and (ii) the increase in turnover of the alteration, renovation, upgrading and fitting-out works segment (collectively “A&A works”) and the property maintenance segment by HK\$94,339,000 and HK\$50,180,000, respectively, as a result of full swing operation in several projects and the increased in scale and number of projects in Hong Kong in the Period.

During the Period, the Group has recorded a gross profit of approximately HK\$27,569,000 (Prior Interim Period: gross loss approximately HK\$11,298,000). The turnaround from gross loss in Prior Interim Period to gross profit in the Period was attributable to (i) the turnaround of the construction business segment as a result of the stringent costs controls imposed in the Period; (ii) the turnaround of the property maintenance segment following improvement in progress achieved by several projects in this segment and (iii) gross profit contributions by the provision of property development management and advisory services business, which started subsequently to 30 September 2014.

During the Period, the Group had won 14 new contracts with total contract value amounting to approximately HK\$1,013 million of which 3 contracts with total contract value of approximately HK\$18 million were of the building construction segment, 2 contracts with total contract value of approximately HK\$766 million were of the property maintenance segment and 9 contracts with total contract value of approximately HK\$229 million were of A&A works segment. As at 30 September 2015, the Group has projects in progress with total contract sum of approximately HK\$4,009 million.

After the end of the reporting period and up to date of this announcement, the Group has entered into 3 new contracts of total contract value of approximately HK\$35 million.

Other income for the Period was approximately HK\$5,175,000 representing an increase of approximately HK\$691,000 as compared with the Prior Interim Period.

For the Period under review, loss attributable to owners of the Company was approximately HK\$15,677,000 as compared with the loss of approximately HK\$54,123,000 in Prior Interim Period.

The basic loss per share for the Period were HK5.23 cents compared to basic loss per share HK18.04 cents in Prior Interim Period.

## (2) Review Of Operations

### (i) *Building Construction and Other Construction Related Business*

Revenue for the building construction segment for the Period was approximately HK\$282,903,000 (Prior Interim Period: approximately HK\$261,712,000) and segment profit was approximately HK\$4,247,000 (Prior Interim Period: segment loss of approximately HK\$11,990,000). The turnaround from segment loss in Prior Interim Period to segment profit in the Period was mainly due to the stringent costs control imposed by the Group during the Period.

### (ii) *Property Maintenance*

Revenue for the property maintenance segment for the Period was approximately HK\$170,467,000 (Prior Interim Period: approximately HK\$120,287,000) and segment profit was approximately HK\$8,512,000 (Prior Interim Period: segment loss of approximately HK\$6,658,000). Increase in segment revenue and the turnaround from segment loss in Prior Interim Period to segment profit in the Period was primarily due to improvement in progress of property maintenance contracts achieved in the Period.

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

Revenue for the A&A works segment for the Period was approximately HK\$247,803,000 (six months ended 30 September 2014: approximately HK\$153,464,000) and segment profit was approximately HK\$7,360,000 (six months ended 30 September 2014: approximately HK\$8,576,000). Increase in segment revenue was mainly due to the increased number of projects carried out in the Period. The slight decrease in segment profit was due to the increase in construction costs.

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

The PDMAS segment, which started subsequently to 30 September 2014, contributed revenue and profit of approximately HK\$9,234,000 (Prior Interim Period: Nil) and HK\$8,056,000 (Prior Interim Period: Nil), respectively, for the Period. However, subsequent to the Period, the development progress of the PDMAS has started to deteriorate with decrease in revenue noted.

(v) *Metals and materials trading*

Gross proceeds from the metals and materials trading segment for the Period was approximately HK\$710,247,000 (Prior Interim Period: HK\$87,894,000) and segment profit was approximately HK\$753,000 (Prior Interim Period: HK\$127,000). As the prices of commodities had been falling during the Period, the Group has gradually expanded the products range of its metals and materials trading business in order to diversify the risk exposed to the Group. During the Period, in addition to metals, the Group has expanded to trading of titanium dioxide.

**(3) Event after the Reporting Period**

On 20 October 2015, the Company entered into a memorandum of understanding (“MOU”) with Mr. Dai Jia Long (“Mr. Dai”), an independent third party, in relation to the potential investment opportunities regarding the commercialisation of graphene production. The Company and Mr. Dai would like to cooperate with each other in developing the production of graphene based on the technical know-how possessed by Mr. Dai and the Company may issue new shares for the development of the new business. Details of the MOU were set out in the announcement of the Company dated 20 October 2015. As at the date of this announcement, no legally binding documentation has been executed in this regard.

**(4) Prospects**

Although the shortage in skilled labour in Hong Kong is still the most challenging factor that the Group is facing, 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. In relation to the metals and materials trading business, the Group has gradually expanded its product range and customer base so as to diversify the risk exposed by the Group. The development of the PDMAS business has started to slow down subsequent to the Period.

During the Period, the Board has conducted a comprehensive review of the operations of the Group in order to formulate a long-term strategy and has decided to explore new business opportunities that could provide promising returns and prospects in long term for the Group. The MOU has been entered into by the Company on this intent. The Board considers that the potential development of the new graphene production business, if materialised, could represent a prime opportunity for the Group to tap into a new business segment and explore additional revenue source, which aligns with the Group’s objective and is beneficial to the Group and the shareholders of the Company as a whole in long term.

**(5) Financial Position**

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

As at 30 September 2015, the Group's total cash in hand was approximately HK\$121.2 million (as at 31 March 2015: approximately HK\$208.5 million).

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 the Period, the Group currently does not have any financial instruments for currency hedging purpose but will consider hedging significant foreign currency exposure should the need arise.

Total interest-bearing borrowings have decreased from approximately HK\$207 million as at 31 March 2015 to approximately HK\$206 million as at 30 September 2015. All borrowings were denominated in Singapore Dollars and Hong Kong Dollars. The Group's net cash balance has decreased from approximately HK\$175.5 million as at 31 March 2015 to approximately HK\$88.6 million as at 30 September 2015. The decrease in net cash balance was due to working capital utilised to finance the operations of the Group.

At the end of the reporting period, the following assets are pledged to banks and an insurance company to secure the bank loans and performance bond facilities granted to the Group:

	<b>30 September 2015 HK\$'000</b>	31 March 2015 HK\$'000
Property, plant and equipment	7,470	7,560
Bills receivable	30,659	30,659
Other receivables	13,507	11,177
Bank deposits	<u>19,705</u>	<u>19,717</u>
	<u><b>71,341</b></u>	<u><b>69,113</b></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. As at 30 September 2015, the Group has been granted total banking facilities of approximately HK\$74.4 million (as at 31 March 2015: approximately HK\$80.6 million). An amount of approximately HK\$32.8 million (as at 31 March 2015: approximately HK\$34.2 million) remained unutilised.

## (6) Credit Risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 30 September 2015 and 31 March 2015 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the condensed

consolidated statement of financial position. In minimising 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.

## **(7) Liquidity and Financial Resources**

As at 30 September 2015, the gearing ratio of the Group was approximately 32.5% (as at 31 March 2015: approximately 26.7%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at the reporting date multiplied by 100%.

As at 30 September 2015, the current assets and current liabilities were stated at approximately HK\$592.7 million (as at 31 March 2015: approximately HK\$734.8 million) and approximately HK\$436.0 million (as at 31 March 2015: approximately HK\$572.2 million), respectively. The current ratio increased from 1.28 times of 31 March 2015 to 1.36 times of 30 September 2015. The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective period.

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

## **(8) Contingent Liabilities and Capital Commitments**

At the end of the reporting period, approximately HK\$163,016,000 (as at 31 March 2015: approximately HK\$164,306,000) of performance bonds were given by banks or insurance companies in favour of some Group's customers. The Group is required to either pays one-off premiums to insurance companies or commits to place certain pre-determined amounts of deposits with designed bank accounts as required by banks in order to obtain the performance bonds. These performance bonds were issued as security for the due performance and observance of the Group's obligations under the construction contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks or insurance companies to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks or insurance companies accordingly. The performance bonds will be released upon completion of the contract work for the relevant customers.



In addition, a subsidiary of the Company is a defendant in a number of claims, lawsuits, arbitrations and potential claims relating to subcontracting fees, damages of personal injuries and breach of construction contracts. The directors of the Company considered that the possibility of any outflow in settling the legal claims is remote and adequate provision in respect of the litigations is made, after due consideration of each case and with reference to the legal opinion.

The Group did not have any significant capital commitment as at 30 September 2015 and 31 March 2015.

#### **(9) Available-for-sale Investments**

As at 30 September 2015, the Group has available-for-sale investments of approximately HK\$5.6 million (as at 31 March 2015: approximately HK\$7.9 million), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 30 September 2015, the Group held 89,400,000 shares (as at 31 March 2015: held 89,400,000 shares). The fair values of the above listed shares are determined based on the quoted bid prices available on the Singapore Exchange Limited.

#### **(10) Movement of Incompleted Contracts for the six months ended 30 September 2015**

	31 March 2015 <i>HK\$'000</i>	Contracts Secured <i>HK\$'000</i>	Contracts Completed <i>HK\$'000</i>	<b>30 September 2015 <i>HK\$'000</i></b>
Building Construction	1,492,626	17,797	199,627	<b>1,310,796</b>
Property Maintenance	1,217,918	766,483	—	<b>1,984,401</b>
Alteration, Renovation, Upgrading and Fitting-Out Works	<u>656,932</u>	<u>229,114</u>	<u>172,646</u>	<u><b>713,400</b></u>
	<u><u>3,367,476</u></u>	<u><u>1,013,394</u></u>	<u><u>372,273</u></u>	<u><u><b>4,008,597</b></u></u>

*Contracts secured subsequent to 30 September 2015 and up to the date of this announcement*

<b>Contract</b>	<b>Commencement date</b>	<b>Contract value HK\$'000</b>
Supply, installation and dismantle of fixing for sculptures for Event Horizon, Hong Kong	October 2015	1,500
External wall refurbishment work at CLP Shatin Centre, Hong Kong	November 2015	10,250
Renovation works to a fitness centre at Quarry Bay, Hong Kong	November 2015	<u>22,959</u>
Total		<u><u>34,709</u></u>

## **(11) Employees and Remuneration Policies**

As at 30 September 2015, the Group employed a total of 330 staff (as at 30 September 2014: 324 staff) which included Hong Kong, Singapore and Macau employees. The total remuneration for staff was approximately HK\$51 million for the Period (Prior Interim Period: approximately HK\$50 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.

## **INTERIM DIVIDEND**

The directors of the Company (the “Directors”) do not recommend the payment of dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Specific enquiry has been made to each of the Directors and all Directors have confirmed that they have complied with the Model Code during the six months ended 30 September 2015.

## DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2015, the interests or short positions of the Directors and chief executives of the Company in the shares of the Company (the “Shares”), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

Name of Director	Capacity	Number of issued ordinary Shares held	Percentage of the issued share capital of the Company
Mr. Chau Chit ( <i>Note 1</i> )	Interest of Controlled Corporation	30,000,000 (L)	10.0%
Mr. Chen Guobao ( <i>Note 2</i> )	Interest of Controlled Corporation	15,000,000 (L)	5.0%

(L): Long position

*Note 1:* The 30,000,000 Shares are held by Mega Start Limited, and Mr. Chau Chit beneficially owns the entire issued share capital of Mega Start Limited. By virtue of the SFO, Mr. Chau Chit is deemed to be interested in the 30,000,000 Shares held by Mega Start Limited.

*Note 2:* The 15,000,000 Shares are held by Full Fortune International Co., Ltd, and Mr. Chen Guobao beneficially owns the entire issued share capital of Full Fortune International Co., Ltd. By virtue of the SFO, Mr. Chen Guobao is deemed to be interested in the 15,000,000 Shares held by Full Fortune International Co., Ltd.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## **DIRECTORS' RIGHT TO ACQUIRE SHARES**

Save as disclosed above, at no time during the six months ended 30 September 2015 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the Shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 September 2015, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules on the Stock Exchange:

<b>Name of Shareholders</b>	<b>Capacity</b>	<b>Number of issued ordinary Shares held</b>	<b>Percentage of the issued share capital of the Company</b>
Grand Silver Group Limited (“GSGL”) ( <i>Note 1</i> )	Beneficial Owner	112,500,000 (L)	37.5%
Mr. Wang Zhijun ( <i>Note 2</i> )	Interest of Controlled Corporation	112,500,000 (L)	37.5%
Ms. Guan Hongyan ( <i>Note 3</i> )	Interest of Spouse	112,500,000 (L)	37.5%
Mega Start Limited	Beneficial Owner	30,000,000 (L)	10.0%
Full Fortune International Co., Ltd	Beneficial Owner	15,000,000 (L)	5.0%

(L): Long position

*Note 1:* On 21 September 2015, 67,500,000 Shares held by GSGL was pledged in favour of the lender as security for a loan facility provided to GSGL.

*Note 2:* The 112,500,000 Shares are held by GSGL, and Mr. Wang Zhijun owns the entire issued share capital of GSGL. By virtue of the SFO, Mr. Wang Zhijun is deemed to be interested in the 112,500,000 Shares held by GSGL.

*Note 3:* Ms. Guan Hongyan is the spouse of Mr. Wang Zhijun. By virtue of the SFO, Ms. Guan Hongyan is deemed to be interested in 112,500,000 Shares which Mr. Wang Zhijun is interested in.

Save as disclosed above, as at 30 September 2015, the Company had not been notified by any persons (other than the Directors and chief executives of the Company) who had an interest or short position in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The share option scheme of the Company (the “Share Option Scheme”) was adopted by the sole Shareholder by way of written resolution on 19 December 2011. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The Company believes that by offering the eligible persons a shareholding stake in the Company, the interests of the eligible persons and the Company will align and thereby the eligible persons with additional incentives to improve the Company’s performance.

There is no option outstanding, granted, exercised, cancelled or lapsed during the Period.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has complied with all the code provisions as set out in Corporate Governance Code and Corporate Governance Report to the Appendix 14 of the Listing Rules (the “CG Code”) throughout the six months ended 30 September 2015.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 and 23 September 2015 in compliance with the CG Code and are available on the websites of the Stock Exchange and the

Company. The primary duties of the Audit Committee are to review the financial information and risk management of the Group, oversee the financial reporting system and internal control procedures of the Group, and oversee the relationship with the Company's external auditor.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Tam Tak Kei Raymond (the chairman of the Audit Committee), Mr. Wong Kai Tung Simon and Mr. Wong Wai Kwan, and one non-executive Director, Mr. Chen Guobao.

The Audit Committee has reviewed with the management the Group's interim results for the Period. The Company's external auditor conducted a review of the interim financial statements in accordance with Hong Kong Standards on Review Engagements No. 2410.

## **REMUNERATION COMMITTEE**

The remuneration committee of the Company (the "Remuneration Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration, make recommendations to the Board on the remuneration of non-executive Directors and determine the remuneration packages of individual executive Directors and senior management include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Tam Tak Kei Raymond, Mr. Wong Kai Tung Simon (the chairman of the Remuneration Committee) and Mr. Wong Wai Kwan; one non-executive Director, Mr. Chen Guobao; and two executive Directors, namely Mr. Chau Chit and Mr. Hu Baoyue.

## **NOMINATION COMMITTEE**

The nomination committee of the Company (the "Nomination Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 and 26 August 2013 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of the Board succession.

The Nomination Committee formulated the board diversity policy of the Company (the "Board Diversity Policy"). The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity to the Board. The ultimate decision will be made based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee also monitors the implementation of the Board Diversity Policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under the Board Diversity Policy.

The Nomination Committee comprises three independent non-executive Directors, namely Mr. Tam Tak Kei Raymond, Mr. Wong Kai Tung Simon and Mr. Wong Wai Kwan; one non-executive director, Mr. Chen Guobao; and two executive Directors, namely Mr. Chau Chit (the chairman of the Nomination Committee) and Mr. Hu Baoyue,

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

## **CHANGE OF DIRECTORS' INFORMATION**

Pursuant to Rule 13.51B(1) of the Listing Rules, the details of change in the Company's directorship since the date of the 2015 Annual Report are set out below:

1. Mr. Chau Chit has been appointed as an executive Director of the Company on 22 July 2015 and subsequently has been elected as the Chairman of the Company in place of Mr. Wang Zhijun and appointed as the authorised representative of the Company in place of Mr. Hu Baoyue on 23 September 2015.

Please refer to the announcements on 22 July 2015 and 23 September 2015, respectively, for details of Biographies of Mr. Chau Chit.

2. Mr. Wong Wai Kwan has been appointed as an independent non-executive Director of the Company on 22 July 2015.

Please refer to the announcement on 22 July 2015 for details of biographies of Mr. Wong Wai Kwan.

3. Mr. Chen Guobao has been appointed as a non-executive Director of the Company on 23 September 2015.

Please refer to the announcement on 23 September 2015 for details of biographies of Mr. Chen Guobao.

4. Mr. Wang Zhijun resigned as the Chairman and executive Director of the Company on 23 September 2015.

Please refer to the announcement on 23 September 2015 for details.

5. Mr. Chiu Sai Chuen Nicholas resigned as the independent non-executive Director of the Company on 23 September 2015.

Please refer to the announcement on 23 September 2015 for details.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the Company's website (<http://www.visionfame.com>) and the Stock Exchange's website (<http://www.hkexnews.hk>). The 2015 Interim Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

By Order of the Board  
**Vision Fame International Holding Limited**  
**Chau Chit**  
*Chairman*

Hong Kong, 30 November 2015

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chau Chit, Mr. Hu Baoyue and Mr. Kwan Ngai Kit; 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.*