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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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2012

FINAL RESULTS

The board (the “Board”) of directors (the “Directors”) of Vision Fame International Holding Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2012, together with the comparative figures for the year ended 31 March 2011:

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	<i>Notes</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Turnover	3	661,703	734,719
Cost of sales		(572,640)	(624,261)
Gross profit		89,063	110,458
Other income	5	16,488	7,715
Administrative expenses		(62,955)	(44,375)
Fair value decrease in investment properties		—	(1,294)
Impairment loss recognised in respect of available-for-sale investments		—	(3,303)
Finance costs	6	(1,513)	(1,290)
Gain on disposal of a subsidiary		459	—
Share of loss of an associate		(231)	(761)
Profit before taxation		41,311	67,150
Taxation	7	(8,347)	(12,404)
Profit for the year attributable to owners of the Company	8	32,964	54,746

	<i>Note</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		(937)	8,018
Reclassification adjustment for the cumulative exchange difference included in profit or loss upon disposal of foreign operation		39	—
Fair value gain on available-for-sale investments		1,305	12
		<hr/>	<hr/>
Other comprehensive income for the year		407	8,030
		<hr/>	<hr/>
Total comprehensive income for the year attributable to owners of the Company		33,371	62,776
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share (<i>HK cents</i>)			
— Basic and dilutive	9	12.7	22.0
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2012

	<i>Notes</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		13,842	13,455
Investment properties		—	26,714
Interest in an associate		196	426
Available-for-sale investments		13,030	9,516
		<u>27,068</u>	<u>50,111</u>
Current assets			
Amounts due from customers for contract work		36,245	12,227
Trade and other receivables	11	208,831	219,642
Amount due from a fellow subsidiary		—	4
Amount due from an associate		8,151	8,146
Pledged bank deposits		43,197	39,852
Bank balances and cash		65,997	64,849
		<u>362,421</u>	<u>344,720</u>
Current liabilities			
Amounts due to customers for contract work		—	20,621
Trade and other payables	12	137,532	149,231
Amount due to a director		—	40,658
Amounts due to fellow subsidiaries		—	513
Amount due to a related company		—	963
Secured bank borrowings		66,599	79,459
Tax payable		6,203	14,391
		<u>210,334</u>	<u>305,836</u>
Net current assets		<u>152,087</u>	38,884
Total assets less current liabilities		<u>179,155</u>	88,995
Non-current liabilities			
Provision for long service payments		1,272	813
Deferred tax liabilities		414	406
		<u>1,686</u>	<u>1,219</u>
Net assets		<u>177,469</u>	<u>87,776</u>
Capital and reserves			
Share capital		3,000	22,000
Reserves		174,469	65,776
Total equity		<u>177,469</u>	<u>87,776</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

1. GENERAL

The Company was incorporated in the Cayman Islands on 31 May 2011 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

Pursuant to a group reorganisation (the “Reorganisation”) to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing”), the Company acquired the equity interests of entities under common control and became the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation were set out in the prospectus of the Company dated 30 December 2011 (the “Prospectus”).

The shares of the Company have been listed on the Stock Exchange with effect from 18 January 2012.

Since all entities which took part in the Reorganisation were under common control of Mr. Wong Law Fai, the Group is regarded as a continuing entity resulting from the Reorganisation of entities under common control. The consolidated financial statements of the Group have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as if the group structure under the group reorganisation had been in existence at the beginning of the earliest year presented. Accordingly, the consolidated results of the Group for the years ended 31 March 2011 and 2012 include the results of the Group with effect from 1 April 2010 or, if later, since their respective dates of incorporation, as if the current group structure had been in existence throughout the two years presented. The consolidated statement of financial position of the Group as at 31 March 2011 has been prepared as if the current group structure had been in existence as at that date.

The directors of the Company consider that, its parent and ultimate holding company is Smart Tactics Group Limited, incorporated in the British Virgin Islands (the “BVI”).

The Company acts as an investment holding company. The principal activities of the subsidiaries are the provision of (a) building construction services; (b) property maintenance services and (c) alterations, renovation, upgrading and fitting-out works services.

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”). Other than those subsidiaries established in Macau and Singapore whose functional currency is Macau Pataca and Singapore Dollars, respectively, the functional currency of the Company and other subsidiaries is HK\$.

Pursuant to a special resolution passed on 20 July 2011, the name of the Company was changed from Vision Fame International Holding Ltd. to Vision Fame International Holding Limited 允升國際控股有限公司 with effect from 20 July 2011.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied all the HKFRSs, Hong Kong Accounting Standards, amendments and interpretations issued by the HKCPA which are effective for the Group’s financial year beginning on 1 April 2011.

The Group has not early applied any new and revised standards, amendments and interpretations that have been issued but are not yet effective for the financial year beginning after 1 April 2011.

3. TURNOVER

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Revenue from building construction	243,453	268,345
Revenue from property maintenance	157,201	236,374
Revenue from alterations, renovation, upgrading and fitting-out works	261,049	230,000
	<u>661,703</u>	<u>734,719</u>

4. SEGMENT INFORMATION

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

- (1) Building construction;
- (2) Property maintenance; and
- (3) Alterations, renovation, upgrading and fitting-out works.

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

Segment revenue and results

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

For the year ended 31 March 2012

	Building construction <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Alterations, renovation, upgrading and fitting-out works <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>243,453</u>	<u>157,201</u>	<u>261,049</u>	<u>661,703</u>
Segment profit	<u>31,129</u>	<u>10,012</u>	<u>60,343</u>	101,484
Other income				4,067
Central administration costs				(62,955)
Finance costs				(1,513)
Gain on disposal of a subsidiary				459
Share of loss of an associate				(231)
Profit before taxation				<u>41,311</u>

For the year ended 31 March 2011

	Building construction <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Alterations, renovation, upgrading and fitting-out works <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>268,345</u>	<u>236,374</u>	<u>230,000</u>	<u>734,719</u>
Segment profit	<u>16,308</u>	<u>18,816</u>	<u>77,968</u>	113,092
Other income				5,081
Fair value decrease in investment properties				(1,294)
Central administration costs				(44,375)
Finance costs				(1,290)
Impairment loss recognised in respect of available-for-sale investments				(3,303)
Share of loss of an associate				(761)
Profit before taxation				<u>67,150</u>

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, certain other income, fair value change in investment properties, impairment loss recognised in respect of available-for-sale investments, gain on disposal of a subsidiary, share of loss of an associate and finance costs. This is the measure reported to the chief operating decision maker, the chief executive officer, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Segment assets		
Building construction	67,722	61,936
Property maintenance	64,476	99,952
Alterations, renovation, upgrading and fitting-out works	<u>86,252</u>	<u>36,318</u>
Total segment assets	218,450	198,206
Unallocated corporate assets	<u>171,039</u>	<u>196,625</u>
Total assets	<u>389,489</u>	<u>394,831</u>
	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Segment liabilities		
Building construction	35,312	45,699
Property maintenance	54,298	83,030
Alterations, renovation, upgrading and fitting-out works	<u>35,681</u>	<u>37,526</u>
Total segment liabilities	125,291	166,255
Unallocated corporate liabilities	<u>86,729</u>	<u>140,800</u>
Total liabilities	<u>212,020</u>	<u>307,055</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than investment properties, interest in an associate, available-for-sale investments, certain property, plant and equipment, other receivables, amount due from a fellow subsidiary, an associate, pledged bank deposits, and bank balances and cash as these assets are managed on a group basis.
- all liabilities are allocated to operating segments other than certain other payables, tax payable, secured bank borrowings, amounts due to a director, fellow subsidiaries and a related company, provision for long services payment and deferred tax liabilities as these liabilities are managed on a group basis.

Other segment information

For the year ended 31 March 2012

	Building construction <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Alterations, renovation, upgrading and fitting- out works <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or segment assets:					
Additions to property, plant and equipment	322	60	44	3,680	4,106
Depreciation of property, plant and equipment	99	183	55	912	1,249
Interest income from subcontractors	—	(802)	(894)	—	(1,696)
Other interest income	(7,705)	—	—	—	(7,705)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:					
Interest in an associate	—	—	—	196	196
Share of loss of an associate	—	—	—	231	231
Gain on disposal of a subsidiary	—	—	—	(459)	(459)
Gain on disposal of property, plant and equipment	—	—	—	(1,744)	(1,744)
Bank interest income	—	—	—	(568)	(568)
Finance costs	—	—	—	1,513	1,513
Taxation	—	—	—	8,347	8,347

	Building construction <i>HK\$'000</i>	Property maintenance <i>HK\$'000</i>	Alterations, renovation, upgrading and fitting- out works <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or segment assets:					
Additions to property, plant and equipment	—	—	—	1,683	1,683
Depreciation of property, plant and equipment	4	54	—	1,333	1,391
Interest income from subcontractors	—	(2,544)	(90)	—	(2,634)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:					
Interest in an associate	—	—	—	426	426
Addition to investment properties	—	—	—	18,015	18,015
Fair value decrease in investment properties	—	—	—	1,294	1,294
Share of loss of an associate	—	—	—	761	761
Impairment loss recognised in respect of available-for-sale investments	—	—	—	3,303	3,303
Gain on disposal of property, plant and equipment	—	—	—	(167)	(167)
Bank interest income	—	—	—	(461)	(461)
Finance costs	—	—	—	1,290	1,290
Taxation	—	—	—	12,404	12,404

Geographical information

The Group's operations are located in Hong Kong, Macau and Singapore.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about its non-current assets is presented based on the geographical location of the assets.

Revenue from external customers

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Hong Kong (country of domicile)	496,998	606,105
Macau	19,080	3,698
Singapore	145,625	124,916
	661,703	734,719

Non-current assets

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Hong Kong (country of domicile)	9,093	20,271
Singapore	4,945	20,324
	14,038	40,595

Non-current assets excluded available-for-sale investments.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Customer A ¹	353,912	505,947
Customer B ²	N/A ³	122,397

¹ Revenue from building construction, property maintenance and alterations, renovation, upgrading and fitting-out works.

² Revenue from property maintenance and alterations, renovation, upgrading and fitting-out works.

³ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. OTHER INCOME

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Bank interest income	568	461
Gain on disposal of property, plant and equipment	1,744	167
Investment income	15	—
Interest income from sub-contractors	1,696	2,634
Other interest income (<i>Note a</i>)	7,705	—
Recovery of insurance expenses	1,021	—
Recovery of litigation fee	—	3,704
Rental income (<i>Note b</i>)	112	228
Sale of scrap materials	1,736	215
Written back of retention money payables	718	—
Other income	1,173	306
	<u>16,488</u>	<u>7,715</u>

Notes:

(a) During year ended 31 March 2012, interest income of approximately HK\$7,705,000 represented revenues yielded by a recovery proceeding of the Group which was made against the other party for determination of their dispute in respect of the final contract amount of a construction project which the Group was engaged as the main contractor.

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Gross rental income	112	228
Less: direct operating expenses (included in administrative expenses)	—	(9)
	<u>112</u>	<u>219</u>

6. FINANCE COSTS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Interest on secured bank borrowings wholly repayable within five years	<u>1,513</u>	<u>1,290</u>

7. TAXATION

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Current year taxation		
Hong Kong Profits Tax	3,891	4,726
Singapore Corporate Tax	<u>4,448</u>	<u>7,671</u>
	8,339	12,397
Deferred taxation	<u>8</u>	<u>7</u>
	<u>8,347</u>	<u>12,404</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for both years.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

Singapore Corporate Tax has been provided at the rate of 17% on the estimated assessable profit for both years.

Macau Complementary Income Tax ("MCIT") is charged at the progressive rate on the estimated assessable profits. No MCIT has been provided for the year ended 31 March 2012 since the assessable profits is wholly absorbed by tax losses brought forward. No provision for MCIT for year ended 31 March 2011 has been made as the subsidiary operating in Macau did not generate any assessable profits in Macau.

8. PROFIT FOR THE YEAR

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Staff costs		
— salaries, allowances and other benefits	70,190	66,595
— provision for long service payments	545	45
— contributions to retirement benefits scheme	<u>2,347</u>	<u>2,705</u>
Total staff costs (excluding directors' remuneration)	<u>73,082</u>	<u>69,345</u>
Auditor's remuneration	990	89
Directors' remuneration	3,602	3,191
Depreciation of property, plant and equipment	1,249	1,391
Minimum lease payment under operating leases in respect of land and buildings	1,416	2,482
Exchange difference, net	<u>11</u>	<u>1,368</u>

9. EARNINGS PER SHARE

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

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Earnings		
Earnings for the purpose of basic earnings per share	<u>32,964</u>	<u>54,746</u>
	2012 <i>'000</i>	2011 <i>'000</i>
Number of shares		
Weighted average number ordinary shares for the purpose of basic earnings per share	<u>259,311</u>	<u>249,000</u>

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares during the years ended 31 March 2012 and 2011.

The weighted average number of share in issue during the year ended 31 March 2012 represents 249,000,000 shares in issue before the Listing as if such shares were issued on 1 April 2011, and the weighted average of 51,000,000 shares issued upon the Listing.

The weighted average number of shares in issue during the year ended 31 March 2011 represents 249,000,000 shares in issue before the Listing, as if such shares had been outstanding during the entire year of 2011.

10. DIVIDEND

No dividend has been paid by the Company during the year ended 31 March 2012. The final dividend of HK3 cents in respect of the year ended 31 March 2012 (2011: nil) per share has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in annual general meeting.

The special dividend paid by the Company's subsidiary to its then shareholders during the year ended 31 March 2011 amounted to approximately HK\$105,160,000.

11. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables at the end of the reporting period:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade receivables		
—from third parties	76,513	119,103
—from an associate	<u>6,886</u>	<u>883</u>
	83,399	119,986
Unbilled revenue	40,526	55,403
Retention money receivables	25,506	18,082
Advances, utility deposits and other receivables	<u>59,400</u>	<u>30,008</u>
	208,831	223,479
Less: Impairment loss recognised in respect of trade receivables	<u>—</u>	<u>(3,837)</u>
Trade and other receivables	<u>208,831</u>	<u>219,642</u>

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aged analysis of trade receivables, presented based on the invoice date at the end of the reporting period, and net of impairment loss recognised:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Within 30 days	82,806	115,100
More than 90 days	593	1,049
	83,399	116,149

12. TRADE AND OTHER PAYABLES

The following is an analysis of trade and other payables at the end of the reporting period:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade payables	100,645	129,408
Retention money payables	24,645	16,226
Accrued expenses and other payables	12,242	3,597
	137,532	149,231

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

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Within 30 days	98,931	126,871
More than 30 days and within 90 days	1,610	1,266
More than 90 days	104	1,271
	100,645	129,408

The average credit period on trade payables is 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time-frame.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Results for the Year

Turnover of the Group has decreased from approximately HK\$734,719,000 in 2011 to approximately HK\$661,703,000 in 2012 representing a decrease of approximately HK\$73,016,000 or approximately 9.9% as compared with last year.

Decrease in turnover was mainly attributable to decreasing building construction segment and property maintenance segment revenue in Hong Kong together with decreasing revenue in alterations, renovation, upgrading and fitting-out works segment (collectively “A&A works”) in Singapore because a number of sizable projects across all three segments were substantially completed in 2010 to early 2011.

During the year ended 31 March 2012, the Group has secured 11 new contracts with total contract value amounting to approximately HK\$988,431,000 of which 10 contracts with contract value of approximately HK\$541,954,000 were A&A works segment and 1 contract with contract value of approximately HK\$446,477,000 was building construction segment. As at 31 March 2012, the Group has 17 projects in progress with total contract sum of approximately HK\$2,076 million.

Gross profit has decreased from approximately HK\$110,458,000 in 2011 to approximately HK\$89,063,000 in 2012 representing a decrease of approximately HK\$21,395,000 as compared with previous year. The decrease in gross profit was primarily contributed by decrease in revenue in current year in the building construction segment and property maintenance segment in Hong Kong as compared with last year and the completion of a A&A works project in Singapore which has contributed significant gross profit in last year. As such, the gross profit margin reduced from the year ended 31 March 2011 of approximately 15% to approximately 13.5%.

Substantial increase in other income from the year ended 31 March 2011 of approximately HK\$7,715,000 to the year ended 31 March 2012 of approximately HK\$16,488,000 was mainly contributed by the recovery of interest income of approximately HK\$7,705,000 in current year from a recovery proceeding of the Group which was made against one of our customers in relation to disputes for the final account for a building construction project completed in 2001.

The substantial increase in administrative expenses was resulted from non-recurrence expenses incurred for the listing of the shares of the Company on the Main Board of the Stock Exchange on 18 January 2012.

For the year ended 31 March 2012, profit of the Group decreased to approximately HK\$32,964,000 against approximately HK\$54,746,000 of the same corresponding period in 2011.

Such significant decrease in profit of the Group was mainly due to the fact that (i) a number of sizable projects across all three business segments were substantially completed in 2010 to early 2011 and (ii) the progress of several newly-awarded projects during the year under review were still at an early stage such that the revenue was not substantially reflected in the year ended 31 March 2012.

The basic earnings per share for the year was HK12.7 cents compared to HK22.0 cents of last year.

(2) Review of Operations

(i) Building Construction

Revenue for the building construction segment for the year ended 31 March 2012 was approximately HK\$243,453,000 (2011: approximately HK\$268,345,000) and segment profit was approximately HK\$31,129,000 (2011: approximately HK\$16,308,000). The overall result for the Group in this segment in current year was a moderate drop in revenue together with an increase in segment profit as compared with previous year.

The decline in revenue was mainly due to substantial completion of two sizable construction contracts in Hong Kong during the first half of last year. As a result, the corresponding revenue has decreased from approximately HK\$266,519,000 of 2011 to approximately HK\$158,046,000 of 2012, representing a reduction of revenue by approximately HK\$108,473,000. Whereas such decrease was substantially offset by increase in revenue in building construction segment in Singapore from the year ended 31 March 2011 of approximately HK\$1,825,000 to the year ended 31 March 2012 of approximately HK\$85,407,000 representing a growth of approximately HK\$83,582,000.

The increase in both segment profit and segment profit margin was primarily contributed by a recovery of revenue approximately HK\$10.6 million in current year in relation to disputes for the final contract amount for a building construction project completed in 2001 with one of our customers. Whereas all expenses in relation to the aforesaid project was fully reflected in the years incurred, the recovery of approximately HK\$10.6 million net income therefore drove up the segment profit and segment profit margin in current year.

The increase in segment profit was also contributed by substantial progress of two building construction projects in Singapore in current year.

The Group will continue to monitor closely its two building construction contracts in progress to ascertain profitability and completion on time in a quality manner.

(ii) Property Maintenance

Revenue for the property maintenance segment for the year ended 31 March 2012 was approximately HK\$157,201,000 (2011: approximately HK\$236,374,000) and segment profit was approximately HK\$10,012,000 (2011: approximately HK\$18,816,000). The overall result for the Group in this segment was a drop in revenue, segment profit and segment profit margin during the year ended 31 March 2012.

The decline in revenue was mainly due to the close of two significant property maintenance contracts in Hong Kong in March and May 2010 respectively. As a result, revenue from property maintenance segment for the year ended 31 March 2012 was mainly derived from one major government property maintenance contract in Hong Kong as opposed to three major government property maintenance contracts during the year ended 31 March 2011.

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

Revenue for the A&A works segment for the year ended 31 March 2012 was approximately HK\$261,049,000 (2011: approximately HK\$230,000,000) and segment profit was approximately HK\$60,343,000 (2011: approximately HK\$77,968,000). The overall result for the Group in this segment was a drop in segment profit as compared with the year ended 31 March 2011.

During the year ended 31 March 2012, the Group has secured 10 new contracts with total sums amounting to approximately HK\$541,954,000.

The decrease in segment profit was mainly due to the fact that the progress of several newly-awarded projects during the year under review were still at an early stage such that the revenue was not substantially reflected in the year ended 31 March 2012.

The Group believes that A&A works markets in Hong Kong, Singapore and Macau will be the major growth engine for further and sustained growth of the Group.

(3) Prospects

Looking into the coming years, the Group remains cautiously optimistic in the construction industry in Hong Kong, Singapore and Macau, yet the Group is confident to achieve steady growth in the coming years as the industry is expected to boom again with various sizeable projects scheduling for commencement. Leveraging on the Group's vast experience in handling a wide variety of construction works in past two decades, the Group's project management expertise and proven track record, the Group is well prepared for the opportunities ahead.

Nevertheless, the Group also sees challenges in the industry including substantial rise in labour costs, given the labour intensive nature of the industry. Labour costs have been on the rise for a consecutive few years by now, due mainly to a shortage of construction workers in Hong Kong. In view of this industry situation, the Group has always maintained its prudent approach in bidding for new projects, taking into consideration major cost issues when outlining its future plans. Moving forward, the Group will continue to adhere to its prudent approach and select quality projects with more reasonable profit margins in order to minimize risks.

The Group firmly believes that it is in a strong position to take advantage of the boom in infrastructure developments in Hong Kong in the coming years, while at the same time gaining regional experience and steady returns from the Singapore and Macau markets. With more projects coming on board in late 2012 and early 2013, the Group is confident that it will be successful in winning significant tenders and projects that will sustain the Group's healthy growth for years to come.

(4) Financial Position

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

As at 31 March 2012, the Group's total cash in hand was approximately HK\$109,194,000 (as at 31 March 2011: approximately HK\$104,701,000).

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

	31 March 2012 '000	31 March 2011 '000
Hong Kong Dollars	76,176	97,367
Singapore Dollars	3,558	92
Macao Patacas	3,765	48

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

The Group has certain portion of bank balances and cash denominated in currencies other than the functional currency of the entity to which they relate. The Group currently does not have any financial instruments for currency hedging purpose but will consider hedging significant foreign currency exposure should the need arise.

Whereas total interest bearing borrowings have reduced from 31 March 2011 of approximately HK\$79,459,000 to 31 March 2012 of approximately HK\$66,599,000. All borrowings were denominated in Hong Kong Dollars. The total amounts of bank borrowings as at 31 March 2012 were repayable within one year based on the scheduled repayment dates set out in the loan agreements. The Group's net cash balance have increased from 31 March 2011 of approximately HK\$25,242,000 to 31 March 2012 of approximately HK\$42,595,000. The increase in net cash position of approximately HK\$17,353,000 is mainly attributed to net proceed received from initial public offering in January 2012 that have been partly offset by the payments of construction costs of projects in progress.

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

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Property, plant and equipment	8,100	8,280
Investment property	—	8,200
Other receivables	16,696	9,146
Bank deposits	43,197	39,852
	<u>67,993</u>	<u>65,478</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 31 March 2012, the Group has been granted total banking facilities of approximately HK\$195,989,000 (2011: approximately HK\$189,700,000). An amount of approximately HK\$105,868,000 (2011: approximately HK\$91,926,000) remained unutilized.

(5) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2012 and 2011 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statements of financial position. In minimise 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.

Management considers the credit risk attributable to the amounts due from related parties to be insignificant as majority of the receivables are due from group companies with a good creditworthiness.

(6) Liquidity and Financial Resources

As at 31 March 2012, the gearing ratio of the Group was approximately 17.1% (31 March 2011: approximately 20.1%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at reporting date multiplied by 100%. The gearing ratio decreased because of reduced secured bank borrowings as at 31 March 2012 as compared to 31 March 2011 due to more repayment made to banks as at 31 March 2012.

As at 31 March 2012, current assets and current liabilities were stated at approximately HK\$348,224,000 (as at 31 March 2011: approximately HK\$340,574,000) and approximately HK\$191,579,000 (as at 31 March 2011: approximately HK\$300,407,000), respectively. Current ratio improved from 31 March 2011 1.13 times to 1.82 times of 31 March 2012. The current ratio is calculated by dividing current assets with current liabilities as at the end of respective periods. The improvement in current ratio is mainly due to the Group's continuous and effective cash flow and treasury management to maintain sufficient liquid assets to finance its operations.

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

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

(7) Contingent Liabilities and Capital Commitments

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

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Guarantees in respect of performance bonds in favor of its clients	83,359	18,315
Guarantee given to bank in respect of banking facilities granted to an associate	14,227	14,218
	97,586	32,533

At the end of the reporting period, the Directors considered that the fair value of the financial guarantee is insignificant.

The Group did not have any significant capital commitments as at 31 March 2012 and 31 March 2011.

(8) Available-For-Sale Investments

As at 31 March 2012, the Group has available-for-sale investments of approximately HK\$13,030,000 (as at 31 March 2011: approximately HK\$9,516,000), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 31 March 2012, the Group held 89,400,000 shares (as at 31 March 2011: held 59,600,000 shares). The fair values of the above listed shares are determined based on the quoted bid prices available on the Singapore Exchange Limited. The Group considered that acquiring shares in HLH Group

Limited and investing in Castilia Development Pte Ltd (a property development company in Singapore as to 20% owned by the Group and 80% owned by HLH Group Limited) would help the Group's expansion in Southeast Asia by leveraging the experience of HLH Group Limited in the construction business. The Group intends to hold such shares for long term investment purpose.

(9) Use of net proceeds from listing

The Company's shares were listed on the Main Board of the Stock Exchange on 18 January 2012. The net proceeds from the Company's listing were approximately HK\$39.9 million after deducting underwriting fee and other related expenses. In accordance with the proposed applications set out in the section "Future Plans And Use of Proceeds" in the prospectus dated 30 December 2011, the net proceeds received were applied during the year ended 31 March 2012 as follows:

	Net proceeds (<i>HK\$ million</i>)		
	Available	Utilized	Unutilized
Business development in The People's Republic of China	9.6	—	9.6
Operation of projects awarded from 1 July 2011 as disclosed in the prospectus of the Company dated 30 December 2011	9.6	9.6	—
Increase the performance bond facilities	9.6	3.5	6.1
Marketing and promotion	6.3	—	6.3
Development of new construction techniques and methodologies	4.8	—	4.8
	39.9	13.1	26.8

The Group held the unutilized net proceeds in short-term deposits or time deposits with reputable banks in Hong Kong as at 31 March 2012.

(10) Movement of incomplete contracts for the year ended 31 March 2012

	31 March 2011 <i>HK\$'000</i>	Contracts Secured <i>HK\$'000</i>	Contracts Completed <i>HK\$'000</i>	31 March 2012 <i>HK\$'000</i>
Building Construction	569,451	446,477	—	1,015,928
Property Maintenance	398,256	—	—	398,256
Alteration, Renovation, Upgrading and Fitting-Out Works	461,550	541,954	341,351	662,153
	1,429,257	988,431	341,351	2,076,337

(11) Employees and remuneration policies

As at 31 March 2012, the Group employed a total of 273 staff (as at 31 March 2011: 219 staff) which included Macau & Singapore employees. The total remuneration for staff was approximately HK\$77 million for the year (2011: approximately HK\$75 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.

DIVIDENDS

The Board recommended a payment of a final dividend equivalent to HK3 cents per share of the Company (the “Share”) for the year ended 31 March 2012 to the shareholders of the Company (the “Shareholders”) whose names appear on the register of Shareholders on Wednesday, 12 September 2012. Such proposed final dividend is pending approval by the Shareholders at the forthcoming annual general meeting of the Company and will be paid on or around Wednesday, 19 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 29 August 2012 to Friday, 31 August 2012 (both dates inclusive) during which period no transfer of Shares will be registered. In order to attend and vote at the forthcoming annual general meeting of the Company, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 28 August 2012.

The register of members of the Company will be closed from Monday, 10 September 2012 to Wednesday, 12 September 2012 (both dates inclusive), during which period no transfer of Shares will be registered. In order to qualify for the final dividend, all transfers of Shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrars in Hong Kong, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 7 September 2012.

CORPORATE GOVERNANCE PRACTICES

During the period from the listing date of the Company (i.e. 18 January 2012) (the “Listing Date”) to 31 March 2012 (the “Period”), the Company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) except the issue mentioned in the following paragraph. According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the

Period under review, Mr. Wong Law Fai is both the chairman of the Board and the chief executive officer of the Company; therefore, the Group does not at present separate the roles of the chairman and the chief executive officer of the Company.

The Board considered that Mr. Wong Law Fai has in-depth knowledge and experience in the building construction industry and is the most appropriate person to manage the Group, therefore, the roles of chairman and chief executive officer exercised by the same individual, Mr. Wong Law Fai, is beneficial to the business prospects and management of the Group. Notwithstanding the above, if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company will make necessary arrangements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules (the “Model Code”). 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 Period under review.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 19 December 2011 with written terms of reference which was revised on 28 March 2012 in compliance with the CG Code and is 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 auditors.

The Audit Committee comprises three independent non-executive Directors namely, Mr. Lam Siu Lo, Andrew, *JP*, Mr. Li Ying Ming and Mr. Tam Tak Kei, Raymond. Mr. Tam Tak Kei, Raymond is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the internal control and financial reporting matters, including reviewing the financial statements and annual results for the year ended 31 March 2012.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company’s website (<http://www.irasia.com/listco/hk/visionfame/index.htm>) and the Stock Exchange’s website (<http://www.hkex.com.hk>). The 2012 Annual 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

By Order of the Board
Vision Fame International Holding Limited
Wong Law Fai
Chairman

Hong Kong, 25 June 2012

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wong Law Fai, Mr. So Kwok Lam and Mr. Yip Chi Chong; and three independent non-executive Directors, namely Mr. Lam Siu Lo, Andrew, JP, Mr. Li Ying Ming and Mr. Tam Tak Kei, Raymond.