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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1315)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Vision Fame International Holding Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2014, together with the comparative figures for the corresponding period in financial year 2013:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2014

		Six months ended	
		30 September	
		2014	2013
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	3	623,357	440,840
Cost of sales		<u>(634,655)</u>	<u>(422,528)</u>
Gross (loss) profit		(11,298)	18,312
Other income		4,484	4,572
Administrative expenses		(40,938)	(27,803)
Finance costs	4	(3,428)	(702)
Impairment loss on available-for-sale investments		(2,943)	—
Share of loss of an associate		<u>—</u>	<u>(9)</u>
Loss before taxation	5	(54,123)	(5,630)
Taxation	6	<u>—</u>	<u>(30)</u>
Loss for the period attributable to shareholders of the Company		<u>(54,123)</u>	<u>(5,660)</u>

		Six months ended	
		30 September	
		2014	2013
<i>NOTE</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Other comprehensive income (expense)			
<i>Item that will not reclassified subsequently to profit or loss:</i>			
Reclassification adjustment for impairment loss on available-for-sale investments		2,943	—
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations		375	(1,270)
Fair value loss on available-for-sale investments		<u>(4,073)</u>	<u>(2,202)</u>
Other comprehensive expense for the period		<u>(755)</u>	<u>(3,472)</u>
Total comprehensive expense for the period attributable to shareholders of the Company		<u>(54,878)</u>	<u>(9,132)</u>
Loss per share (in Hong Kong cents)			
Basic and diluted	7	<u>(18.04)</u>	<u>(1.89)</u>

Condensed Consolidated Statements of Financial Position

At 30 September 2014

		30 September 2014 <i>HK\$'000</i> (Unaudited)	31 March 2014 <i>HK\$'000</i> (Audited)
	<i>NOTES</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		36,811	32,399
Interests in associates		7,316	8,432
Available-for-sale investments		<u>7,001</u>	<u>11,274</u>
		<u>51,128</u>	<u>52,105</u>
CURRENT ASSETS			
Amounts due from customers for contract work		53,214	43,123
Trade and other receivables	9	377,302	250,246
Property under development	10	30,893	—
Pledged bank deposits		32,246	44,661
Bank balances and cash		<u>90,717</u>	<u>267,180</u>
		<u>584,372</u>	<u>605,210</u>
CURRENT LIABILITIES			
Amounts due to customers for contract work		28,482	14,547
Trade and other payables	11	238,681	185,630
Amounts due to associates		5,888	7,025
Amount due to a related party	12	81,180	122,607
Tax payable		79	87
Loan from a related party	12	170,000	—
Obligations under finance leases — due within one year		3,534	3,387
Secured bank loans		<u>10,500</u>	<u>—</u>
		<u>538,344</u>	<u>333,283</u>
NET CURRENT ASSETS		<u>46,028</u>	<u>271,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>97,156</u>	<u>324,032</u>

		30 September 2014	31 March 2014
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Other payable and accrual		828	762
Loan from a related party	<i>12</i>	—	170,000
Obligations under finance leases — due after one year		5,576	7,646
Deferred tax liability		851	845
		<u>7,255</u>	<u>179,253</u>
		<u>89,901</u>	<u>144,779</u>
CAPITAL AND RESERVES			
Share capital		3,000	3,000
Reserves		86,901	141,779
		<u>89,901</u>	<u>144,779</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

1. GENERAL

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2014.

Revenue recognition

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Property under development

Property under development is stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated cost to completion.

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

3. REVENUE AND SEGMENT INFORMATION

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

- (i) building construction and other construction related business
- (ii) alterations, renovation, upgrading and fitting-out works
- (iii) property maintenance
- (iv) trading of commodities*

* During the current period, the Group expanded to trading of commodities which constitutes a new operating segment.

Segment revenue and results

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

	Building construction and other construction related business HK\$'000	Alterations, renovation, upgrading and fitting-out works HK\$'000	Property maintenance HK\$'000	Trading of commodities HK\$'000	Total HK\$'000
Six months ended 30.9.2014					
Segment revenue — external customers	<u>261,712</u>	<u>153,464</u>	<u>120,287</u>	<u>87,894</u>	<u>623,357</u>
Segment results	<u>(11,990)</u>	<u>8,576</u>	<u>(6,658)</u>	<u>127</u>	<u>(9,945)</u>
Unallocated other income					3,131
Administrative expenses					(40,938)
Finance costs					(3,428)
Impairment loss on available-for-sale investments					<u>(2,943)</u>
Loss before taxation					<u>(54,123)</u>

	Building construction and other construction related business <i>HK\$'000</i>	Alterations, renovation, upgrading and fitting-out works <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30.9.2013				
Segment revenue				
— external customers	<u>164,873</u>	<u>169,110</u>	<u>106,857</u>	<u>440,840</u>
Segment results	<u>3,217</u>	<u>9,684</u>	<u>6,644</u>	<u>19,545</u>
Unallocated other income				3,339
Administrative expenses				(27,803)
Finance costs				(702)
Share of loss of an associate				<u>(9)</u>
Loss before taxation				<u>(5,630)</u>

Segment assets and liabilities

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

	30.9.2014 <i>HK\$'000</i> (Unaudited)	31.3.2014 <i>HK\$'000</i> (Audited)
Segment assets		
Building construction and other construction related business	162,171	121,494
Alterations, renovation, upgrading and fitting-out works	107,793	85,622
Property maintenance	110,945	77,043
Trading of commodities	65,311	—
	<hr/>	<hr/>
Total segment assets	446,220	284,159
Unallocated corporate assets	189,280	373,156
	<hr/>	<hr/>
Total assets	635,500	657,315
	<hr/>	<hr/>
Segment liabilities		
Building construction and other construction related business	131,271	90,539
Alterations, renovation, upgrading and fitting-out works	63,401	62,122
Property maintenance	67,214	42,281
	<hr/>	<hr/>
Total segment liabilities	261,886	194,942
Unallocated corporate liabilities	283,713	317,594
	<hr/>	<hr/>
Total liabilities	545,599	512,536
	<hr/>	<hr/>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates and a joint venture, available-for-sale investments, certain property, plant and equipment, certain other receivables, pledged bank deposits, and bank balances and cash; and
- all liabilities are allocated to operating segments other than amount due to an associate, tax payable, secured bank loans, amount due to/loan from a related party, other payable and accrual and deferred tax liability.

4. FINANCE COSTS

	Six months ended	
	30.9.2014	30.9.2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
Secured bank loans wholly repayable within five years	82	672
Obligations under finance leases	107	30
Loan from a related party (<i>Note 12</i>)	3,239	—
	<u>3,428</u>	<u>702</u>

5. LOSS BEFORE TAXATION

	Six months ended	
	30.9.2014	30.9.2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	3,612	2,149
Operating lease rentals in respect of premises	3,185	1,488
Bank interest income	(419)	(305)
Interest income from sub-contractors	(1,353)	(626)
Interest income on settlement of final contract sum of a construction project pursuant to a lawsuit	—	(607)
Gain on disposal of property, plant and equipment	(175)	—
Investment income from available-for-sale investments	(7)	(7)
Exchange loss (gain), net	196	(512)

6. TAXATION

	Six months ended	
	30.9.2014	30.9.2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax	—	26
Deferred tax	—	4
	<u>—</u>	<u>30</u>

No provision for taxation has been made in the financial statements during the current period as the Company and its subsidiaries have no assessable profit.

7. LOSS PER SHARE

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

	Six months ended	
	30.9.2014	30.9.2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(54,123)</u>	<u>(5,660)</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Number of ordinary shares in issue for the purpose of basic and diluted loss per share	<u>300,000</u>	<u>300,000</u>

The diluted loss per share is equal to the basic loss per share as the Company do not have dilutive potential ordinary shares during the current and prior periods.

8. DIVIDEND

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

9. TRADE AND OTHER RECEIVABLES

The Group does not have a standardised and universal credit period granted to its customers relating to contracting business, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract. For the business of trading of commodities, the Group allows an average credit period of 7 days to its customers. The following is an aged analysis of trade receivables, presented based on the certified reports and invoices which approximates revenue recognition date at the end of the reporting period:

	30.9.2014 <i>HK\$'000</i> (Unaudited)	31.3.2014 <i>HK\$'000</i> (Audited)
Within 30 days	200,563	117,988
More than 30 days but less than 90 days	22,948	15,234
More than 90 days	456	1,051
	<u>223,967</u>	<u>134,273</u>

10. PROPERTY UNDER DEVELOPMENT

The property under development is located in Australia. No interest has been capitalised in property under development during the period.

11. TRADE AND OTHER PAYABLES

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

	30.9.2014 <i>HK\$'000</i> (Unaudited)	31.3.2014 <i>HK\$'000</i> (Audited)
Within 30 days	160,170	112,977
More than 30 days but less than 90 days	14,281	4,043
More than 90 days	2,708	907
	<u>177,159</u>	<u>117,927</u>

12. AMOUNT DUE TO/LOAN FROM A RELATED PARTY

The amounts are advanced by Mr. Wong Law Fai, a former executive director of the Company who resigned in May 2013 but remains as a director of certain subsidiaries of the Company. The amounts comprise a loan of approximately HK\$170,000,000 which is unsecured, interest bearing at 3.80% per annum pursuant to a loan agreement dated 1 December 2013, and interest accrued thereon and other advances totalling HK\$81,180,000 (31.3.2014: HK\$122,607,000). The principal and interest of the loan will be repaid in August 2015. Other advances are unsecured, interest-free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Interim Results

For the half year ended 30 September 2014 (the “Period”), the Group recorded a turnover of approximately HK\$623,357,000, representing a 41% increase compared with approximately HK\$440,840,000 of the same period in 2013. During the Period, the Group recorded a gross loss of approximately HK\$11,298,000 (six months ended 30 September 2013: gross profit approximately HK\$18,312,000). The Group’s turnover grew in Hong Kong, Macau and Singapore markets. The increase in turnover of the Group was mainly contributed by (i) the building construction segment and the property maintenance segment and (ii) a newly established commodities trading business segment. During the reporting period, construction projects in Singapore and Hong Kong have been operated in full swing resulting in increased revenue.

During the Period, the Group has recorded a gross loss of approximately HK\$11,298,000 as compared with gross profit of HK\$18,312,000 of the six months ended 30 September 2013. The change from gross profit of last reporting period to gross loss in the Period was attributable to (i) significant increase in construction costs including materials, staff and labour cost in building construction projects in Singapore during the Period as compared to the corresponding period in 2013; (ii) the progress of several newly-awarded sizable projects in alteration, renovation, upgrading and fitting-out works (collectively “A&A works”) and a construction project in Hong Kong were still at an early stage and such revenue was not reflected in the Period; and (iii) turnover of a government property maintenance term contract was in full swing and contributed gross profit to property maintenance segment during the six months ended 30 September 2013. However, substantial gross loss in this segment was incurred in the Period as the progress of two newly-awarded property maintenance contracts were still at an early stage with less contribution in revenue during the Period.

During the Period, the Group had won fifteen new contracts with total contract value amounting to approximately HK\$688 million of which six contracts with total contract value of approximately HK\$178 million were of the building construction segment and nine contracts with total contract value of approximately HK\$510 million were of A&A works segment. As at 30 September 2014, the Group has projects in progress with total contract sum of approximately HK\$3,309 million.

Soon after the end of the reporting period up to date of interim report of the Group, the Group has entered into a new contract of total contract value of approximately HK\$11 million.

Other income for the Period was approximately HK\$4,484,000 representing a slight decrease as compared with the last interim period.

For the Period under review, loss attributable to owners of the Company was approximately HK\$54,123,000 as compared with the loss of approximately HK\$5,660,000 of the corresponding period in last year.

The basic loss per share for the Period were HK18.04 cents compared to basic loss per share HK1.89 cents of the last interim period.

(2) Review of Operations

(i) Building Construction and Other Construction Related Business

Revenue for the building construction segment for the Period was approximately HK\$261,712,000 (six months ended 30 September 2013: approximately HK\$164,873,000) and segment loss was approximately HK\$11,990,000 (six months ended 30 September 2013 segment profit approximately HK\$3,217,000). The result for the Group in this segment during the Period was a change from segment profit to segment loss resulting from significant increase in construction costs in this segment including materials, staff and labour cost in Singapore.

(ii) Property Maintenance

Revenue for the property maintenance segment for the Period was approximately HK\$120,287,000 (six months ended 30 September 2013: approximately HK\$106,857,000) and segment loss was approximately HK\$6,658,000 (six months ended 30 September 2013: segment profit approximately HK\$6,644,000).

The overall result for the Group in this segment changed from segment profit of last interim period to segment loss of the Period. Segment loss was incurred in the Period as the progress of two newly awarded property maintenance contracts were still at an early stage with relatively small contribution in revenue during the six months ended 30 September 2014.

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

Revenue for the A&A works segment for the Period was approximately HK\$153,464,000 (six months ended 30 September 2013: approximately HK\$169,110,000) and segment profit was approximately HK\$8,576,000 (six months ended 30 September 2013: approximately HK\$9,684,000). The overall result for the Group in this segment was slight decrease in revenue and segment profit as compared with the last interim period.

The segment profit of the Period was lower than that of the last reporting period because progress of several newly-awarded sizable projects during the Period were still at an early stage and such contribution was not reflected in the Period.

(iv) *Trading of commodities*

Revenue for the trading of commodities segment for the Period was approximately HK\$87,894,000 (six months ended 30 September 2013: Nil) and segment profit was approximately HK\$127,000 (six months ended 30 September 2013: Nil). The Group has newly established the commodities trading business during the Period. Although the prices of commodities have been falling during the Period, our management which has extensive experience in commodities markets, has continuously adopted a provident approach to minimise the risk of price fluctuations in association with the trading business.

(3) Prospects

Building construction, property maintenance and alterations, renovation, upgrading and fitting-out works services

Benefited from the increase in supply of subsidized Hong Kong government housing and the continuous on-going infrastructure projects, the construction market in Hong Kong is expected to keep booming in the coming years. However, the aggravated problem of construction costs will still be the most challenging risk on our operation. To manage the risks and with the aim to pursue reasonable return, we would exercise more cautious when tendering new projects.

In Singapore, overall demand in construction industry is relatively stable. The Group remains optimistic towards the Singapore market in spite of continuous rise in the cost of construction and severe competition in the industry. The Group also plans to provide property maintenance services and alterations, renovation, upgrading and fitting-out works services in both public and private sectors which are anticipated to make additional contribution to the Group.

After several years of double-digit growth in economy, Macau's construction market is expected to reach its peak in the coming 2015. As the growth rate of the gambling segment has been dropping, we expect the economy would weaken further. When the expansion works of a number of the mega casinos approach completion, the demand for interior fitting out and high-end decoration services would surge and the Group is well poised for more job opportunities in these segments.

Resources related business development

Looking forward, the Group remains committed to exploring new business opportunities beyond the solid competence it has created with its core businesses. Leveraging its cumulative knowledge and experience, the Group's management has begun deploying resources to seize potential growth opportunities in the resources sector. In order to build up the relevant business network and trading platform in the resources sector, the Group has established the commodities trading business during the Period. The Group's management strongly believes that it enables the Group to broaden its capability for future growth opportunities in the relevant field.

(4) Financial Position

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

As at 30 September 2014, the Group's total cash in hand was approximately HK\$123.0 million (as at 31 March 2014: approximately HK\$311.8 million).

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. In addition, the Group's sales and purchases are mainly transacted in Hong Kong dollar, United States dollar and Singapore dollar. Given that the exchange rates of such foreign currencies against Hong Kong dollar, our reporting currency, are relatively stable, the management believes that the foreign currency exchange risk is insignificant to the Group. As such, during the Period, the Group currently does not have any financial instruments for currency hedging purpose but will consider hedging significant foreign currency exposure should the need arise.

Total interest-bearing borrowings have increased from 31 March 2014 of approximately HK\$181 million to 30 September 2014 of approximately HK\$189.6 million. All borrowings were denominated in Singapore Dollars and Hong Kong Dollars. The total amounts of bank borrowings as at 30 September 2014 were repayable within one year based on the scheduled repayment dates set out in the loan agreements. The Group's net cash balance has decreased from 31 March 2014 of approximately HK\$308 million to 30 September 2014 of approximately HK\$109 million.

The bank borrowings are secured by the Group's 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 2014	31 March 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	—	7,740
Other receivables	13,972	13,817
Bank deposits	32,246	44,661
	<u>46,218</u>	<u>66,218</u>

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 2014, the Group has been granted total

banking facilities of approximately HK\$134.4 million (as at 31 March 2014: approximately HK\$202 million). An amount of approximately HK\$79.9 million (as at 31 March 2014: approximately HK\$106.4 million) 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 2014 and 31 March 2014 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 2014, the gearing ratio of the Group was approximately 29.8% (as at 31 March 2014: approximately 27.5%). 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 2014, the current assets and current liabilities were stated at approximately HK\$584.4 million (as at 31 March 2014: approximately HK\$605.2 million) and approximately HK\$538.3 million (as at 31 March 2014: approximately HK\$333.3 million), respectively. The current ratio decreased from 1.82 times of 31 March 2014 to 1.09 times of 30 September 2014. 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. 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 the reporting period, approximately HK\$105,561,000 (as at 31 March 2014: approximately HK\$127,080,000) of performance bonds were given by banks or insurance companies in favour of some Group's customers. These performance bonds were issued as security for the due performance and observance of the Group's obligations under the construction contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks or insurance companies to pay to them the sum or sums stipulated in such

demand. The Group will then become liable to compensate such banks or insurance companies accordingly. The performance bonds will be released upon completion of the contract work for the relevant customers.

The Group did not have any significant capital commitment as at 30 September 2014 and 31 March 2014.

(8) Available-For-Sale Investments

As at 30 September 2014, the Group has available-for-sale investments of approximately HK\$7 million (as at 31 March 2014: approximately HK\$11.2 million), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 30 September 2014, the Group held 89,400,000 shares (as at 31 March 2014: held 89,400,000 shares). An impairment loss of HK\$2,943,000 is recorded in profit or loss in the Period as a result of the decline in the market value of the listed shares. The fair values of the above listed shares are determined based on the quoted bid prices available on the Singapore Exchange Limited.

Save as disclosed in the relevant announcements made by the Company, the Company has no plans for material investment or acquisition of material capital asset in the future.

(9) Movement of incompleting contracts for the six months ended 30 September 2014

	31 March 2014 <i>HK\$'000</i>	Contracts Secured <i>HK\$'000</i>	Contracts Completed <i>HK\$'000</i>	30 September 2014 <i>HK\$'000</i>
Building Construction	1,364,140	177,955	117,381	1,424,714
Property Maintenance	1,217,918	—	—	1,217,918
Alteration, Renovation, Upgrading and Fitting-Out Works	<u>430,700</u>	<u>510,379</u>	<u>274,520</u>	<u>666,559</u>
	<u><u>3,012,758</u></u>	<u><u>688,334</u></u>	<u><u>391,901</u></u>	<u><u>3,309,191</u></u>

Contracts secured subsequent to 30 September 2014 and up to the date of this announcement.

Contract	Commencement date	Contract value <i>HK\$'000</i>
Pure Fitness & Yoga Shop at No. 28 Beach Road, Repulse Bay, Hong Kong	October 2014	<u>10,868</u>
Total		<u><u>10,868</u></u>

(10) Employees and remuneration policies

As at 30 September 2014, the Group employed a total of 324 staff (as at 30 September 2013: 301 staff) which included Hong Kong, Singapore and Macau employees. The total remuneration for staff was approximately HK\$ 50 million for the Period (six months ended 30 September 2013: approximately HK\$45 million).

The Group establishes its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest caliber, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package are consisted of basic salary, allowances, benefit-in-kind, fringe benefits including medical insurance and contributions to mandatory provident funds, as well as incentives like discretionary bonus. The Group also provides external training programmes which are complementary to certain job functions.

The remuneration packages of the senior management are recommended by the managing director of the respective company and approved by the Board by reference to their respective responsibilities and accountability, target achievements, business results and market competitiveness of the Group. The remuneration packages of the managerial and support staff are determined by the directors of the respective company.

INTERIM DIVIDEND

The Directors do not recommend the payment of dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: 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 2014.

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

As at 30 September 2014, 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 (<i>Note</i>)	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 2014 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 2014, 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 (<i>Note</i>)	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 2014, the Company had not been notified by any persons (other than the Directors and chief executives of the Company) who had an interest or short position in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted by the sole Shareholder by way of written resolution on 19 December 2011. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to

employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has complied with all the code provisions as set out in Corporate Governance Code and Corporate Governance Report to the Appendix 14 of the Listing Rules (the "CG Code") throughout the six months ended 30 September 2014.

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.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chiu Sai Chuen Nicholas, Mr. Tam Tak Kei Raymond (the chairman of the Audit Committee) and Mr. Wong Kai Tung Simon.

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

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration, make

recommendations to the Board on the remuneration of non-executive Directors and determine the remuneration packages of individual executive Directors and senior management include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Chiu Sai Chuen Nicholas, Mr. Tam Tak Kei Raymond and Mr. Wong Kai Tung Simon (the chairman of the Remuneration Committee), and two executive Directors, namely Mr. Wang Zhijun and Mr. Hu Baoyue.

NOMINATION COMMITTEE

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

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

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

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

The Nomination Committee comprises three independent non-executive Directors, namely Mr. Chiu Sai Chuen Nicholas, Mr. Tam Tak Kei Raymond and Mr. Wong Kai Tung Simon, and two executive Directors, namely Mr. Wang Zhijun (the chairman of the Nomination Committee) and Mr. Hu Baoyue.

PRE-EMPTIVE RIGHTS

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

CHANGE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of information on the Director is as follows:

Mr. Tam Tak Kei Raymond was appointed as a chief financial officer of King Force Security Holdings Limited (GEM Stock code: 8315) with effect from April 2014, and had resigned as an independent non-executive director of Zebra Strategic Holdings Limited (Stock Code: 8260) on 10 September 2014.

SUBSEQUENT EVENTS

There is no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects since 31 March 2014 to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website (<http://www.visionfame.com>) and the Stock Exchange's website (<http://www.hkexnews.hk>). The 2014 Interim Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

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

Hong Kong, 28 November 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.