Vision Fame International Holding Limited

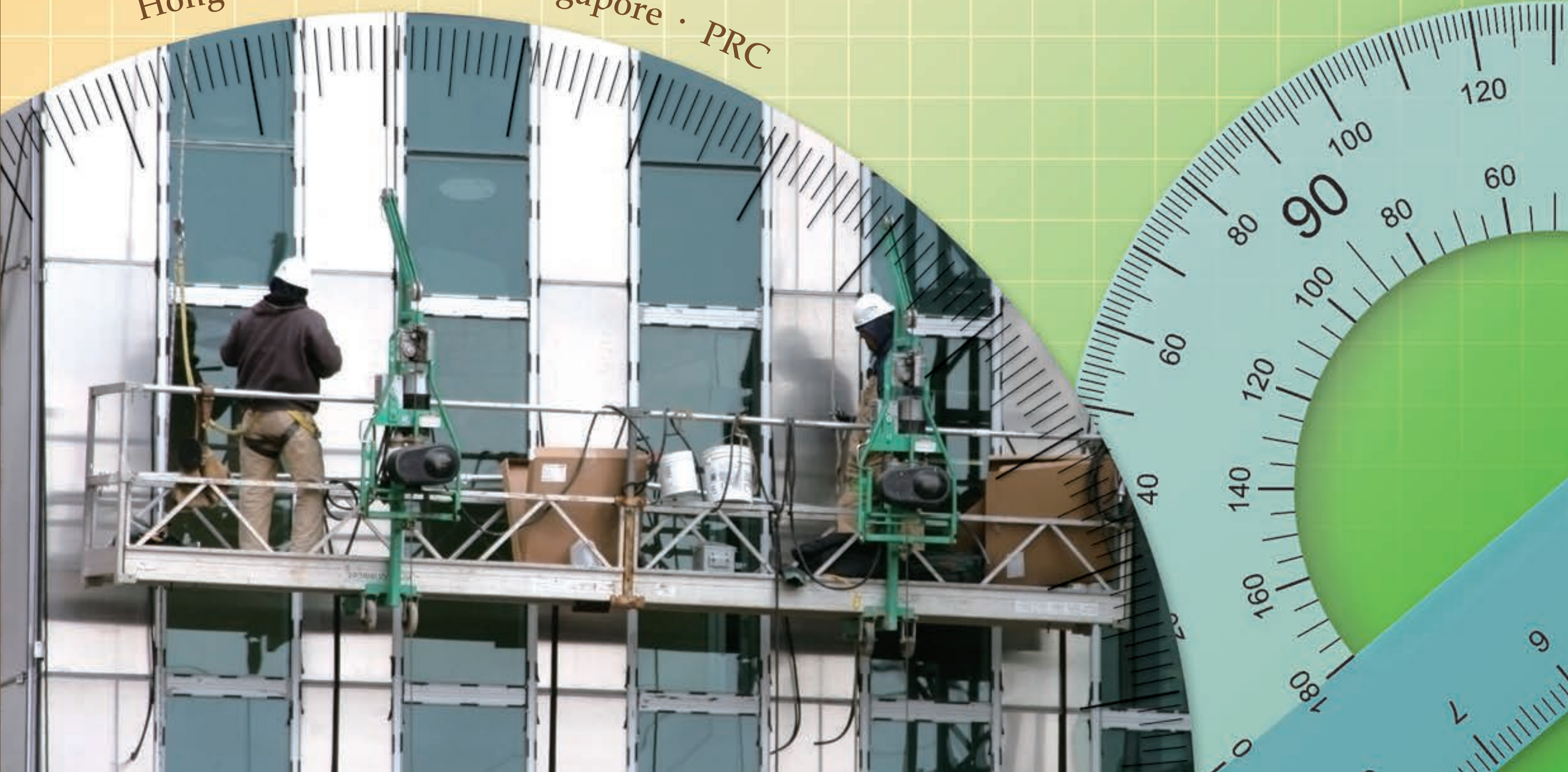
允升國際控股有限公司

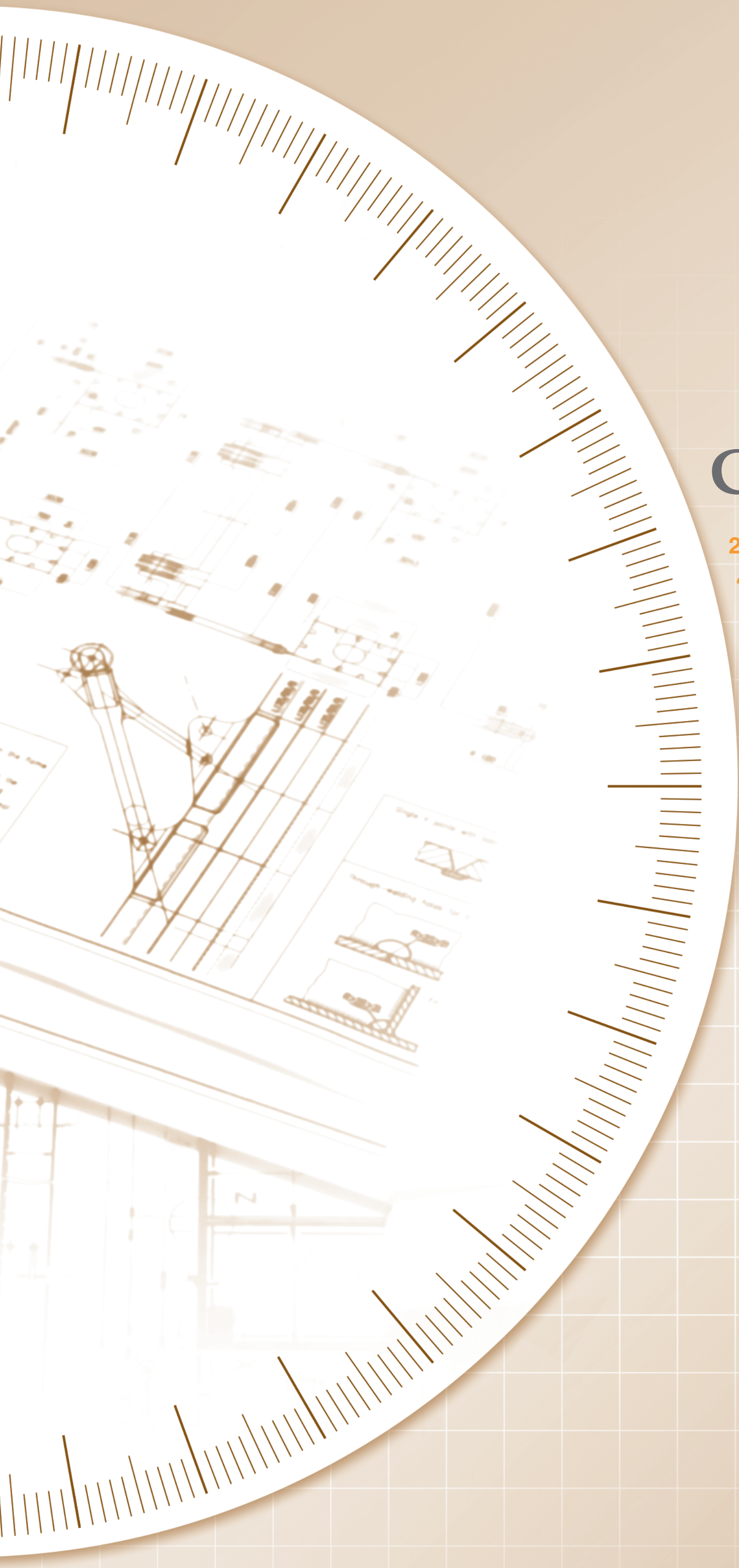
(incorporated in the Cayman Islands with limited liability)

Stock Code : 1315

Interim Report 2013

Hong Kong · Macau · Singapore · PRC





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Corporate Information

Executive Directors

Wang Zhijun *(Chairman)*
Gavin Xing *(Chief Executive Officer)*
Hu Baoyue

Independent Non-executive Directors

Chiu Sai Chuen Nicholas
Tam Tak Kei Raymond
Wong Kai Tung Simon

Company Secretary

Lee Hon Chiu

Audit Committee

Tam Tak Kei Raymond *(Chairman)*
Chiu Sai Chuen Nicholas
Wong Kai Tung Simon

Remuneration Committee

Wong Kai Tung Simon *(Chairman)*
Wang Zhijun
Hu Baoyue
Chiu Sai Chuen Nicholas
Tam Tak Kei Raymond

Nomination Committee

Wang Zhijun *(Chairman)*
Hu Baoyue
Chiu Sai Chuen Nicholas
Tam Tak Kei Raymond
Wong Kai Tung Simon

Registered Office

Clifton House
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P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Suite 02, 19th Floor, CCB Tower,
No. 3 Connaught Road Central,
Central, Hong Kong

Authorised Representatives

Hu Baoyue
Lee Hon Chiu

Auditor

SHINEWING (HK) CPA Limited
43/F, The Lee Gardens, 33 Hysan Avenue,
Causeway Bay, Hong Kong

Legal Advisers

As to Hong Kong law
King & Wood Mallesons
13/F Gloucester Tower, The Landmark,
15 Queen's Road Central,
Central, Hong Kong

As to the Cayman Islands law
Appleby
2206–19 Jardine House, 1 Connaught Place,
Central, Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Limited
BNP Paribas Hong Kong Branch
DBS Bank Ltd
Malayan Banking Berhad

Principal Share Registrar and Transfer Office

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Company Website

www.visionfame.com

Management Discussion and Analysis

(1) Interim Results

For the six months ended 30 September 2013 (the "Period"), the Group recorded a turnover of approximately HK$440,840,000, representing a 9% decrease against approximately HK$484,016,000 of the same period in 2012. During the Period, the Group achieved a gross profit of approximately HK$18,312,000 (six months ended 30 September 2012: approximately HK$43,433,000). The decrease in turnover, gross profit and gross profit margin of the Group was attributable to a number of sizable projects in alterations, renovation, upgrading and fitting-out works segment (collectively "A&A works segment") in Hong Kong with higher gross profit margin were substantially completed in the last period resulting more revenue together with higher gross profit which have been contributed to the same period in 2012. In addition, the progress of several newly-awarded projects in Hong Kong and Singapore during the Period were still at an early stage and such revenue was not reflected in the Period. Furthermore, the decrease of gross profit and gross profit margin were also attributed by significant increases in construction costs including material, staff and labour cost in Hong Kong and Singapore.

During the Period, the Group had won ten new contracts with total contract value amounting to approximately HK$393 million of which, 4 contracts with contract value of approximately HK$300 million were of the building construction segment and 6 contracts with contract value of approximately HK$93 million were of A&A works segment. As at 30 September 2013, the Group has projects in progress with total contract sum of approximately HK$3,236 million.

After the end of the reporting period and up to date of this interim report, the Group has entered into two new contracts in aggregate of approximately HK$7 million.

Other income for the Period was approximately HK$4,572,000 representing an increase as compared with the last interim period. The increase was mainly contributed by the rental income from renting construction machines by a joint venture in Singapore during the Period.

Share of profit of an associate of approximately HK$7,051,000 in the last interim period represented profit contributed from an associate company, Castilia Development Pte Ltd, in Singapore. The residential apartments of the associate company were handed over to the buyers during the last interim period resulting recognition of profit from sales of the residential apartments. No similar income was recorded in the Period.

For the Period under review, the loss attributable to owners of the Company was approximately HK$5,660,000 as compared with a profit of approximately HK$23,203,000 of the corresponding period of last year.

The basic loss per share for the Period were HK1.89 cents compared to basic earnings per share HK7.73 cents of the last interim period.

(2) Review of Operations

(i) Building Construction

Revenue for the building construction segment for the Period was approximately HK$164,873,000 (six months ended 30 September 2012: approximately HK$134,112,000) and segment profit was approximately HK$3,217,000 (six months ended 30 September 2012: approximately HK$16,669,000). The result for the Group in this segment during the Period was a decrease in segment profit resulting from significant increases in construction costs in this segment including material, staff and labour cost in Hong Kong and Singapore.

(2) Review of Operations (Continued)

(ii) Property Maintenance

Revenue for the property maintenance segment for the Period was approximately HK$106,857,000 (six months ended 30 September 2012: approximately HK$74,940,000) and segment profit was approximately HK$6,644,000 (six months ended 30 September 2012: approximately HK$4,490,000).

The overall result for the Group in this segment was increases in both revenue and segment profit associated with comparable segment profit margin as compared with the last interim period in 2012. The increase in both revenue and segment profit were mainly due to the fact that a newly-awarded slopes maintenance term contract commenced in the Period resulting more revenue and segment profit have been recognized during the Period.

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

Revenue for the A&A works segment for the Period was approximately HK$169,110,000 (six months ended 30 September 2012: approximately HK$274,964,000) and the segment profit was approximately HK$9,684,000 (six months ended 30 September 2012: approximately HK$23,155,000). The overall result for the Group in this segment was decrease in revenue and segment profit associated with decrease in segment profit margin as compared with the last interim period.

The segment profit margin of the last interim period was higher primarily benefited from a number of sizable projects in Hong Kong with higher gross profit margin were substantially completed during the last interim period. In addition, the progress of several newly-awarded projects during the Period were still at an early stage and such revenue was not reflected in the Period as compared with the last interim period.

(3) Prospects

The future prospects of the Hong Kong construction industry are bright although the risks associated with shortage of labour will continue to surge. The increase in public expenditure for both infrastructure and housing developments provides brilliant opportunities to the industry. To cope with the impacts on costs driven by the shortage of skilled labour, the Group will focus on short or medium term opportunities and on contracts with price fluctuation adjustment in order to minimize the risk.

In Singapore, the availability of tender opportunity is optimistic due to the expectant healthy pipeline of building projects expected. However, despite the strong construction demand forecast, the profit margins are not expected to improve due to the tightening of foreign labour supply, increasing of levy, coupled with the shortage of building raw materials.

In coming 2014 and 2015, construction market in Macau would keep surging up, though the competition is also keener than before. The Group would benefit from rapid expansion in the market resulting from further developments of casinos and hotels of the major casino operators.

We believe that continuous economic growth of the People's Republic of China (the "PRC") will offer further market opportunities. The Group will develop business in the PRC. Apart from conventional construction business, the Group would manage to expand and diversify into construction related businesses and capture other business opportunities which will deliver maximized returns.

(4) Financial Position

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

As at 30 September 2013, the Group's total cash in hand was approximately HK$214,295,000 (as at 31 March 2013: approximately HK$98,019,000).

The portfolio of the currencies of bank deposits is listed as follow:

	30 September 2013 '000	31 March 2013 '000
Hong Kong Dollars	165,678	53,323
United States Dollars	853	853
Singapore Dollars	6,556	6,045
Macau Patacas	1,589	273

During the Period, the Group has no financial instrument for currency hedging purpose.

The Group has certain portion of bank balances and cash denominated in currencies other than the functional currency of the entity to which they relate. 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.

Whereas total interest-bearing borrowings have reduced slightly from 31 March 2013 of approximately HK$48,500,000 to 30 September 2013 of approximately HK$43,000,000. All borrowings were denominated in Hong Kong Dollars. The total amounts of bank borrowings as at 30 September 2013 were repayable within one year based on the scheduled repayment dates set out in the loan agreements. The Group's net cash balance has increased from 31 March 2013 of approximately HK$49,519,000 to 30 September 2013 of approximately HK$171,295,000.

The bank borrowings are secured by the Group's property, certain bank deposits and benefits under certain construction contracts. At the end of the reporting period, the Group had pledged the following assets to banks and an insurance company to secure the banking facilities and performance bonds granted to the Group:

	30 September 2013 HK$'000	31 March 2013 HK$'000
Property, plant and equipment	7,830	7,920
Other receivables	15,831	15,681
Bank deposits	47,921	47,901
	71,582	71,502

(4) Financial Position (Continued)

Interest on bank loans are charged at floating rates. 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 2013, the Group has been granted total banking facilities of approximately HK$238,952,000 (as at 31 March 2013: approximately HK$259,434,000). An amount of approximately HK$190,781,000 (as at 31 March 2013: approximately HK$173,697,000) remained unutilized.

(5) 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 2013 and 31 March 2013 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the condensed consolidated statements 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.

(6) Liquidity and Financial Resources

As at 30 September 2013, the gearing ratio of the Group was approximately 7.8% (as at 31 March 2013: approximately 11.4%). 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 2013, the current assets and current liabilities were stated at approximately HK$477,452,000 (as at 31 March 2013: approximately HK$361,341,000) and approximately HK$329,972,000 (as at 31 March 2013: approximately HK$200,669,000), respectively. The current ratio decreased from 1.80 times of 31 March 2013 to 1.45 times of 30 September 2013. 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 our Group's finance department in Hong Kong. The Group adheres to prudent principle financial management in order to control and minimize financial and operational risks.

The Group's financial position is sound and strong. With available bank balances and cash and existing available bank credit facilities, the Group has sufficient liquidity and financial resources to satisfy its financial requirements.

(7) Contingent Liabilities and Capital Commitments

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

	30 September 2013 HK$'000	31 March 2013 HK$'000
Guarantees in respect of performance bonds in favor of its clients	**120,734**	129,506

The Group did not have any significant capital commitment as at 30 September 2013 and 31 March 2013.

(8) Available-For-Sale Investments

As at 30 September 2013, the Group has available-for-sale investments of approximately HK$12,474,000 (as at 31 March 2013: approximately HK$14,883,000), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 30 September 2013, the Group held 89,400,000 shares (as at 31 March 2013: 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.

(9) Movement of incomplete contracts for the six months ended 30 September 2013

	31 March 2013 HK$'000	Contracts Secured HK$'000	Contracts Completed HK$'000	**30 September 2013 HK$'000**
Building Construction	1,594,099	299,794	—	**1,893,893**
Property Maintenance	679,168	—	—	**679,168**
Alterations, Renovation, Upgrading and Fitting-Out Works	662,250	93,313	92,747	**662,816**
	2,935,517	393,107	92,747	**3,235,877**

Building Construction segment

Contracts secured during the six months ended 30 September 2013

Contracts	**Commencement date**	**Contract value** HK$'000
Design & Build of Proposed Community Building at Hougang Avenue 9 for People's Association, Singapore	September 2013	183,747
Bored Piling Works for erection of Condominium Housing Development at New Upper Changi Road/Tanah Merah Kechil Link, Singapore	April 2013	9,160
Bored Piling Works for Design and Build of proposed Epicentre at Tuas South Avenue 3 and 5, Tuas Biomedical Park, Singapore	September 2013	19,379
Proposed Industrial Building at 37–53 Wang Lok Street, Yuen Long Industrial Estate, N.T., Hong Kong	October 2013	87,508
Total		299,794

(9) Movement of incomplete contracts for the six months ended 30 September 2013 (Continued)

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts secured during the six months ended 30 September 2013

Contracts	Commencement date	Contract value HK$'000
Provision of New Duty Free Counters at Lo Wu Terminal Building (K0888), Hong Kong	April 2013	3,073
Main Contract for Proposed A & A Works for Pacific Club (Phase 3) at Canton Road, Tsimshatsui, Kowloon, Hong Kong	April 2013	21,871
Patch Repair for Grille Block Wall at Lift Lobby of Chi Chun Lau at Chun Seen Mei Chuen (13050), Hong Kong	August 2013	609
Station Commercial Works at Mei Foo MTR Station, Hong Kong	September 2013	11,899
Public Toilet Fit-Out Works for West Kowloon Terminus MTR, Hong Kong	September 2013	53,100
Staff Changing Rooms Alteration Works on L00 in the City of Dreams, Macau	June 2013	2,761
Total		93,313

Contracts completed during the six months ended 30 September 2013

Contracts	Commencement date	Completion date	Contract value HK$'000
Addition of Lift Towers at Oi Man and Lai Yiu Estates, Hong Kong	July 2011	May 2013	47,842
A&A Works at Sub-basement to 1/F., Block A, at Harbour City, Canton Road, Kowloon, Hong Kong	July 2012	May 2013	44,905
Total			92,747

(9) Movement of incomplete contracts for the six months ended 30 September 2013 (Continued)

Contracts secured subsequent to 30 September 2013 and up to the date of this report

Contract	Commencement date	Contract value HK$'000
Piling Works at Proposed Erection of a 4 storey Mosque with Basement Carpark and a Roof Terrace at Punggol New Town, Singapore	October 2013	3,488
Alterations and Additions Works to Y6/F for the Hong Kong Polytechnic University, Hong Kong	November 2013	3,708
Total		7,196

(10) Employees and remuneration policies

As at 30 September 2013, the Group employed a total of 301 staff (as at 30 September 2012: 279 staff) which included Hong Kong, Singapore and Macau employees. The total remuneration for staff was approximately HK$45 million for the Period (six months ended 30 September 2012: approximately HK$39 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 remuneration committee or 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.

(11) Material Acquisitions and Disposal of Subsidiaries and Associated Companies

During the period ended 30 September 2013, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

Report on Review of Condensed Consolidated Financial Statements

信永中和 ShineWing

SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE BOARD OF DIRECTORS OF VISION FAME INTERNATIONAL HOLDING LIMITED
允升國際控股有限公司
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Vision Fame International Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 14 to 33, which comprise the condensed consolidated statement of financial position as of 30 September 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Hon Kei, Anthony
Practising Certificate Number: P05591

Hong Kong
29 November 2013

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2013

	Notes	Six months ended 30 September 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
Turnover	4	**440,840**	484,016
Cost of sales		**(422,528)**	(440,583)
Gross profit		**18,312**	43,433
Other income		**4,572**	1,821
Administrative expenses		**(27,803)**	(24,428)
Finance costs	5	**(702)**	(818)
Share of (loss) profit of an associate		**(9)**	7,051
(Loss) profit before taxation	6	**(5,630)**	27,059
Taxation	7	**(30)**	(3,856)
(Loss) profit for the period attributable to owners of the Company		**(5,660)**	23,203
Other comprehensive (expense) income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(1,270)**	1,924
Fair value (loss) gain on available-for-sale investments		**(2,202)**	2,762
Other comprehensive (expense) income for the period		**(3,472)**	4,686
Total comprehensive (expense) income for the period attributable to owners of the Company		**(9,132)**	27,889
(Loss) earnings per share (in Hong Kong cents)			
Basic and diluted	9	**(1.89)**	7.73

Condensed Consolidated Statement of Financial Position

As at 30 September 2013

	Notes	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	*10*	25,338	16,966
Interest in an associate		7,567	7,695
Interest in a joint venture		—	—
Available-for-sale investments		12,474	14,883
		45,379	39,544
Current assets			
Amounts due from customers for contract work		46,404	48,304
Trade and other receivables	*11*	245,549	240,115
Amount due from a joint venture		2,331	642
Tax recoverable		35	—
Pledged bank deposits		47,921	47,901
Bank balances and cash		166,374	50,118
		508,614	387,080
Current liabilities			
Amounts due to customers for contract work		10,009	4,928
Trade and other payables	*12*	184,308	167,876
Amount due to an associate		6,172	5,006
Amount due to a director of subsidiaries	*13*	113,693	—
Secured bank borrowings	*14*	43,000	48,500
Obligation under finance leases	*15*	2,703	—
Tax payable		—	899
		359,885	227,209
Net current assets		148,729	159,871
Total assets less current liabilities		194,108	199,415

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 September 2013

	Notes	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Non-current liabilities			
Obligation under finance leases	*15*	3,821	—
Long service payment obligations		828	828
Deferred tax liability		425	421
		5,074	1,249
Net assets		189,034	198,166
Capital and reserves			
Share capital	*16*	3,000	3,000
Reserves		186,034	195,166
Total equity		189,034	198,166

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2013

	Share capital HK$'000	Share premium HK$'000 *(Note a)*	Exchange reserve HK$'000	Capital reserve HK$'000 *(Note b)*	Legal reserve HK$'000 *(Note c)*	Available-for-sale investments revaluation reserve HK$'000	Other reserve HK$'000 *(Note d)*	Retained profits HK$'000	Total HK$'000
At 1 April 2013 (audited)	**3,000**	**44,322**	**8,979**	**3,642**	**12**	**2,992**	**22,000**	**113,219**	**198,166**
Loss for the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(5,660)**	**(5,660)**
Other comprehensive expense for the period	**—**	**—**	**(1,270)**	**—**	**—**	**(2,202)**	**—**	**—**	**(3,472)**
Total comprehensive expense for the period	**—**	**—**	**(1,270)**	**—**	**—**	**(2,202)**	**—**	**(5,660)**	**(9,132)**
At 30 September 2013 (unaudited)	**3,000**	**44,322**	**7,709**	**3,642**	**12**	**790**	**22,000**	**107,559**	**189,034**
At 1 April 2012 (audited)	3,000	53,322	7,926	2,776	12	1,317	22,000	87,116	177,469
Profit for the period	—	—	—	—	—	—	—	23,203	23,203
Other comprehensive income for the period	—	—	1,924	—	—	2,762	—	—	4,686
Total comprehensive income for the period	—	—	1,924	—	—	2,762	—	23,203	27,889
Dividend paid *(note 8)*	—	(9,000)	—	—	—	—	—	—	(9,000)
At 30 September 2012 (unaudited)	3,000	44,322	9,850	2,776	12	4,079	22,000	110,319	196,358

Notes:

a. *Under the Companies Law, Cap. 22 (Law 6 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.*

b. *Capital reserve comprises the following:*

— *In prior years, Wan Chung Construction Company Limited ("Wan Chung Construction") acquired entire equity interest in Wan Chung Property Company Limited ("Wan Chung Property") from its then shareholder at a discount of approximately HK$2,776,000. Such acquisition is deemed to be a transaction with owners of the Company and therefore recorded in capital reserve.*

— *Recovery of indemnified taxation from its then shareholder pursuant to the deed of indemnity dated 19 December 2011. Such recovery is deemed to be a transaction with owners of the Company and therefore recorded in capital reserve.*

c. *In accordance with the provisions of Macau Commercial Code, the Company's subsidiary incorporated in Macau is required to transfer 25% of its annual net profit to a legal reserve until the balance of the reserve reaches 50% of the subsidiary's registered capital. Legal reserve is not distributable to shareholders.*

d. *Other reserve represents the difference between the nominal value of the issued share capital of the subsidiaries, acquired pursuant to the group reorganisation and the consideration paid for acquiring these subsidiaries.*

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2013

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash from operating activities	**13,536**	10,196
Net cash (used in) from investing activities	**(4,770)**	3,656
Net cash from (used in) financing activities	**107,976**	(11,402)
Net increase in cash and cash equivalents	**116,742**	2,450
Cash and cash equivalents at the beginning of the period	**50,118**	65,997
Effect of foreign exchange rate changes	**(486)**	460
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**166,374**	68,907

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

1. General

Vision Fame International Holding Limited (the "Company") was incorporated in the Cayman Islands on 31 May 2011 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

The Company acts as an investment holding company and the principal activities of its subsidiaries (together with the Company, referred to as the "Group") are provision of building construction, property maintenance and alterations, renovation, upgrading and fitting-out works services.

2. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "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.

3. 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, as appropriate.

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 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle, except for the amendments to HKAS 1
Amendments to HKFRS 1	First-time Adoption of HKFRSs — Government Loans
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK (International Financial Reporting Interpretations Committee) — Interpretation ("Int") 20	Stripping Costs in the Production Phase of a Surface Mine

3. Principal Accounting Policies (Continued)

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures, and the guidance contained in a related interpretation, HK(SIC)-Int 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements — joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements — jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company have reviewed and assessed the classification of the Group's investment in joint arrangement in accordance with the requirements of HKFRS 11. The directors of the Company conclude that the Group's investment in Keat Seng — Vision Foundation JV Pte. Ltd., which was classified as a jointly controlled entity under HKAS 31, should be classified as a joint venture under HKFRS 11. The investment continues to be accounted for using the equity method and therefore the application of HKFRS 11 does not have material impact on the financial position and the financial result of the Group.

3. Principal Accounting Policies (Continued)

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 19.

HKAS 19 Employee Benefits (as revised in 2011)

In the current interim period, the Group has applied HKAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

HKAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net interest' amount under HKAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have not had a material impact on the amounts recognised in profit or loss and other comprehensive income in prior years as all actuarial gains and losses are recognised immediately through other comprehensive income according to the Group's accounting policy and the Group does not have any plan assets.

3. Principal Accounting Policies (Continued)

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Amendments to HKAS 34 Interim Financial Reporting (as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle)

The Group has applied the amendments to HKAS 34 Interim Financial Reporting as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the chief operating decision maker reviews assets and liabilities of the Group's reportable segments for performance assessment and resource allocation purposes, the Group includes total assets and total liabilities information as part of segment information.

Other than described above, the application of the new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements. The Group has not applied any new or revised HKFRSs that is not yet effective for the current interim period.

4. Turnover and Segment Information

The Group's reportable and operating segments, based on information reported to the chief executive officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on services provided are as follows:

(i) Building construction;

(ii) Property maintenance; and

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

No operating segments have been aggregated to form the above reportable and operating segments. Information regarding the above segments is reported below.

(a) Segment revenue and results

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

For the six months ended 30 September 2013

	Building construction HK$'000 (Unaudited)	Property maintenance HK$'000 (Unaudited)	Alterations, renovation, upgrading and fitting-out works HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Segment revenue	164,873	106,857	169,110	440,840
Segment profit	3,217	6,644	9,684	19,545
Other income				3,339
Central administration costs				(27,803)
Finance costs				(702)
Share of loss of an associate				(9)
Loss before taxation				(5,630)

4. Turnover and Segment Information (Continued)

(a) Segment revenue and results (Continued)

For the six months ended 30 September 2012

	Building construction HK$'000 (Unaudited)	Property maintenance HK$'000 (Unaudited)	Alterations, renovation, upgrading and fitting-out works HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Segment revenue	134,112	74,940	274,964	484,016
Segment profit	16,669	4,490	23,155	44,314
Other income				940
Central administration costs				(24,428)
Finance costs				(818)
Share of profit of an associate				7,051
Profit before taxation				27,059

4. Turnover and Segment Information (Continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Segment assets		
Building construction	71,453	91,336
Property maintenance	61,303	71,429
Alterations, renovation, upgrading and fitting-out works	137,532	107,068
Total segment assets	270,288	269,833

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Segment liabilities		
Building construction	47,834	55,616
Property maintenance	32,090	39,075
Alterations, renovation, upgrading and fitting-out works	102,452	67,089
Total segment liabilities	182,376	161,780

5. Finance Costs

	Six months ended 30 September	
	2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
Interest on:		
Finance leases	30	—
Secured bank borrowings wholly repayable within five years	672	818
	702	818

6. (Loss) Profit Before Taxation

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

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Bank interest income	**(305)**	(313)
Interest income from sub-contractors	**(626)**	(766)
Other interest income *(note)*	**(607)**	—
Investment income	**(7)**	(7)
Depreciation of property, plant and equipment	**2,149**	1,792
Minimum lease payment under operating leases in respect of land and buildings	**1,488**	542
Exchange difference, net	**(512)**	765

Note: During the six months ended 30 September 2013, interest income of approximately HK$607,000 (six months ended 30 September 2012: nil) represented revenues yielded by a recovery proceeding of the Group which was made against the other party for determination of their dispute in respect of the final contract amount of a construction project in which the Group was engaged as the main contractor.

7. Taxation

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current taxation — Hong Kong Profits Tax	**26**	3,852
Deferred taxation	**4**	4
	30	3,856

8. Dividends

During the six months ended 30 September 2012, a final dividend of HK3 cents per share in respect of the year ended 31 March 2012 (six months ended 30 September 2013: nil in respect of the year ended 31 March 2013) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the six months ended 30 September 2012 amounted to HK$9,000,000 (six months ended 30 September 2013: nil).

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: nil).

9. (Loss) Earnings Per Share

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

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
(Loss) earnings		
(Loss) earnings for the purpose of basic (loss) earnings per share	**(5,660)**	23,203
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**300,000**	300,000

The diluted (loss) earnings per share is equal to the basic (loss) earnings per share as there were no dilutive potential ordinary shares for the six months ended 30 September 2013 and 2012.

10. Property, Plant and Equipment

During the six months ended 30 September 2013, the Group spent approximately HK$10,609,000 (six months ended 30 September 2012: approximately HK$5,784,000) for the acquisition of property, plant and equipment, including machineries of approximately HK$8,158,000 (six months ended 30 September 2012: nil) for construction purpose, leasehold improvement of approximately HK$1,416,000 (six months ended 30 September 2012: approximately HK$41,000), furniture, fixtures and equipment of approximately HK$939,000 (six months ended 30 September 2012: approximately HK$5,456,000), and computer of approximately HK$96,000 (six months ended 30 September 2012: approximately HK$287,000) for a new office premise.

11. Trade Receivables

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate.

The following is an analysis of trade receivables by age, presented based on the invoice date.

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Within 30 days	103,850	114,939
More than 30 days but within 90 days	4,133	437
More than 90 days	—	555
	107,983	115,931

12. Trade Payables

The following is an analysis of trade payables by age, presented based on the invoice date.

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Within 30 days	111,624	109,112
More than 30 days but within 90 days	9,310	1,148
More than 90 days	1,393	1,215
	122,327	111,475

13. Amount Due to a Director of Subsidiaries

The amount was due to Mr. Wong Law Fai ("Mr. Wong"), a director of certain subsidiaries of the Group. At 30 September 2013, the amount was unsecured, interest free and repayable on demand.

On 13 November 2013, amount of approximately HK$3,693,000 has been repaid to Mr. Wong.

14. Secured Bank Borrowings

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Carrying amount repayable within one year *(note)*	**43,000**	48,500

Note: The amounts due are based on the scheduled repayment dates set out in the loan agreements.

As at 30 September 2013, secured bank borrowings bore floating interest rates from 2.14% to 3.28% (31 March 2013: 2.20% to 3.21%) per annum.

As at 30 September 2013 and 31 March 2013, banking facilities were secured by:

- certain assets of the Group as set out in note 20; and
- personal guarantee of approximately HK$43,201,000 (31 March 2013: HK$46,931,000) provided by a former director of a subsidiary.

15. Obligation under Finance Leases

During the six months ended 30 September 2013, the Group leased certain of its machineries under finance leases. The average lease term is 3 years (six months ended 30 September 2012: nil). Interest rates underlying all obligations under finance lease are fixed at respective contract dates ranging from 2.39% to 2.91% (six months ended 30 September 2012: nil) per annum. The Group's obligations under finance lease are secured by the lessor's charge over the leased assets in carrying amount of approximately HK$7,566,000 and personal guarantee of approximately HK$1,041,000 (31 March 2013: nil) provided by two directors of a subsidiary.

16. Share Capital

	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Ordinary share of HK$0.01 each		
Authorised:		
At 31 March 2012, 31 March and 30 September 2013	2,000,000,000	20,000
Issued and fully paid:		
At 31 March 2012, 31 March and 30 September 2013	300,000,000	3,000

17. Commitments

The Group as lessee

At the end of the reporting period, the Group had outstanding commitments in respect of future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Within one year	4,083	474
In the second to fifth year inclusive	6,742	—
	10,825	474

Operating lease payments represent rentals payable by the Group for certain of its office premises and staff quarters. Leases are negotiated and rentals are fixed for an average term of one to four years (31 March 2013: one to four years).

18. Contingent Liabilities

(a) Contingent liabilities in respect of legal claims

One subsidiary of the Group is 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 no provision for the contingent liabilities in respect of the litigation is necessary after due consideration of each case and with reference to the legal opinion.

(b) Guarantees issued

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

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Guarantees in respect of performance bonds in favor of its clients	120,734	129,506

At the inception of the financial guarantees, the directors of the Company considered that the fair value of which was insignificant.

19. Fair Value Measurements of Financial Instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial asset	Fair value as at 30 September 2013 HK$'000 (Unaudited)	Fair value as at 31 March 2013 HK$'000 (Audited)	Fair value hierarchy	Valuation technique(s) and key input(s)
Listed equity securities classified as available-for-sale investments	12,138	14,545	Level 1	Quoted bid prices in an active markets
Listed debt securities classified as available-for-sale investments	336	338	Level 1	Quoted bid prices in an active markets

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

20. Pledge of Assets

(a) At the end of the reporting period, the Group had pledged the following assets to banks and an insurance company to secure the banking facilities and performance bonds granted to the Group:

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Property, plant and equipment	7,830	7,920
Other receivables	15,831	15,681
Bank deposits	47,921	47,901
	71,582	71,502

(b) The Group's benefits under certain construction contracts were pledged to banks to secure the facilities granted to the Group.

21. Related Party Transactions

(a) Except as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties:

	Six months ended 30 September	
	2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
Construction revenue received from an associate	—	3,004
Construction cost paid to a joint venture	34,201	—
Rental income received from a joint venture	1,975	—

(b) Compensation of key management personnel

The remuneration of key management personnel of the Group during the period was as follows:

	Six months ended 30 September	
	2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
Salaries, allowances and other benefits	3,021	8,084
Contributions to retirement benefits scheme	43	213
	3,064	8,297

21. Related Party Transactions (Continued)

(c) The following balances were outstanding from (to) related parties at the end of the reporting period:

Related parties	Nature of transactions	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Associate	Retention money receivable (included in other receivables)	986	999
Joint venture	Trade payable	(2,315)	—
Joint venture	Retention money payable (included in other payables)	(1,096)	—

(d) Under a deed of indemnity dated 19 December 2011, the then controlling shareholders, who ceased as shareholders on 13 March 2013, had undertaken to provide indemnities on a joint and several basis in respect of, among other matters, all claims, payments, suits, damages, settlements payment and any associated costs and expenses which would be incurred or suffered by the Group as a result of any litigation, arbitration and/or legal proceedings, whether of criminal, administrative, contractual, tortuous or otherwise nature against any member of the Group which was issued and/or accrued and/or arising from any act, non-performance, omission or otherwise of any member of the Group on or before the listing date.

During the year ended 31 March 2013, the Group received an additional tax assessment on the Hong Kong Profits Tax in respect of the year of assessment of 2007/08 from the Hong Kong Inland Revenue Department for a total sum of approximately HK$866,000. Pursuant to the deed of indemnity dated 19 December 2011, the tax liabilities were recovered from the then controlling shareholders of the Company before they ceased to be the shareholders of the Company on 13 March 2013.

Interim Dividend

The directors of the Company (the "Directors") do not recommend the payment of dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: 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 2013.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2013, 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. Wang Zhijun *(Note)*	Interest of Controlled Corporation	225,000,000 (L)	75%

(L): Long position

Note: The 225,000,000 Shares are held by Grand Silver Group Limited, and Mr. Wang Zhijun beneficially owns the entire issued share capital of Grand Silver Group Limited. By virtue of the SFO, Mr. Wang Zhijun is deemed to be interested in the 225,000,000 Shares held by Grand Silver Group Limited.

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 2013 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 2013, 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:

Name of Shareholders	Capacity	Number of issued ordinary Shares held	Percentage of the issued share capital of the Company
Grand Silver Group Limited	Beneficial Owner	225,000,000 (L)	75%
Ms. Guan Hongyan *(Note)*	Interest of Spouse	225,000,000 (L)	75%

(L): Long position

Note: *Ms. Guan Hongyan is the spouse of Mr. Wang Zhijun, the executive Director. By virtue of the SFO, Ms. Guan Hongyan is deemed to be interested in 225,000,000 Shares which Mr. Wang Zhijun is interested in.*

Save as disclosed above, as at 30 September 2013, 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") has been adopted by the shareholders of the Company (the "Shareholders") by way of written resolution passed on 19 December 2011 for the purpose of attracting and retaining 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 terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

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 2013.

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 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 of the Group, oversee the financial reporting process and internal control procedures of the Group, and oversee the relationship with the Company's external auditor.

As at 30 September 2013, the Audit Committee comprised three independent non-executive Directors, namely Mr. Ren Yunan, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond. Mr. Tam Tak Kei Raymond has been the chairman of the Audit Committee.

With the resignation of Mr. Ren Yunan and the appointment of Mr. Wong Kai Tung Simon as the independent non-executive Director on 12 November 2013, the composition of the Audit Committee changed. As at the date of this interim report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Tam Tak Kei Raymond, Mr. Chiu Sai Chuen Nicholas and Mr. Wong Kai Tung Simon. Mr. Tam Tak Kei Raymond remains to act as the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Group's interim results for the Period.

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.

As at 30 September 2013, the Remuneration Committee comprised three independent non-executive Directors, namely Mr. Ren Yunan, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond, and two executive Directors, namely Mr. Wang Zhijun and Mr. Hu Baoyue. Mr. Ren Yunan was the chairman of the Remuneration Committee.

With the resignation of Mr. Ren Yunan and the appointment of Mr. Wong Kai Tung Simon as the independent non-executive Director on 12 November 2013, the composition of the Remuneration Committee changed. As at the date of this interim report, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Wong Kai Tung Simon, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond, and two executive Directors, namely Mr. Wang Zhijun and Mr. Hu Baoyue. Mr. Wong Kai Tung Simon is the chairman of the Remuneration Committee.

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.

As at 30 September 2013, the Nomination Committee comprised three independent non-executive Directors, namely Mr. Ren Yunan, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond, and two executive Directors, namely Mr. Wang Zhijun and Mr. Hu Baoyue. Mr. Wang Zhijun has been the chairman of the Nomination Committee.

With the resignation of Mr. Ren Yunan and the appointment of Mr. Wong Kai Tung Simon as the independent non-executive Director on 12 November 2013, the composition of the Nomination Committee changed. As at the date of this interim report, the Nomination Committee comprises three independent non-executive Directors, namely Mr. Chiu Sai Chuen Nicholas, Mr. Tam Tak Kei Raymond and Mr. Wong Kai Tung Simon, and two executive Directors, namely Mr. Wang Zhijun and Mr. Hu Baoyue. Mr. Wang Zhijun remains to act as the chairman of the Nomination Committee.

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 and Senior Management

During the six months ended 30 September 2013, the chief executive officer (the "CEO") of the Company changed. Mr. Wong Law Fai resigned as CEO with effect from 10 September 2013 and Mr. Gavin Xing was appointed as CEO in replace of Mr. Wong Law Fai. Mr. Gavin Xing was also appointed as an executive Director with effect from 10 September 2013.

As at 30 September 2013, the Board comprised three executive Directors, namely Mr. Wang Zhijun, Mr. Gavin Xing and Mr. Hu Baoyue and three independent non-executive Directors, namely Mr. Ren Yunan, Mr. Chiu Sai Chuen Nicholas and Mr. Tam Tak Kei Raymond.

With the resignation of Mr. Ren Yunan and the appointment of Mr. Wong Kai Tung Simon as the independent non-executive Director on 12 November 2013, the composition of the Board changed. As at the date of this interim report, 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.

Change of Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of information on the Directors are as follow:

Mr. Tam Tak Kei Raymond resigned as an independent non-executive director of Sun Innovation Holdings Limited (Stock Code: 547) on 9 August 2013, and has been appointed as an independent non-executive director of Jin Cai Holdings Company Limited (stock code: 1250) and Ngai Shun Holdings Limited (stock code: 1246) on 10 June 2013 and 22 September 2013 respectively, companies whose shares are listed on the Main Board of the Stock Exchange.

Mr. Chiu Sai Chuen Nicholas has been appointed as an independent non-executive director of Ngai Shun Holdings Limited (stock code: 1246) on 22 September 2013.

Chairman's Appreciation

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their total dedication, efforts and contribution during such challenging period. I should also thank all of our Shareholders for their support and confidence on us.

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

Hong Kong, 29 November 2013

As at the date of this report, 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.