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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)

- (1) PROPOSED SHARE SUBDIVISION;**
- (2) PROPOSED CHANGE IN BOARD LOT SIZE;**
- (3) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY SUBDIVIDED SHARE HELD ON THE RECORD DATE**

Financial Adviser to the Company



中国平安资本(香港)
PING AN OF CHINA CAPITAL (HONG KONG)

Underwriter of the Rights Issue



中国平安证券(香港)
PING AN OF CHINA SECURITIES (HONG KONG)

(1) PROPOSED SHARE SUBDIVISION

The Board proposes to subdivide each (1) existing issued and unissued Shares of HK\$0.01 in the share capital of the Company into eight (8) Subdivided Shares of HK\$0.00125 each.

The Share Subdivision will become effective after the conditions set out in the paragraph headed “Conditions of the Share Subdivision” below are fulfilled. All Subdivided Shares will rank *pari passu* with each other in all respects with the Shares in issue prior to the Share Subdivision and the rights attached to the Subdivided Shares will not be affected by the Share Subdivision.

(2) PROPOSED CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 2,000 Shares each. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Shares to 10,000 Subdivided Shares after the Share Subdivision becoming effective.

(3) PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$384 million (before expenses) by way of rights issue of 2,400,000,000 Rights Shares at the Subscription Price of HK\$0.16 per Rights Share on the basis of one Rights Share for every Subdivided Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and such Qualifying Shareholders are not entitled to apply for any Rights Share which are in excess of their assured entitlements. The Subscription Price is agreed after arm’s length negotiation between the Company and the Underwriter.

As at the date of this announcement, the Company has no outstanding warrants, options or convertible or exchangeable securities.

The estimated net proceeds of the Rights Issue will be approximately HK\$382 million. The Company intends to utilize the net proceeds from the Rights Issue to finance any future investment opportunities.

Grand Silver, a controlling Shareholder (as defined under the Listing Rules), is interested in 225,000,000 Shares, representing 75% of the issued share capital of the Company as at the date of this announcement. Pursuant to the Undertaking, Grand Silver has irrevocably undertaken in favour of the Company and the Underwriter, *inter alia*, to accept or procure acceptance of its entitlement, being 1,800,000,000 Rights Shares.

The Rights Issue is fully underwritten by the Underwriter. Further details of the underwriting arrangements are set out in the paragraph headed “Underwriting Agreement for the Rights Issue”. If the conditions are not fulfilled (or waived, where applicable) or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

IMPLICATIONS UNDER THE LISTING RULES

In compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue is made conditional on approval of the Independent Shareholders by way of poll at the EGM. Any controlling Shareholders and their associates shall abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, Grand Silver is a controlling Shareholder. Grand Silver and its associates will abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM.

An Independent Board Committee of the Company comprising the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the Independent Board Committee and Independent Shareholders as to whether the terms and conditions of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

A circular containing, among other things, (i) further details of the proposed Share Subdivision, the proposed Change in Board Lot Size and the proposed Rights Issue; (ii) a letter of recommendation from the Independent Board Committee of the Company to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee of the Company and the Independent Shareholders in respect of the Rights Issue; and (iv) the notice convening the EGM, will be dispatched to the Shareholders as soon as practicable.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus Documents will be dispatched to the Qualifying Shareholders as soon as practicable whereas the Prospectus will be dispatched to Non-qualifying Shareholders for information only.

(1) PROPOSED SHARE SUBDIVISION

The Board proposes to subdivide each one (1) existing issued and unissued Shares of HK\$0.01 in the share capital of the Company into eight (8) Subdivided Shares of HK\$0.00125 each.

All Subdivided Shares will rank pari passu with each other in all respects with the Shares in issue prior to the Share Subdivision and the rights attached to the Subdivided Shares will not be affected by the Share Subdivision. The authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Shares of which 300,000,000 Shares have been allotted and issued as fully paid or credited as fully paid as at the date of this announcement. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$20,000,000 divided into 16,000,000,000 Subdivided Shares, of which 2,400,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are issued or repurchased prior to the Share Subdivision becoming effective.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing by the Shareholders at the EGM of an ordinary resolution approving the Share Subdivision; and
- (b) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

The Shares are currently traded in board lots of 2,000 Shares. Upon the Share Subdivision becoming effective, the board lot size for trading on the Stock Exchange will change to 10,000 Subdivided Shares for each board lot.

Odd lot arrangements

In order to facilitate the trading of odd lots (if any) of the Subdivided Shares arising from the Share Subdivision, a designated broker has been appointed to match the purchase and sale of odd lots of the Subdivided Shares at the relevant market price per Subdivided Share for the period from 9:00 a.m. on Monday, 18 August 2014 to 4:00 p.m. on Friday, 5 September 2014 (both dates inclusive). Holders of odd lots of the Subdivided Shares should note that successful matching of the sale and purchase of odd lots of the Subdivided Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot arrangement, is recommended to consult his/her/its own professional advisers. Details of the matching service will be provided in the Circular to be dispatched to the Shareholders.

Reasons for the Share Subdivision

The proposed Share Subdivision will decrease the nominal value and increase the total number of Shares in issue. The Share Subdivision will result in downward adjustment to the trading price of the Shares. The Board believes that the Share Subdivision will decrease the trading spread as well as the volatility of the trading price of the Shares and thus result in the improved liquidity in trading of the Company's Subdivided Shares. Therefore, the Board considers that the Share Subdivision will enable the Company to attract more investors and broaden its Shareholder base.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders. The Board considers that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

Free Exchange of Share Certificates

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing share certificates for the Shares to the Company's branch share registrar in Hong Kong, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, in exchange for new share certificates for the Subdivided Shares free of charge between 9:00 a.m. and 4:00 p.m. on any business day from Monday, 4 August 2014 to Wednesday, 10 September 2014 (both days inclusive). After the expiry of such period, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher). The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Wednesday, 10 September 2014 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for eight Subdivided Shares. It is expected that the new share certificates will be available for collection within a period of ten business days from the submission of the existing share certificates. The new share certificates will be blue in colour so as to be distinguished from the existing share certificate which are yellow in colour.

Warning

Shareholders and potential investors should also be aware of and take note that the Share Subdivision is conditional upon satisfaction of the conditions precedent set out in the paragraph headed "Conditions of the Share Subdivision" in the section headed "Proposed Share Subdivision" of this announcement. Therefore, the Share Subdivision may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

(2) PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are currently traded in board lots of 2,000 Shares each. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Shares to 10,000 Subdivided Shares after the Share Subdivision becoming effective. Based on the closing price of the Share of HK\$1.61 as at the Last Trading Day and the existing board lot size of 2,000 Shares, the prevailing board lot value is HK\$3,220. On the basis of the aforesaid closing price and the new board lot size of 10,000 Subdivided Shares, the new board lot value would be HK\$16,100. The Board considers that the change in board lot size will increase the value of each board lot of the shares of the Company, as well as reduce transaction and registration costs incurred by the Shareholders and investors of the Company.

(3) PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One Rights Share for every one Subdivided Share held on the Record Date
Subscription Price	:	HK\$0.16 per Rights Share
Number of Shares in issue at the date of this announcement	:	300,000,000 Shares
Number of Subdivided Shares after the Share Subdivision becoming effective	:	2,400,000,000 Subdivided Shares
Number of Rights Shares	:	2,400,000,000 Rights Shares
Fund raised before expenses	:	HK\$384,000,000

The number of Rights Shares to be issued pursuant to the Rights Issue represents 100% of the number of Subdivided Shares in issue after the Share Subdivision becoming effective and 50% of the enlarged issued share capital of the Company immediately following the completion of the Rights Issue.

As at the date of this announcement, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants or conversion rights or other similar rights which are convertible or exchangeable into Shares.

Subscription Price

The Subscription Price is HK\$0.16 per Rights Share, payable in full upon acceptance under the PAL(s).

The Subscription Price represents:

- (i) a discount of approximately 20.00% to the adjusted closing price of HK\$0.20 per Subdivided Share, based on the closing price of HK\$1.61 per Share as quoted on the Stock Exchange on the Last Trading Day
- (ii) a discount of approximately 27.27% to the average adjusted closing price of approximately HK\$0.22 per Subdivided Share, based on the average closing price of approximately HK\$1.75 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day
- (iii) a discount of approximately 11.11% to the theoretical ex-rights price of approximately HK\$0.18 per Subdivided Share after the Rights Issue, based on the closing price of HK\$1.61 per Share as quoted on the Stock Exchange on the Last Trading Day
- (iv) a premium of approximately 103% to the unaudited Subdivided net asset value per Subdivided Share (based on 2,400,000,000 Subdivided Shares after the Share Subdivision becoming effective) of approximately HK\$0.0788 as at 30 September 2013.

The net price per Rights Share (after deduction of expenses) will be approximately HK\$0.159.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price and the trading liquidities of the Shares. The Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular, after having been advised by an independent financial adviser) consider that (i) the use of proceeds from the Rights Issue is consistent with the Group's development plan; (ii) the fund raising size of the Rights Issue is necessary for the Company to pursue its existing development plan; (iii) the Rights Issue will strengthen the capital base of the Group; (iv) the Rights Issue represents the most commercial viable, fair and reasonable option considered by the Company; and (v) the past share price performance of the Company, the Board consider it is inevitable for the Company to set the Subscription Price at a discount so as to increase the attractiveness of the Rights Issue to the Qualifying Shareholders. In addition, as has been indicated to the Company during the negotiation of the Underwriting Agreement, given the abovementioned factors, a subscription price with a discount to the market price of the Share is necessary to induce the Underwriters to participate in the underwriting of the Underwritten Shares, which is an essential part of the Rights Issue.

In view of the benefits of the Rights Issue, the Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular, after having been advised by an independent financial adviser) consider that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As all Qualifying Shareholders are entitled to subscribe for the Rights Shares, the Qualifying Shareholders will be able to maintain their proportional interests in the Company if they take up their assured allotments under the Rights Issue in full. In all cases of rights issues and open offers,

the dilution on the shareholding of those Qualifying Shareholders who do not take up in full their assured entitlements under the Rights Issue is inevitable. In such case, where all Qualifying Shareholders do not accept the Rights Issue and thus the Underwriter is obliged to take up the unsubscribed Rights Shares, the Qualifying Shareholders' shareholding interests in the Company will be diluted by a maximum of 50%. Based on the above and taking into account (i) the inherent dilutive nature of rights issue in general and (ii) the Rights Issue offering an equal opportunity to the Qualifying Shareholders to maintain their proportionate interests in the Company, we are of the view that such potential dilution of the Rights Issue on the shareholding of the Shareholders is acceptable.

The Company had not approached any other independent underwriters (except the existing Underwriter) to consider underwriting this Rights Issue. The reasons for not approaching other independent underwriters are as follows:

- (i) the Company is a company with a relative small market capitalisation, being approximately HK\$483,000,000 million immediately before the publication of this Announcement. There are only a limited number of underwriters who work with companies of this size. The Underwriter has the capabilities to fully underwrite the Underwritten Shares in accordance to the terms sought by the Company;
- (ii) the Company has a long standing relationship with the Underwriter since the cash offer (as announced on 15 March 2013) on behalf of Grand Silver to acquire all the issued shares of the Company whom it believes is a reputable securities firm that is willing to engage with companies of the size of the Company.

Basis of provisional allotment

The Rights Shares will be allotted on the basis of one Rights Share for every Subdivided Share held at the close of business on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted.

Status of the Rights Shares

The Rights Shares, when allotted, fully-paid or credited as fully-paid and issued, shall rank *pari passu* in all respects with the Subdivided Shares then in issue, including as to the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty in Hong Kong.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of one Rights Share for every Subdivided Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Qualifying Shareholders

The Company will offer the Rights Shares for subscription to Qualifying Shareholders only. To qualify for the Rights Issue, investors must be registered as members of the Company and not be a Non-Qualifying Shareholder at the close of business on the Record Date. In order to be registered as members of the Company at the close of business on the Record Date, beneficial owners must lodge any transfers of Shares (together with the relevant share certificates) with branch share registrar of the Company in Hong Kong for registration no later than 4:00 p.m. on Thursday, 7 August 2014. The address of the branch share register of the Company in Hong Kong is:

Union Registrars Limited
18/F, Fook Lee Commercial Centre, Town Place
33 Lockhart Road, Wanchai, Hong Kong

Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date whom the Board, based on legal opinions to be provided by legal advisers, considers necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

Further information in this connection will be set out in the Prospectus to be dispatched to the Shareholders.

The Company retains the right, in its discretion, to make any arrangement to avoid any offer of Rights Shares to Shareholders (without compliance with registration or other legal requirements) outside Hong Kong.

Non-Qualifying Shareholders

The Company will send the Prospectus only (without any PAL) to the Non-Qualifying Shareholders for their information.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit.

Closure of register of members

The register of members of the Company will be closed from Friday, 8 August 2014 to Monday, 11 August 2014 (both dates inclusive) for determining the entitlements of the Shareholders to the Rights Issue. No transfers of Shares will be registered during this period.

No application for excess Rights Shares

After arm's length negotiation with the Underwriter, the Company has decided that the Qualifying Shareholders are not entitled to apply for any Rights Shares which are in excess of their assured entitlements. The Company considers that the administrative costs would be lowered without the application for excess Rights Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listings of, and permission to deal in the Rights Shares, in both their nil-paid and fully-paid forms, to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be in Hong Kong and in board lots of 10,000, same as the board lot size of the Subdivided Share after the Change in Board Lot Size. Dealings in the Rights Shares registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

Share certificates for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to the Qualifying Shareholders who have accepted, or (where applicable) applied for, and paid for the Rights Shares on or before Thursday, 4 September 2014, by ordinary post at their own risk.

The first day of dealing in the Rights Shares in their fully-paid form is expected to commence on Friday, 5 September 2014.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, each of the following conditions being fulfilled:

- (i) the passing of the necessary resolution(s) by the Shareholders (other than those who are required to abstain from voting in favour of such resolution under the Listing Rules) to approve the Rights Issue (including the underwriting agreement and the transactions contemplated hereunder);
- (ii) the Share Subdivision becoming effective;
- (iii) the Listing Committee of the Stock Exchange having or having agreed to grant in principle (subject to such conditions as imposed by the Stock Exchange) the listing of, and permission to deal in, all the Rights Shares in both nil-paid and fully-paid forms and such listings and permission not subsequently being revoked or withdrawn prior to the Latest Time for Termination;
- (iv) the delivery to the Stock Exchange for authorisation and the registration by and filing with the Registrar of Companies in Hong Kong and Cayman Islands on or prior to the Posting Date of the Prospectus Documents;
- (v) the posting of copies of the Prospectus Documents to the Qualifying Shareholders on or before the Posting Date;
- (vi) compliance with and performance by the Company of all undertakings and obligations under the terms of the Underwriting Agreement;
- (vii) the obligations of the Underwriters under the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof;
- (viii) the compliance with and performance by Grand Silver of the undertaking and obligations under the Undertaking; and
- (ix) the trading of the Shares on the Stock Exchange not having been suspended for more than ten (10) consecutive Business Days at any time prior to the Latest Time for Acceptance (excluding any suspension in connection with the clearance of the announcement or Prospectus Documents or other announcements or circulars in connection with the Rights Issue, notifiable transactions or connected transactions (as defined in the Listing Rules)).

In the event that the conditions have not been satisfied and/or waived in whole or in part by the Underwriter (other than the conditions which are incapable of being waived) on or before 4.00 p.m. on the Settlement Date or such other time as specified therein (whichever is earlier) (or, in each case, such later date as the Underwriter and the Company may agree in writing), the Underwriting Agreement shall terminate and all liabilities of the parties thereto shall cease and

determine and neither party shall have any claim against the other save for any antecedent breaches and claims. In such circumstances, the Undertaking by Grand Silver to accept its entitlements under the Rights Issue will lapse and the Rights Issue will not proceed.

UNDERWRITING AGREEMENT FOR THE RIGHTS ISSUE

Date: 19 June 2014

Underwriter: Ping An of China Securities (Hong Kong) Company Limited

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Underwriter and its ultimate controlling shareholder are third parties independent of the Company and connected persons of the Company.

Number of Rights Shares: The Underwriter has conditionally agreed to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 600,000,000 Rights Shares, subject to the terms and conditions of the Underwriting Agreement.

Commission: 1% of the aggregate Subscription Price in respect of the exact number of the Underwritten Shares.

Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite 600,000,000 Underwritten Shares (being all the 2,400,000,000 Rights Shares under the Rights Issue less the 1,800,000,000 Rights Shares which will be provisionally allotted to Grand Silver, and which Grand Silver has undertaken to accept pursuant to the Undertaking). The Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular, after having been advised by an independent financial adviser) consider that the terms of the Underwriting Agreement including the underwriting commission rate accord with market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares:

- (i) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon completion of the Rights Issue; and
- (ii) the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers or sub-underwriter(s) of the Underwritten Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the

Company, any of the Directors or chief executive or substantial Shareholders or their respective associates; and (2) the public float requirements under Rule 8.08 of the Listing Rules will still be maintained and/or met by the Company upon completion of the Rights Issue.

Undertaking from Grand Silver

As at the date of this announcement, Grand Silver is interested in 225,000,000 Shares, representing 75% of the total issued share capital of the Company. Pursuant to the Undertaking, Grand Silver has irrevocably undertaken in favour of the Company and the Underwriter, *inter alia*, to accept or procure acceptance of its entitlement, being 1,800,000,000 Right Shares. The obligations of Grand Silver under the Undertaking are conditional upon the Underwriting Agreement becoming unconditional in accordance with its terms. If the conditions are not fulfilled, all liabilities of Grand Silver hereunder shall cease and the undertaking shall lapse, and no party shall have any claims against the other for matters referred to in the Undertaking.

Termination of the Underwriting Agreement

The Underwriter shall be entitled by a notice in writing to the Company, served prior to 4:00 p.m. on Thursday, 28 August 2014, to terminate the Underwriting Agreement if:

- (A) the Underwriter becomes aware of the fact that there shall develop, occur, exist or come into effect:
 - (I) any new law or regulation or any change in existing laws or regulations in Hong Kong or any other place that is the place of incorporation of the Company, or in which the Company conducts or carries on business; or
 - (II) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or
 - (III) any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or
 - (IV) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out,

and in the reasonable opinion of the Underwriter, such change has or would have a material and adverse effect on the business, financial or trading position or prospects of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue; or

(B) there comes to the notice of the Underwriter that the Company has committed any breach of or omits to observe any of its obligations or undertakings under this Agreement, and such breach or omission will have a material and adverse effect of the business, financial or trading position or prospect of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If prior to 4:00 p.m. on the Settlement Date any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement (save in respect of the clause in relation to termination, notice and governing law and jurisdiction in the Underwriting Agreement which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in the Underwriting Agreement) shall terminate forthwith and without any prejudice to any rights of any party in respect of any breach by the other party prior to such termination.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. Such termination shall be without any prejudice to any rights of any party in respect of any breach by the other party prior to such termination. If the Underwriter exercises such right, the Rights Issue will not proceed.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

Shareholders	As at the date of this announcement		Immediately after the Share Subdivision becoming effective but before completion of the Rights Issue		Immediately after (i) the Share Subdivision becoming effective and (ii) completion of the Rights Issue that all Rights Shares are subscribed by the Qualifying Shareholdings		Immediately after (i) the Share Subdivision becoming effective and (ii) completion of the Rights Issue and assuming none of the Rights Shares is subscribed by the Qualifying Shareholders (except Grand Silver pursuant to the irrevocable Undertaking)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Grand Silver (<i>Note 1</i>)	225,000,000	75.00	1,800,000,000	75.00	3,600,000,000	75.00	3,600,000,000	75.00
The Underwriter (<i>Note 2</i>)	0	0.00	0	0.00	0	0.00	600,000,000	12.50
Other public Shareholders	<u>75,000,000</u>	<u>25.00</u>	<u>600,000,000</u>	<u>25.00</u>	<u>1,200,000,000</u>	<u>25.00</u>	<u>600,000,000</u>	<u>12.50</u>
Total	<u>300,000,000</u>	<u>100.00</u>	<u>2,400,000,000</u>	<u>100.00</u>	<u>4,800,000,000</u>	<u>100.00</u>	<u>4,800,000,000</u>	<u>100.00</u>

Notes:

1. Grand Silver, a company with limited liability and is wholly-owned by Mr. Wang Zhijun. By virtue of Mr. Wang Zhijun is deemed to be interested in the 225,000,000 shares of the Company held by Grand Silver. Grand Silver has given an Undertaking in favour of the Company and the Underwriter, *inter alia*, to subscribe for or procure subscriptions for 1,800,000,000 Rights Shares to which Grand Silver is entitled under the Rights Issue.
2. This scenario is for illustrative purpose only.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares:

- (i) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon completion of the Rights Issue; and
- (ii) the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers or sub-underwriter(s) of the Underwritten Shares procured by it shall be third party independent of, not acting in concert with and not connected with the Company, any of the Directors or chief executive or substantial Shareholders of the Company or their respective associates (as defined in the Listing Rules); (2) none of such subscribers or sub-underwriter(s) (together with their respective parties acting in concert) will hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue; and (3) the public float requirements under Rule 8.08 of the Listing Rules is fulfilled by the Company upon completion of the Rights Issue.

The Company has been informed by the Underwriter that, to ensure the fulfillment of its obligation above, the Underwriter has entered into sub-underwriting arrangements with the sub-underwriters. As at the date of this announcement, save for the shareholding of 1,434,000 Shares, 1,342,000 Shares and 1,456,000 Shares by Mr. Chen Ye, Mr. Wu Jian Hua and Mr. Hui Chuen Ming Stephen respectively, the Underwriter and the sub-underwriters do not hold any Shares. To best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and each of the sub-underwriters and their respective ultimate beneficial owners are independent third parties. The Underwriter has sub-underwritten its underwriting obligation as follow:

Sub-underwriters	Sub-underwriting participation of Rights Shares
Cheng Chau Tit	3,000,000
Wu Jian Hua	30,000,000
Wang Yan Min	30,000,000
Chen Jian Xiang	30,000,000
Hui Chuen Ming Stephen	93,000,000
Chen Ye	124,000,000
Liu Yong Xing	290,000,000
	<hr/>
Total	<hr/> <hr/> 600,000,000

Reasons for the Rights Issue and the use of proceeds

The principal activity of the Group is to provide real estate design and building construction services, property maintenance services, alterations, renovation, upgrading works and fitting-out works services.

As at the date of this announcement, the Group had approximately HK\$200 million in cash. The Directors have critically reviewed the cash balance from time to time for ensuring the effective execution of the Group's business development plans and operations. As at the date of this announcement, (1) the outstanding contracts of the Group amounted to approximately HK\$3,422 million are secured, it is estimated that corresponding amount of approximately HK\$80 million is required for the operation of those outstanding contacts; (2) the Company's unutilised IPO proceed is approximately HK\$19.9 million, which will be applied in accordance with the stated usage in the section headed "Future Plans And Use of Proceeds" in the prospectus of the Company dated 30 December 2011; (3) the Group are tendering for various projects which will commence in the coming 12 months, the amount of contracts will depend on the tender results, therefore, HK\$40 million is prepared for the deposit and operation of those projects; and (4) approximately HK\$60.1 million is earmarked as general working capital of the Company.

The gross proceeds of the Rights Issue will be approximately HK\$384 million before expenses. The estimated net proceeds of the Rights Issue will be approximately HK\$382 million after deducting all necessary expenses for the Rights Issue, which include financial, legal, and other professional advisory fees, underwriting commission, printing and translation expenses. The Group intends to use the net proceeds of the Rights Issue to finance any future investment identified/to be identified by the Company (including but not limited to the opportunities which have been disclosed by the announcement of the Company dated 22 January 2014 and 7 March 2014).

As stated in the Company's interim report for the six months ended 30 September 2013, the Group recorded unsatisfactory financial performance with loss making results. The management of the Group has been reviewing the existing businesses of the Group from time to time and strives to improve the business operation and financial position of the Group. As announced on 22 January 2014 and 7 March 2014, the Company is still conducting due diligence investigation for the proposed acquisition of the coal mining exploration right located at Xinjiang Uygur Autonomous Region, the PRC ("Proposed Coal Mining Project"). In addition, as at the date of this announcement, the Directors have also commenced studies and preliminary discussions in relation to bauxite mining projects ("Proposed Bauxite Mining Projects") with a view to evaluating the opportunities of investing in bauxite mining assets in Shanxi Province. The consideration for both the Proposed Coal Mining Project and the Proposed Bauxite Mining Projects shall be subject to negotiation and a formal legally binding agreement between the vendors and the Company after the Company has finished the due diligence review and has appointed the technical adviser to undertake the assessment of the mining reserve and respective operations.

Reasons for discussion in the Proposed Coal Mining Project and the Proposed Bauxite Mining Project

Management team

The management team members of the Group including Mr. Wang, the chairman of the Group and Mr. Gavin Xing, the chief executive officer of the Group who possess a profound understanding and rich experience in investment of natural resource assets. Mr. Wang has over 5 years of experience in international trading of non-ferrous metals and Mr. Gavin Xing has over 10 years of experience in investment banking and financing field with the commodities and natural resource industry. Therefore, the management team can perform their expertise in reviewing the Proposed Coal Mining Project and the Proposed Bauxite Mining Project.

Potential of coal mining industry

Coal is one of the most abundant fossil fuels worldwide with various uses, including but not limited to, electricity generation, steel making, and industrial uses such as cement manufacturing. According to the BP Statistical Review of World Energy June 2013 (www.bp.com), the PRC, being the world's largest coal producer, recorded higher total coal production than total coal consumption in 2012. In light of the growing domestic demand for both power and steel, the Directors are optimistic about the prospects of the long flame coal and gas coal mining business and it is expected that the proposed mining project may bring positive impacts to the earnings of the Group. The Board also considers that with the steady development of China's economy, domestic demand for coal would increase continuously in the next few years and coal prices will be maintained at a high level, thereby providing various opportunities for the Group's development in the coal industry.

Potential of bauxite mining industry

In light of the stable growth in demand of the aluminum product was evident in the PRC, the aluminum product price in the PRC is increasing steadily throughout the year. The Republic of Indonesia ("Indonesia") implemented a complete prohibition of exporting 65 kinds of raw ore materials, including bauxite, with effect from 12 January 2014. The recent export ban on bauxite in Indonesia which increase the transportation cost and the global bauxite price, may adversely affect China's aluminum product manufacturers. In the view of the rising trend of aluminum products, the Directors consider that the Proposed Bauxite Mining Projects would enhance returns of Shareholders.

In the view of above reason, the Directors and the management team are proactively seeking the potential coal and/or bauxite mining projects in order to enhance the return to Shareholders. When reviewing the potential mining project, the Directors would consider several selection criteria including but not limited (a) the completeness of the production licenses and facilities of the mines; (b) the quantity and quality of resources owned; (c) location of the mining areas; (d) the minerogenic geological condition; and (e) the prospect for exploration.

Except the MOU as disclosed in relating to the coal mine, there are no other letters of intent and MOU have been entered into. If the Proposed Acquisition cannot be completed, the relevant net proceeds will be reserved for other investment opportunities to be identified by the Group and may be re-allocated to other business segments of the Group based on the actual situation.

Shareholders should note that the negotiations for the proposed acquisitions may or may not materialise in full or at all. The Board will, having taken into account factors including the capital requirements of the proposed acquisitions, the financial conditions of the Group and the commercial merits of the proposed acquisition opportunities, decide on the appropriate acquisition opportunities to pursue.

Announcements will be made by the Group in accordance with the Listing Rules as and when necessary when there is a material change in the use of net proceeds from the Rights Issue.

Fund raising methods comparison

In view of the financing needs as aforementioned, the Board has from time to time considered and discussed with financial institutions regarding various fund raising methods available to the Group. Among different fund raising methods, the Directors have focused on evaluating the possibilities of carrying out fund raising through rights issue and open offer as they are relatively larger in scale as compared to placing of new shares under a general mandate. The Board (excluding the independent non-executive Directors whose opinion will be set out in the circular) considers the Rights Issue as presently the most commercially viable option for the Company in the prevailing circumstances for the following reasons:

Benefits of a rights issue

The Rights Issue offers all Shareholders equal opportunity to subscribe for their pro-rata provisional entitlement of the Rights Shares and hence avoids dilution. It also allows the Qualifying Shareholders who decide not to take up their entitlements under the Rights Issue to sell the nil-paid Rights Shares in the market for economic benefit. By comparison, had the Company raised equity of similar size in the form of a placing, then such an exercise would not have allowed the Shareholders the right to participate in the capital exercise and they would be diluted without being an opportunity to maintain their percentage interests.

Costs of other fund-raising alternatives

As of 30 June 2013, the Group has the outstanding interest-bearing bank borrowings amount in HK\$43 millions with the floating interest rates from 2.14% and 3.28% per annum. The Board will not consider debt financing at this stage as the expected finance costs are high and additional borrowings would only narrow the profit margin of the Group given that its interim results recorded the loss attributable to owners of the Company was approximately HK\$5,660,000 as at six months ended 30 September 2013.

Efforts in seeking other financing alternatives

While the Company has considered, and is still actively searching for, other financing alternatives including equity and debt financing, it is uncertain as to when and on what terms these financing alternatives will be made available.

The Rights Issue will allow the Company to strengthen its capital base and liquidity without incurring interest costs. The Rights Issue will also allow the Company to materially reduce its gearing ratio, thereby improving the financial health of the Group. Taking into account the capital needs of the Group, the benefits of the Rights Issue and the costs of other fund-raising alternatives, the Board (excluding the independent non-executive Directors whose opinion will be set out in the circular) is of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Future fund raising exercises

As at the date of this announcement, save for the Rights Issue, the Company has not identified any concrete fund raising plan with any financial institutions. However, as the Board will continue to explore ways to improve the financial performance of the Group, to diversify the Group's operations into new and more profitable businesses and to broaden the source of revenue should opportunity arise, the Board considers that it is in the interest of the Company to enlarge its capital base to support its business development and to maintain a healthy financial position in all times. Hence, the Company is open to any forms of fund raising exercises when suitable opportunities arise. The Board will maintain regular dialogues with financial institutions for fund raising proposals for the future business development of the Group and/or to finance the investment opportunities identified or to be identified by the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any other equity fund raising exercise in the past twelve months immediately prior to the date of this announcement.

EXPECTED TIMETABLE

2014

Hong Kong Time

Expected date of despatch of the Circular, proxy form and notice of EGM	not later than Monday, 14 July
Latest time for lodging transfer of Shares in order to qualify for attendance and voting at EGM	4:00 p.m. on Monday, 28 July
Register of members of the Company closes (both dates inclusive)	Tuesday, 29 July to Friday, 1 August
Latest time for return of form of proxy for the EGM (not less than 48 hours before the EGM)	11:00 a.m. on Wednesday, 30 July
Record date for attendance and voting at the EGM	on Friday, 1 August
Expected date and time of the EGM	11:00 a.m. on Friday, 1 August
Announcement of the result of the EGM	Friday, 1 August
Expected effective date of the Share Subdivision	Monday, 4 August
Commencement of dealings in Subdivided Shares	9:00 a.m. on Monday, 4 August
First day for free exchange of existing share certificates for Shares into new share certificates for Subdivided Shares	9:00 a.m. on Monday, 4 August
Original counter for trading in existing Shares in the board lots size of 2,000 Shares temporarily closes	9:00 a.m. on Monday, 4 August
Temporary counter for trading in Subdivided Shares in the board lots size of 16,000 Subdivided Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 4 August
Last day of dealing in the Subdivided Shares on a cum-rights basis	Tuesday, 5 August
First day of dealing in Subdivided Shares on an ex-right basis	Wednesday, 6 August
Latest time for lodging transfer of the Subdivided Shares in order to be qualified for the Rights Issue	4:00 p.m. on Thursday, 7 August

Register of members of the Company closes (both dates inclusive)	Friday, 8 August to Monday, 11 August
Record Date for Rights Issue	Monday, 11 August
Register of members of the Company re-opens	Tuesday, 12 August
Expected date of despatch of the Prospectus Documents	Wednesday, 13 August
First day of dealings in nil-paid Rights Shares	Friday, 15 August
Original counter for trading in the Subdivided Shares in board lots of 10,000 (only new certificates for the Subdivided shares can be traded at this counters) re-opens	9:00 a.m. on Monday, 18 August
Parallel trading in the Subdivided Shares (in the form of new and existing certificates) commences	9:00 a.m. on Monday, 18 August
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Subdivided Shares	Monday, 18 August
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Tuesday, 19 August
Last day of dealings in nil-paid Rights Shares	Friday, 22 August
Latest time for acceptance of and payment for Rights Shares . . .	4:00 p.m. on Wednesday, 27 August
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 28 August
Announcement of the results of the Rights Issue	Wednesday, 3 September
Share certificates for Rights Shares and refund cheques (if any) to be despatched on or before	Thursday, 4 September
Dealings in fully-paid Rights Shares commences	9:00 a.m. on Friday, 5 September
Designated broker ceases to stand in the market to provide matching services for odd lots of the Subdivided Shares	4:00 p.m. on Friday, 5 September
Temporary counter for trading in board lots of 16,000 Subdivided Shares (in the form of existing share certificates) closes	4:00 p.m. on Friday, 5 September
Parallel trading in the Subdivided Shares (in the form of new and existing certificates) ends	4:00 p.m. on Friday, 5 September

Last day for free exchange of existing certificates for

Existing Shares for new certificate for New Shares 4:00 p.m. Wednesday, 10 September

Note: All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in this announcement for events in the expected timetable above regarding the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Underwriter, and subject to the approval by the Stock Exchange of such amendments. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares

If there is:

- a tropical cyclone warning signal number 8 or above, or
 - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 27 August 2014, the latest time of acceptance of and payment for the Rights Shares will not take place at 4:00 p.m. on Wednesday, 27 August 2014, but will be extended to 5:00 p.m. on the same day instead; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 27 August 2014, the latest time of acceptance of and payment for the Rights Shares will not take place at 4:00 p.m. on Wednesday, 27 August 2014, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place on Wednesday, 27 August 2014, the dates mentioned in the section headed “Expected Timetable” in this announcement may be affected. A further announcement will be made by the Company in such event.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHT SHARES

Dealings in the Rights Shares in the nil-paid form will take place from Friday, 15 August 2014 to Friday, 22 August 2014 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or waived (as the case may be) or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Friday, 15 August 2014 to Friday, 22 August 2014 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares or Subdivided Shares up to the date when the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any persons

dealing in the nil-paid Rights Shares during the period from Friday, 15 August 2014 to Friday, 22 August 2014 (both dates inclusive) will accordingly bear the risk that the Rights Issue could not become unconditional or does not proceed.

IMPLICATIONS UNDER THE LISTING RULES

In compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue is made conditional on approval by the Independent Shareholders by way of poll at the EGM. Any Controlling shareholders and their associates shall abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, Grand Silver is a controlling Shareholder of the Company. Grand Silver and its associates will abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM.

The Rights Issue is conditional upon, among other things, being approved by the Independent Shareholders at the EGM. An Independent Board Committee of the Company comprising the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

A circular containing, among other things, (i) further details of the proposed Share Subdivision, the proposed Change in Board Lot Size and the proposed Rights Issue; (ii) a letter of recommendation from the Independent Board Committee of the Company to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee of the Company and the Independent Shareholders in respect of the Rights Issue; and (iv) the notice convening the EGM, will be dispatched to the Shareholders as soon as practicable.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus Documents will be dispatched to the Qualifying Shareholders as soon as practicable whereas the Prospectus will be dispatched to the Non-qualifying Shareholders for information only.

DEFINITIONS

In this announcement, unless the context otherwise required, the following words and phrases have the following meanings:

“Acceptance Time”	4:00 p.m. on Wednesday, 27 August 2014 (or such other time or date as the Underwriter may agree in writing with the Company) as the latest date for acceptance of, and payment of Rights Shares
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code

“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 10,000 Subdivided Shares after the Share Subdivision becoming effective
“Company”	Vision Fame International Holding Limited, a company incorporated in the Cayman Islands and the Shares of which are listed on the Stock Exchange
“connected persons”	has the meanings ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and approve, among other things, the Share Subdivision and the Rights Issue
“Grand Silver”	Grand Silver Group Limited, a company holds 225,000,000 Shares, representing 75% of the issued share capital of the Company, as at the date of this announcement
“Group”	the Company and its subsidiaries
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising all of the three independent non-executive Directors formed for the purpose of advising the Independent Shareholder(s) on the Rights Issue

“Independent Shareholders”	the controlling shareholders and their associates
“Latest Time for Acceptance”	4:00 p.m. on 27 August 2014 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	4:00 p.m. on 28 August 2014, being the first Business Day after (but excluding) the Latest Time for Acceptance, but in any event not later than the date falling on the fourth month from the date of this Agreement or such other time as may be agreed between the Company and the Underwriter
“Last Trading Day”	Thursday, 19 June 2014, being the last trading day of the Shares on the Stock Exchange preceding the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is(are) in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	13 August 2014, or such other day as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and PAL

“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Monday, 11 August 2014 or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are determined
“Rights Issue”	the proposed issue of the Rights Shares by way of rights issue to the Qualifying Shareholders for subscription at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	2,400,000,000 new Subdivided Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of one Rights Share for every one (1) Subdivided Share held at the close of business on the Record Date and payable in full on application thereof pursuant to Rights Issue
“Settlement Date”	Tuesday, 2 September 2014, being the fourth Business Day following the Acceptance Time or such later date as the Company and the Underwriter may agree
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Subdivision”	the proposed subdivision of each of the existing issued and unissued Share into eight (8) Subdivided Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.00125 each in the share capital of the Company upon the Share Subdivision becoming effective
“Subscription Price”	the subscription price for the Rights Shares, being HK\$0.16 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Underwriter”	Ping An of China Securities (Hong Kong) Company Limited, a licensed corporation under the SFO permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, being the underwriter of the Rights Issue
“Underwriting Agreement”	the underwriting agreement dated 19 June 2014 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	all the Rights Shares (other than the Rights Shares that will be provisionally allotted to and subscribed by Grand Silver pursuant to the Undertaking) which are fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement
“Undertaking”	the undertaking dated 19 June 2014 given by Grand Silver in favour of the Company and the Underwriter that, among other things, it will subscribe for or procure subscriptions for 1,800,000,000 Rights Shares to which it is entitled under the Rights Issue
“%”	percentage

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

Hong Kong, 19 June 2014

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