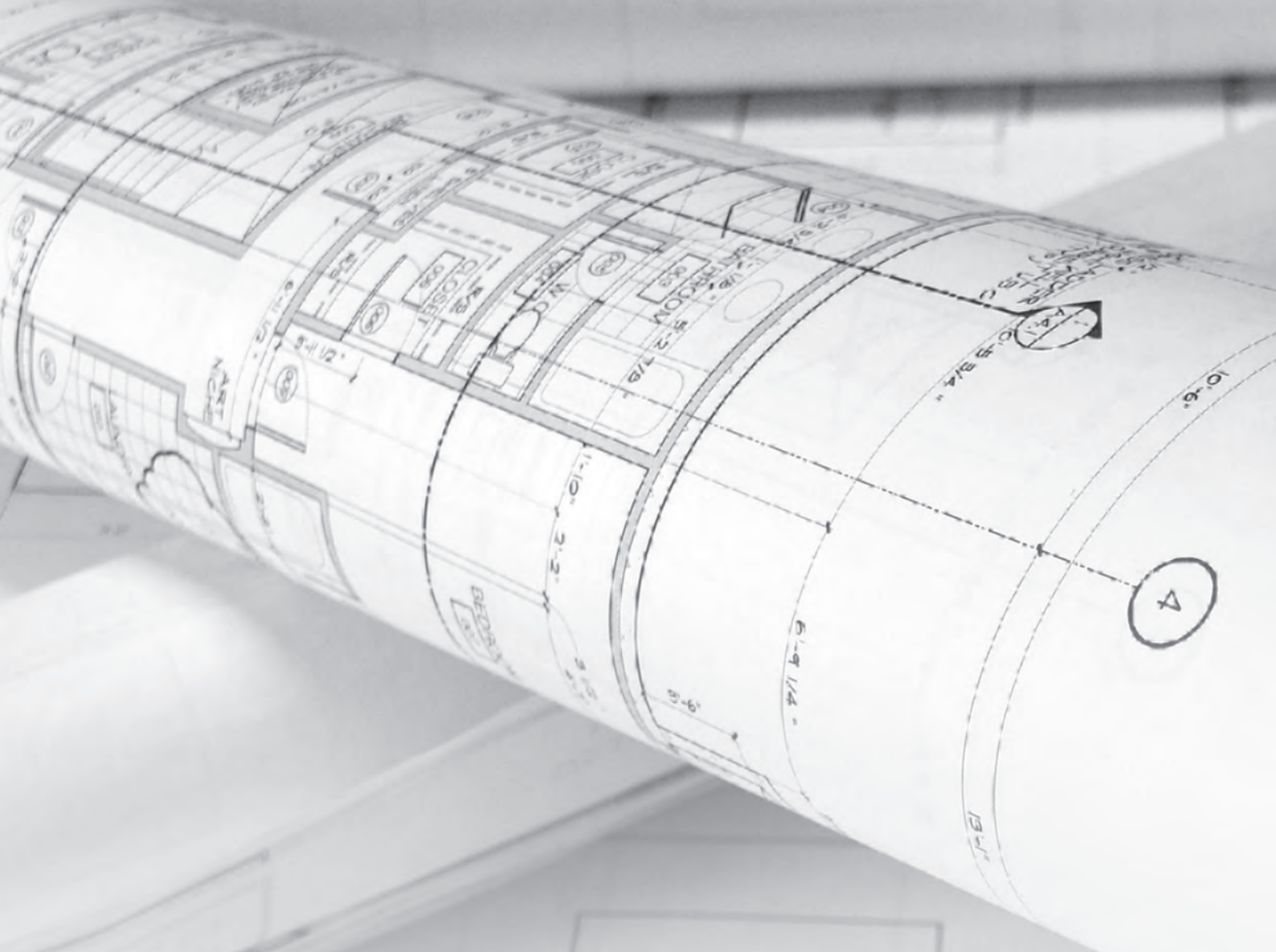


Vision Fame International Holding Limited
允升國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1315

Interim Report 2015



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Corporate Information

Executive Directors

Chau Chit (*Chairman*) (*appointed as executive director on 22 July 2015 and as Chairman on 23 September 2015*)

Hu Baoyue (*Acting Chief Executive Officer*)

Kwan Ngai Kit

Wang Zhijun (*Chairman*) (*resigned as Chairman and executive director on 23 September 2015*)

Non-Executive Directors

Chen Guobao (*appointed on 23 September 2015*)

Independent Non-Executive Directors

Tam Tak Kei Raymond

Wong Kai Tung Simon

Wong Wai Kwan (*appointed on 22 July 2015*)

Chiu Sai Chuen Nicholas (*resigned on 23 September 2015*)

Company Secretary

Kwan Ngai Kit

Audit Committee

Tam Tak Kei Raymond (*Chairman*)

Wong Kai Tung Simon

Wong Wai Kwan (*appointed on 22 July 2015*)

Chiu Sai Chuen Nicholas (*resigned on 23 September 2015*)

Remuneration Committee

Wong Kai Tung Simon (*Chairman*)

Chau Chit (*appointed on 22 July 2015*)

Chen Guobao (*appointed on 23 September 2015*)

Hu Baoyue

Tam Tak Kei Raymond

Wong Wai Kwan (*appointed on 22 July 2015*)

Wang Zhijun (*resigned on 23 September 2015*)

Chiu Sai Chuen Nicholas (*resigned on 23 September 2015*)

Nomination Committee

Chau Chit (*Chairman*) (*appointed as committee member on 22 July 2015 and as Chairman on 23 September 2015*)

Chen Guobao (*appointed on 23 September 2015*)

Hu Baoyue

Tam Tak Kei Raymond

Wong Kai Tung Simon

Wong Wai Kwan (*appointed on 22 July 2015*)

Wang Zhijun (*resigned on 23 September 2015*)

Chiu Sai Chuen Nicholas (*resigned on 23 September 2015*)

Registered Office

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman

KY1-1108

Cayman Islands

Corporate Information (continued)

Head Office and Principal Place of Business in Hong Kong

Room 2002, 118 Connaught Road West
Sai Ying Pun, Hong Kong

Authorised Representatives

Chau Chit
Kwan Ngai Kit

Auditor

Deloitte Touche Tohmatsu
35/F., One Pacific Place
88 Queensway
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Limited
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
A18/F., Asia Orient Tower, Town Place
33 Lockhart Road
Wanchai, Hong Kong

Company Website

www.visionfame.com

Management Discussion and Analysis

(1) Interim Results

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

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

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

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

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

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

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

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

Management Discussion and Analysis (continued)

(2) Review Of Operations

(i) Building Construction and Other Construction Related Business

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

(ii) Property Maintenance

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

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

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

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

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

(v) Metals and materials trading

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

(3) Event after the Reporting Period

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

Management Discussion and Analysis (continued)

(4) Prospects

Although the shortage in skilled labour in Hong Kong is still the most challenging factor that the Group is facing, the Board is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works in the past two decades. The Group will continue to adopt a prudent approach when submitting new tenders. In relation to the metals and materials trading business, the Group has gradually expanded its product range and customer base so as to diversify the risk exposed by the Group. The development of the PDMAS business has started to slow down subsequent to the Period.

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

(5) Financial Position

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

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

The Group has certain portion of bank balances and cash denominated in currencies other than the functional currencies of the relevant entities to which they relate. In addition, the Group's sales and purchases are mainly transacted in Hong Kong dollar, United States dollar, Singapore dollar and Renminbi. Given that the exchange rates of such foreign currencies against Hong Kong dollar, our reporting currency, are relatively stable, the management believes that the foreign currency exchange risk is insignificant to the Group. As such, during the Period, the Group currently does not have any financial instruments for currency hedging purpose but will consider hedging significant foreign currency exposure should the need arise.

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

Management Discussion and Analysis (continued)

(5) Financial Position (continued)

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

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
Property, plant and equipment	7,470	7,560
Bills receivable	30,659	30,659
Other receivables	13,507	11,177
Bank deposits	19,705	19,717
	71,341	69,113

The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary. As at 30 September 2015, the Group has been granted total banking facilities of approximately HK\$74.4 million (as at 31 March 2015: approximately HK\$80.6 million). An amount of approximately HK\$32.8 million (as at 31 March 2015: approximately HK\$34.2 million) remained unutilised.

(6) Credit Risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 30 September 2015 and 31 March 2015 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the condensed consolidated statement of financial position. In minimising the credit risk, the management of the Group has delegated a team responsible for determination of monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivables regularly at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

(7) Liquidity and Financial Resources

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

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

Management Discussion and Analysis (continued)

(7) Liquidity and Financial Resources (continued)

The management and control of the Group's financial, capital management and external financing functions are monitored centrally by the Group's finance department in Hong Kong. The Group adheres to prudent principle financial management in order to control and minimise financial and operational risks. With its available bank balances and cash and existing available bank credit facilities, the Group has sufficient liquidity and financial resources to satisfy the financial requirements of its existing businesses.

(8) Contingent Liabilities and Capital Commitments

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

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

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

(9) Available-for-sale Investments

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

Management Discussion and Analysis (continued)

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

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

Building Construction segment

Contracts secured during the six months ended 30 September 2015

Contracts	Commencement date	Contract value HK\$'000
Bored piling works for proposed alteration and addition to existing Teck Whye Primary School and West View Primary School, Singapore	June 2015	7,488
Bored piling works for proposed multi storey carparks Batch 5 at Teck Whye Avenue (CK6) and Bedok Reservoir (KE3), Singapore	June 2015	7,356
Bored piling works for proposed 8 storey multiple user light industrial (B1) development with basement carpark at 2 Pereira Road, Singapore	July 2015	2,953
Total		17,797

Property Maintenance segment

Contracts secured during the six months ended 30 September 2015

Contracts	Commencement date	Contract value HK\$'000
Term contract for minor works 2015 for Kowloon East and Central Clusters, Hong Kong	June 2015	726,483
Renovation of vacant quarters for The University of Hong Kong	August 2015	40,000
Total		766,483

Management Discussion and Analysis (continued)

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

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts secured during the six months ended 30 September 2015

Contracts	Commencement date	Contract value HK\$'000
Main contract for proposed alteration & addition at B/F-3/F, block E & F, Harbour City, Kowloon, Hong Kong	April 2015	65,322
Replacement of curtain wall and external wall painting at headquarters and flight training centre, Hong Kong	June 2015	88,208
Repair works for Kiangsu & Chekiang Primary School, North Point, Hong Kong	July 2015	2,650
Revamp of commercial areas at Level 6 West Hall of Terminal 1 for Hong Kong International Airport, Hong Kong	July 2015	20,534
Renovation to new office of Diocesan Commission for Hospital Pastoral Care at Caritas Medical Centre, Hong Kong	August 2015	2,395
Renovation works to Pure Yoga (LP) at Langham Place, Kowloon, Hong Kong	September 2015	8,350
Renovation and improvement works to Jockey Club Auditorium at the Hong Kong Polytechnic University	September 2015	33,820
Addition works for Venetian family friendly access, Macau	August 2015	7,535
Minor works at Sunny Hose Building Tai Po Industrial Estate, Hong Kong	August 2015	300
Total		229,114

Building Construction segment

Contract completed during the six months ended 30 September 2015

Contract	Commencement date	Completion date	Contract Value HK\$'000
Bored piling works for proposed erection of new primary school on Lot 02697C PT MK 21 at Punggol Drive/Edgefield Plain, Singapore	January 2015	May 2015	15,880
Design & construction proposed community building at Hougang Avenue 9 for People's Association, Singapore	September 2013	September 2015	183,747
Total			199,627

Management Discussion and Analysis (continued)

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

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts completed during the six months ended 30 September 2015

Contracts	Commencement date	Completion date	Contract value HK\$'000
Main contract for proposed alteration & addition works to Plaza 2000 at 2-4 Russell Street & 6-9 Canal Road East, Hong Kong	December 2013	April 2015	63,000
Repartitioning works at 2/F of West Commercial Block, Paradise Mall, Hong Kong	May 2014	April 2015	26,347
Repartitioning works on 14 Dai Fu Street, Tai Po Industrial Estate, N.T., Hong Kong	August 2014	April 2015	69,863
Waterproofing works at Sunny Hose Building, Tai Po Industrial Estate, N.T., Hong Kong	December 2014	August 2015	7,850
Works for interior and toilets at Sunny Hose Building, Tai Po Industrial Estate, N.T., Hong Kong	January 2015	September 2015	2,900
Renovation at St. Raphael's Catholic Cemetery at Cheung Sha Wan, Kowloon, Hong Kong	February 2015	April 2015	2,686
Total			172,646

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

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

Management Discussion and Analysis (continued)

(11) Employees and Remuneration Policies

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

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

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

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

During the Period, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

Report on Review of Condensed Consolidated Financial Statements



**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 15 to 30, which comprises the condensed consolidated statement of financial position as of 30 September 2015 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 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, 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.

Report on Review of Condensed Consolidated Financial Statements (continued)

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.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
30 November 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2015

	NOTES	Six months ended	
		30.9.2015 HK\$'000 (Unaudited)	30.9.2014 HK\$'000 (Unaudited)
Revenue	3	1,420,654	623,357
Cost of sales		(1,393,085)	(634,655)
Gross profit (loss)		27,569	(11,298)
Other income		5,175	4,484
Administrative expenses		(33,026)	(40,917)
Other losses	4	(7,986)	(21)
Finance costs	5	(3,996)	(3,428)
Impairment loss on available-for-sale investments		(1,014)	(2,943)
Loss before taxation	6	(13,278)	(54,123)
Taxation	7	(2,399)	—
Loss for the period attributable to shareholders of the Company		(15,677)	(54,123)
Other comprehensive income (expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations		(569)	375
Fair value loss on available-for-sale investments		(1,902)	(4,073)
Reclassification adjustment for impairment loss on available-for-sale investments		1,014	2,943
Other comprehensive expense for the period		(1,457)	(755)
Total comprehensive expense for the period attributable to shareholders of the Company		(17,134)	(54,878)
Loss per share (in HK cents)			
Basic	8	(5.23)	(18.04)

Condensed Consolidated Statement of Financial Position

At 30 September 2015

	NOTES	30.9.2015 HK\$'000 (Unaudited)	31.3.2015 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	23,500	31,497
Interests in associates		546	567
Interest in a joint venture		—	—
Available-for-sale investments	21	5,642	7,879
Pledged bank deposits		10,000	—
		39,688	39,943
CURRENT ASSETS			
Inventories		40,264	—
Amounts due from customers for contract work		21,740	53,285
Property under development	11	22,195	24,284
Trade and other receivables	12	397,317	448,808
Pledged bank deposits		9,705	19,717
Bank balances and cash		101,514	188,754
		592,735	734,848
CURRENT LIABILITIES			
Amounts due to customers for contract work		11,652	5,977
Trade and other payables	13	277,679	410,699
Amount due to a related party	14	110,260	119,862
Tax payable		3,747	2,683
Obligations under finance leases — due within one year		1,970	2,348
Secured bank loans	15	30,659	30,659
		435,967	572,228
NET CURRENT ASSETS		156,768	162,620
TOTAL ASSETS LESS CURRENT LIABILITIES		196,456	202,563
NON-CURRENT LIABILITIES			
Loan from a related party	14	181,840	170,000
Other payable and accrual		828	828
Obligations under finance leases — due after one year		2,914	4,112
Deferred tax liability		2,019	1,634
		187,601	176,574
		8,855	25,989
CAPITAL AND RESERVES			
Share capital	16	3,000	3,000
Reserves		5,855	22,989
		8,855	25,989

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Exchange reserve HK\$'000	Capital reserve HK\$'000 (Note ii)	Legal reserve HK\$'000 (Note iii)	Investments revaluation reserve HK\$'000	Other reserve HK\$'000 (Note iv)	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
At 1 April 2014 (audited)	3,000	44,322	7,253	3,642	12	(351)	22,000	64,901	144,779
Loss for the period	—	—	—	—	—	—	—	(54,123)	(54,123)
Other comprehensive income for the period:									
Exchange difference on translation of foreign operations	—	—	375	—	—	—	—	—	375
Fair value loss on available-for-sale investments	—	—	—	—	—	(4,073)	—	—	(4,073)
Reclassification adjustment for impairment loss on available-for-sale investments	—	—	—	—	—	2,943	—	—	2,943
Total comprehensive expense for the period	—	—	375	—	—	(1,130)	—	(54,123)	(54,878)
At 30 September 2014 (unaudited)	3,000	44,322	7,628	3,642	12	(1,481)	22,000	10,778	89,901
At 1 April 2015 (audited)	3,000	44,322	4,939	3,642	12	436	22,000	(52,362)	25,989
Loss for the period	—	—	—	—	—	—	—	(15,677)	(15,677)
Other comprehensive income for the period:									
Exchange difference on translation of foreign operations	—	—	(569)	—	—	—	—	—	(569)
Fair value loss on available-for-sale investments	—	—	—	—	—	(1,902)	—	—	(1,902)
Reclassification adjustment for impairment loss on available-for-sale investments	—	—	—	—	—	1,014	—	—	1,014
Total comprehensive expense for the period	—	—	(569)	—	—	(888)	—	(15,677)	(17,134)
At 30 September 2015 (unaudited)	3,000	44,322	4,370	3,642	12	(452)	22,000	(68,039)	8,855

Notes:

- (i) 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.
- (ii) Capital reserve comprises the following arising in prior years:
- Wan Chung Construction Company Limited ("Wan Chung Construction") acquired entire equity interest in Wan Chung Property Company Limited from its then shareholder at a discount of approximately HK\$2,776,000 which was deemed to be capital contribution from owners of the Company.
 - Wan Chung Construction recovered indemnified taxation of approximately HK\$866,000 from its former shareholder pursuant to the deed of indemnity which was deemed to be capital contribution from owners of the Company.
- (iii) 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. No transfer was made in current and prior periods as the subsidiary incurred a loss for both periods.
- (iv) Other reserve represents the difference between the nominal value of the issued share capital of the subsidiaries acquired and the consideration paid pursuant to the group reorganisation in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in January 2012.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	Six months ended	
	30.9.2015 HK\$'000 (Unaudited)	30.9.2014 HK\$'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(86,450)	(143,438)
INVESTING ACTIVITIES		
Placement of pledged bank deposits	(37,171)	(75,588)
Additions to property, plant and equipment	(346)	(7,730)
Interest received	278	419
Withdrawal of pledged bank deposits	37,183	88,036
Proceeds from disposal of property, plant and equipment	—	175
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(56)	5,312
FINANCING ACTIVITIES		
Repayment to a related party	(31,001)	(71,607)
Repayment of bank borrowings	(4,000)	(4,500)
Repayment of obligations under finance leases	(1,576)	(2,090)
Interest paid	(757)	(189)
New bank borrowings raised	4,000	15,000
Advance from a related party	30,000	24,800
NET CASH USED IN FINANCING ACTIVITIES	(3,334)	(38,586)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(89,840)	(176,712)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	188,754	267,180
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,600	249
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	101,514	90,717

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

1. General

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

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

2. Principal Accounting Policies

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

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

Inventories

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

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

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

3. Revenue and Segment Information

	Six months ended	
	30.9.2015 HK\$'000 (Unaudited)	30.9.2014 HK\$'000 (Unaudited)
Revenue from construction business:		
— Building construction	282,903	261,712
— Alternations, renovation, upgrading and fitting-out works	247,803	153,464
— Property maintenance	170,467	120,287
Revenue from provision of property development management and advisory services	9,234	—
Gross proceeds from metals and materials sales contracts (trading)	710,247	87,894
	1,420,654	623,357
Cost of sales from construction business:		
— Building construction	278,903	275,055
— Alternations, renovation, upgrading and fitting-out works	241,055	144,889
— Property maintenance	163,632	126,944
Gross amount of metals and materials purchase contracts (trading)	709,495	87,767
	1,393,085	634,655

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

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

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

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

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

3. Revenue and Segment Information (continued)

Segment revenue and results

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

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

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

3. Revenue and Segment Information (continued)

Segment revenue and results (continued)

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

4. Other Losses

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

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

5. Finance Costs

	Six months ended	
	30.9.2015 HK\$'000 (Unaudited)	30.9.2014 HK\$'000 (Unaudited)
Interest on:		
Secured bank loans wholly repayable within five years	695	82
Obligations under finance leases	62	107
Loan from a related party (Note 14)	3,239	3,239
	3,996	3,428

6. Loss Before Taxation

	Six months ended	
	30.9.2015 HK\$'000 (Unaudited)	30.9.2014 HK\$'000 (Unaudited)
Loss before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	3,593	3,612
Operating lease rentals in respect of premises	2,464	3,185
Bank interest income	(278)	(419)
Interest income from sub-contractors	(2,537)	(1,353)
Investment income from available-for-sale investments	—	(7)

7. Taxation

	Six months ended	
	30.9.2015 HK\$'000 (Unaudited)	30.9.2014 HK\$'000 (Unaudited)
Current tax		
— Enterprise Income Tax in the People's Republic of China	2,014	—
Deferred tax	385	—
	2,399	—

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

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

7. Taxation (continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

8. Loss Per Share

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

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

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

9. Dividend

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

10. Property, Plant and Equipment

During the period, the Group spent approximately HK\$346,000 (six months ended 30.9.2014: HK\$7,730,000) on property, plant and equipment, mainly including equipments for construction work.

11. Property Under Development

The property is located in Australia and held under development for sale. No interest has been capitalised in property under development during the period. The property has subsequently been disposed of after the end of reporting period for a cash consideration of approximately HK\$23,448,000.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

12. Trade and Other Receivables

	30.9.2015 HK\$'000 (Unaudited)	31.3.2015 HK\$'000 (Audited)
Trade receivables	238,727	156,862
Bills receivables	30,659	30,659
Retention money receivables	60,698	50,908
Advances to subcontractors	19,805	35,743
Advance payments to suppliers	15,808	140,977
Restricted deposit with a broker	775	775
Utility deposits and other receivables	30,845	32,884
	397,317	448,808

Included in bills receivables is approximately HK\$30,659,000 (31.3.2015: HK\$30,659,000) at the end of the reporting period that has been discounted to a bank on a full recourse basis. If the bills receivable is not paid on maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the receivable, it continues to recognise the full carrying amount of the receivable and has recognised the cash received on the transfer as secured bank loans (Note 15). The financial asset is carried at amortised cost in the condensed consolidated financial statements.

	30.9.2015 HK\$'000 (Unaudited)	31.3.2015 HK\$'000 (Audited)
Carrying amount of transferred asset	30,659	30,659
Carrying amount of associated liability	(30,659)	(30,659)

For the construction business, 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.

For metals and materials trading business, cash is typically received upon delivery of goods and no credit term is granted to any customers.

For provision of property development management and advisory services business, the Group allows an average credit period of 90 days to its customers.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

12. Trade and Other Receivables (continued)

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

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

13. Trade and Other Payables

	30.9.2015 HK\$'000 (Unaudited)	31.3.2015 HK\$'000 (Audited)
Trade payables	187,806	174,608
Retention money payables	75,389	63,057
Receipts in advance from customers	—	141,198
Other payables and accruals	14,484	31,836
	277,679	410,699

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

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

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

14. Amount Due To/Loan from a Related Party

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

15. Secured Bank Loans

The bank loans are secured by the Group's bills receivable, repayable within one year and bear interest at a fixed rate of 4% (31.3.2015: 4%) per annum.

16. Share Capital

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2014, 31 March 2015 and 30 September 2015	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2014, 31 March 2015 and 30 September 2015	300,000,000	3,000

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

17. Operating Lease Commitments

The Group as lessee

At the end of the reporting period, the Group has commitments for future minimum lease payments in respect of certain of its office premises, machineries and staff quarters under non-cancellable operating leases which fall due as follows:

	30.9.2015 HK\$'000 (Unaudited)	31.3.2015 HK\$'000 (Audited)
Within one year	3,524	3,446
In the second to fifth year inclusive	5,024	5,285
	8,548	8,731

Leases are negotiated, and rentals are fixed, for an average term of one to five years (31.3.2015: one to five years).

18. Credit Facilities and Pledge of Assets

At the end of the reporting period, the Group's benefits under certain construction contracts and the following assets are pledged to banks to secure the bank borrowings and performance bond facilities granted by banks to the extent of approximately HK\$74,431,000 (31.3.2015: HK\$80,623,000) in aggregate granted to the Group:

	30.9.2015 HK\$'000 (Unaudited)	31.3.2015 HK\$'000 (Audited)
Property, plant and equipment	7,470	7,560
Bills receivable	30,659	30,659
Other receivables	13,507	11,177
Bank deposits	19,705	19,717
	71,341	69,113

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

19. Performance Bonds and Contingent Liabilities

At the end of the reporting period, approximately HK\$163,016,000 (31.3.2015: HK\$164,306,000) of performance bonds were given by banks or insurance companies in favour of some of the Group's customers. The Group is required to pay either one-off premiums to insurance companies or commit to place certain pre-determined amounts of deposits in designated bank accounts as required by banks in order to obtain the performance bonds. These performance bonds were issued as security for the due performance and observance of the Group's obligations under the construction contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks or insurance companies to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks or insurance companies accordingly. The performance bonds will be released upon completion of the contract work for the relevant customers.

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

20. Related Party Disclosures

(a) Transactions and balances

During the period, the Group entered into the following significant transactions with related parties:

Related party	Transaction	Six months ended	
		30.9.2015 HK\$'000 (Unaudited)	30.9.2014 HK\$'000 (Unaudited)
A joint venture	Management fee charged by the Group	—	88
A director of certain subsidiaries of the Company	Interest expense charged to the Group	3,239	3,239

Details of balances with related parties are set out in the condensed consolidated statement of financial position on page 16 and Note 14.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 September 2015

20. Related Party Disclosures (continued)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period is as follows:

	Six months ended	
	30.9.2015 HK\$'000 (Unaudited)	30.9.2014 HK\$'000 (Unaudited)
Salaries, allowances and other benefits	6,472	6,428
Contributions to retirement benefits scheme	98	69
	6,570	6,497

21. Fair Value Measurements of Financial Instruments

The Group's available-for-sale investments are measured at fair value on a recurring basis at the end of each reporting period.

At the end of the reporting period, the fair value of the available-for-sale investments amounting to approximately HK\$5,642,000 (31.3.2015: HK\$7,879,000) is derived from unadjusted quoted prices in active market for identical assets and hence, its fair value measurement is categorised as Level 1. During the period, the Group recognised an impairment loss of HK\$1,014,000 (six months ended 30.9.2014: HK\$2,943,000) as a result of a significant decline in the market values of the listed equity investments.

There were no reclassifications of financial instruments during the current and prior periods.

22. Subsequent Events

(a) Completion of disposal of property under development

As set out in note 11, the Group has completed the disposal of the property under development subsequent to the end of the reporting period.

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

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

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

Other Information

Interim Dividend

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

Model Code for Securities Transactions by Directors

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

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

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

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

(L): Long position

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

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

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

Other Information (continued)

Directors' Right to Acquire Shares

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

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures

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

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

(L): Long position

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

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

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

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

Other Information (continued)

Share Option Scheme

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

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

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

Purchase, Sale or Redemption of Listed Securities of the Company

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

Corporate Governance Practices

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

Audit Committee

The audit committee of the Company (the "Audit Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 and 23 September 2015 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to review the financial information and risk management of the Group, oversee the financial reporting system and internal control procedures of the Group, and oversee the relationship with the Company's external auditor.

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

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

Other Information (continued)

Remuneration Committee

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

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

Nomination Committee

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

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

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

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

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

Other Information (continued)

Pre-Emptive Rights

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

Change of Directors' Information

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

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

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

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

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

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

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

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

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

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

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

Other Information (continued)

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 in us.

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

Hong Kong, 30 November 2015

As at the date of this report, the Board comprises three executive Directors, namely Mr. Chau Chit, Mr. Hu Baoyue and Mr. Kwan Ngai Kit; one non-executive Director, Mr. Chen Guobao; and three independent non-executive Directors, namely Mr. Tam Tak Kei Raymond, Mr. Wong Kai Tung Simon and Mr. Wong Wai Kwan.