

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

VISION
FAME
INTERNATIONAL
HOLDING **L**IMITED

Interim
Report 2012



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Corporate Information

Executive Directors

Wong Law Fai (*Chairman and Chief Executive Officer*)
So Kwok Lam
Yip Chi Chong

Independent Non-Executive Directors

Lam Siu Lo, Andrew, *JP*
Li Ying Ming
Tam Tak Kei, Raymond

Company Secretary

Lam Yuen Ling Eva

Audit Committee

Tam Tak Kei, Raymond (*Chairman*)
Lam Siu Lo, Andrew, *JP*
Li Ying Ming

Remuneration Committee

Li Ying Ming (*Chairman*)
Lam Siu Lo, Andrew, *JP*
Tam Tak Kei, Raymond
Wong Law Fai

Nomination Committee

Lam Siu Lo, Andrew, *JP* (*Chairman*)
Li Ying Ming
Tam Tak Kei, Raymond
Wong Law Fai

Registered Office

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

Head Office and Principal Place of Business in Hong Kong

Flat A, 2/F, Fuk On Building, 1123 Canton Road, Mongkok, Kowloon, Hong Kong

Compliance Adviser

China Everbright Capital Limited
17th floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

Authorized Representatives

Wong Law Fai
Lam Yuen Ling Eva

Auditors

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

Legal Advisers

As to Hong Kong law
Loong & Yeung
Suites 2001–2005, 20/F, Jardine House, 1 Connaught Place, Central, Hong Kong

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

Principal Bankers

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



Corporate Information (Continued)

Principal Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

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

Company Website

www.visionfame.com

Management Discussion and Analysis

(1) Interim Results

For the six months ended 30 September 2012 (the "Period"), the Group recorded a turnover of approximately HK\$484,016,000, representing a 79% increase against approximately HK\$271,085,000 of the same period in 2011. The increase in turnover was contributed mainly by the building construction segment and alterations, renovation, upgrading and fitting-out works segment (collectively "A&A works segment"). During the Period, a construction project in Singapore has been in full swing resulting in more revenue being recognised. In addition, A&A works segment in Hong Kong performed steadily during the Period as the market has maintained a favourable trend and a strong momentum.

During the Period, the Group achieved a gross profit of approximately HK\$43,433,000 (six months ended 30 September 2011: approximately HK\$41,276,000). The moderate increase was a result of more gross profit contribution from A&A works segment primarily in Hong Kong market.

During the Period, the Group had won seven new contracts with total contract value amounting to approximately HK\$215,313,000 of which six contracts with contract value of approximately HK\$207,683,000 were A&A works segment. As at 30 September 2012, the Group has projects in progress with total contract sum of approximately HK\$2,128 million.

Soon after the Period, another approximately HK\$164,300,000 worth of new contract was awarded.

Other income for the Period was approximately HK\$1,821,000 representing a substantial decrease as compared with the last interim period. The decrease was mainly contributed by the recovery of interest income in the last interim period 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.

Share of profit of an associate of approximately HK\$7,051,000 represented profit contributed from an associate company of the Company, Castilia Development Pte Ltd, in Singapore. The residential apartments of the said associate company were handed over to the buyers during the Period resulting recognition of profit from sales of the residential apartments.

For the Period, profit attributable to owners of the Company decreased to approximately HK\$23,203,000 as compared with approximately HK\$26,918,000 of the corresponding period in 2011.

The basic earnings per share for the Period were HK7.73 cents compared to HK10.81 cents of the same period in 2011.

(2) Review of Operations

(i) Building Construction

Revenue for the building construction segment for the Period was approximately HK\$134,112,000 (six months ended 30 September 2011: approximately HK\$97,194,000) and segment profit was approximately HK\$16,669,000 (six months ended 30 September 2011: approximately HK\$21,866,000). The result for the Group in this segment during the Period was due to a decrease in segment profit resulting from a recovery of revenue in the last interim period in 2011 in relation to disputes for the final contract amount for a building construction project completed in 2001 with one of our customers.



Management Discussion and Analysis (Continued)

(2) Review of Operations (Continued)

(ii) Property Maintenance

Revenue for the property maintenance segment for the Period was approximately HK\$74,940,000 (six months ended 30 September 2011: approximately HK\$79,286,000) and segment profit was approximately HK\$4,490,000 (six months ended 30 September 2011: approximately HK\$9,171,000). The overall result for the Group in this segment was a drop in revenue and segment profit.

The decline in segment profit of the Period mainly arose from the contribution of relatively high segment profit from a property maintenance project with an international casino gaming resort in Singapore in the last interim period in 2011.

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

Revenue for the A&A works segment for the Period was approximately HK\$274,964,000 (six months ended 30 September 2011: approximately HK\$94,605,000) and segment profit was approximately HK\$23,155,000 (six months ended 30 September 2011: approximately HK\$18,288,000). The overall result for the Group in this segment was increase in both revenue and segment profit associated with decrease in segment profit margin as compared with the last interim period 2011.

The segment profit margin of last interim period in 2011 was higher, which was primarily benefited from several luxurious and high-end fitting out projects for an international casino gaming resort in Singapore.

During the current interim period, the A&A works segment worked on many prestigious projects including construction of several lift towers for Hong Kong Housing Authority, alteration and addition works at the Harbour City and various alteration and addition works for The Link Management Ltd.

(3) Prospects

With the continuous adjustment of the global market, the growth momentum of Hong Kong economy is expected to slow down in the coming year. Fortunately, the local construction market has maintained a steady trend in the past year and expected to growth continuously in the coming years. This is benefited from the rolling out of the committed major infrastructure projects and the more promising and ambitious housing policy of the new government that bring about opportunities to the Hong Kong construction industry. The Group believes that our solid track record coupled with our competent and dedicated project management team will enable us on the well preparation for the opportunities ahead.

In Singapore, the construction industry is likely to continue booming due to the increase in the public housing projects release by the Government and the increase in land sales to meet with the increase in demand. Also, the Group will explore opportunity for strategic expansion in the region.

The strong economic growth in Macau supports a surge in the construction demand. The Group will prepare and equip itself with adequate resources and look forward to participating further in this market.

On the other hand, the continuous rising of labour and material costs, escalating staff salary level together with the shortage of workers and professional affect the current markets and undoubtedly bring about challenges to the industry. In facing the challenges, the Group will vigilantly control costs and adopt a prudent approach in the selection of quality projects with an aim to maintain a balanced mixture of business and maximizing profit.

Management Discussion and Analysis (Continued)

(4) Financial Position

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

As at 30 September 2012, the Group's total cash in hand was approximately HK\$111,321,000 (as at 31 March 2012: approximately HK\$109,194,000).

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

	30 September 2012 '000	31 March 2012 '000
Hong Kong Dollars	83,138	76,176
United States Dollars	853	853
Singapore Dollars	3,325	3,558
Macao Patacas	549	3,765

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

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

Whereas total interest bearing borrowings have reduced slightly from approximately HK\$66,599,000 as at 31 March 2012 to approximately HK\$65,015,000 as at 30 September 2012. All borrowings were denominated in Hong Kong Dollars. The total amounts of secured bank borrowings as at 30 September 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 approximately HK\$42,595,000 as at 31 March 2012 to approximately HK\$46,306,000 as at 30 September 2012.

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

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Property, plant and equipment	8,010	8,100
Other receivables	16,842	16,696
Bank deposits	42,414	43,197
	67,266	67,993



Management Discussion and Analysis (Continued)

(4) Financial Position (Continued)

Interest on bank loans are charged at floating rates. The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary. As at 30 September 2012, the Group has been granted total banking facilities of approximately HK\$197,182,000 (31 March 2012: approximately HK\$195,989,000). An amount of approximately HK\$100,318,000 (31 March 2012: approximately HK\$105,868,000) remained unutilized.

(5) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 30 September 2012 and 31 March 2012 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the condensed consolidated statements of financial position. In 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.

(6) Liquidity and Financial Resources

As at 30 September 2012, the gearing ratio of the Group was approximately 14.8% (31 March 2012: approximately 17.1%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at reporting date multiplied by 100%. The gearing ratio improved because of slightly reduced secured bank borrowings as at 30 September 2012 as compared to 31 March 2012 due to repayments made to banks as at 30 September 2012.

As at 30 September 2012, current assets and current liabilities were stated at approximately HK\$372,185,000 (as at 31 March 2012: approximately HK\$348,224,000) and approximately HK\$214,854,000 (as at 31 March 2012: approximately HK\$191,579,000), respectively. Current ratio decreased slightly from 1.82 times as at 31 March 2012 to 1.73 times as at 30 September 2012. The current ratio is calculated by dividing current assets with current liabilities as at the end of respective period.

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

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

Management Discussion and Analysis (Continued)

(7) Contingent Liabilities and Capital Commitments

At the end of the Period, the Group had provided the following guarantees:

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Guarantees in respect of performance bonds in favor of its clients	105,268	83,359
Guarantee given to bank in respect of banking facilities granted to an associate	14,551	14,227
	119,819	97,586

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

The Group did not have any significant capital commitment as at 30 September 2012 and 31 March 2012.

(8) Available-For-Sale Investments

As at 30 September 2012, the Group has available-for-sale investments of approximately HK\$16,150,000 (31 March 2012: approximately HK\$13,030,000), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 30 September 2012, the Group held 89,400,000 shares (31 March 2012: 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. 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.



Management Discussion and Analysis (Continued)

(9) Movement of incomplete contracts for the six months ended 30 September 2012

	31 March 2012 HK\$'000	Contracts Secured HK\$'000	Contracts Completed HK\$'000	30 September 2012 HK\$'000
Building Construction	1,015,928	—	40,910	975,018
Property Maintenance	398,256	7,630	—	405,886
Alteration, Renovation, Upgrading And Fitting-Out Works	662,153	207,683	123,083	746,753
	2,076,337	215,313	163,993	2,127,657

Building Construction segment

Contract completed during the six months ended 30 September 2012

Contract	Commencement date	Completion date	Contract value HK\$'000
Erection of 1 Block of 5-Storey Apartment Flat (Total 28 Units) with Attic, Swimming Pool and Carparks at No 45 Joo Chiat Lane, (Geylang Planning Area) Singapore	January 2011	June 2012	40,910

Property Maintenance segment

Contract secured during the six months ended 30 September 2012

Contract	Commencement date	Contract value HK\$'000
Term Maintenance Contract for Shopping Centres, Carparks, Markets & Cook-food Stalls in New Territories Districts with The Link Management Ltd.	September 2012	7,630

Management Discussion and Analysis (Continued)

(9) Movement of incomplete contracts for the six months ended 30 September 2012 (Continued)

Alteration, Renovation, Upgrading and Fitting-Out Works segment

Contracts secured during the six months ended 30 September 2012

Contracts	Commencement date	Contract value HK\$'000
Contract C4201-12C Improvement Works to Customer Service Centres at Tsuen Wan Line & Island Line with MTR Corporation Ltd.	April 2012	15,962
Underground Drain Replacement and Manhole Enlarging Works at G/F, Oi Kwan Road Baptist Church at 36 Oi Kwan Road, Wan Chai, Hong Kong	June 2012	488
Second to Third Floor Staircase A & A Works in Marco Polo Hong Kong Hotel at No. 3 Canton Road, Tsimshatsui, Kowloon	June 2012	2,332
A & A works at Sub-basement to 1/F, Block A at Harbour City, Canton Road, Kowloon	July 2012	44,905
Interior Fitting Out Works (Phase 2) for 611 Bread of Life Christian Church at Wealthy Garden, 2-18 Tsuen Kwai Street, Tsuen Wan, N.T.	September 2012	21,880
Main Contract for Asset Enhancement Works at Choi Wan Commercial Complex, Kowloon with The Link Management Ltd.	August 2012	122,116
Total		207,683



Management Discussion and Analysis (Continued)

(9) Movement of incomplete contracts for the six months ended 30 September 2012 (Continued)

Alteration, Renovation, Upgrading and Fitting-Out Works segment (Continued)

Contracts completed during the six months ended 30 September 2012

Contracts	Commencement date	Completion date	Contract value HK\$'000
Addition of Lift Towers in Cheung Ching Estate, Cheung Hang Estate and Cheung Hong Estate	February 2011	June 2012	31,228
Lifts Addition Works at Shun Tin, Ping Tin and Tsz Lok Estates	March 2011	September 2012	41,766
Sundry Quotation works with The Link Management Ltd.	December 2011	September 2012	18,834
Main Contract Works for the Conversion of Estate Primary School into Office Accommodation G/F to 2/F and Part of Roof, existing Estate Primary School, Chai Wan Lot No. 176, Siu Sai Wan Estate, Chai Wan for the Hong Kong Council for Accreditation of Academic and Vocational Qualifications	November 2011	July 2012	28,919
Main Contract for Enabling Works at Wah Sum Shopping Centre, Fanling, New Territories	November 2011	May 2012	1,848
Underground Drain Replacement and Manhole Enlarging Works at G/F, Oi Kwan Road Baptist Church at 36 Oi Kwan Road, Wan Chai, Hong Kong	June 2012	August 2012	488
Total			123,083

Contract secured subsequent to 30 September 2012 and up to the date of this report

Contract	Commencement date	Contract value HK\$'000
Proposed Erection of Strata Landed Development Comprising of 3-Storey Strata Terrace Dwelling Units with basement Carparks (Total: 21 units) At Asimont Lane (Novena Planning Area) Singapore	November 2012	164,300 (\$26,500,000)
Total		164,300

Management Discussion and Analysis (Continued)

(10) Employees and remuneration policies

As at 30 September 2012, the Group employed a total of 279 staff (30 September 2011: 262 staff) which included employees in Hong Kong, Singapore and Macau. The total remuneration for staff was approximately HK\$39 million for the Period (six months ended 30 September 2011: approximately HK\$32 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.

(11) 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



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

TO THE BOARD OF DIRECTORS OF VISION FAME INTERNATIONAL HOLDING LIMITED

允升國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Vision Fame International Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 15 to 29, which comprises the condensed consolidated statement of financial position as at 30 September 2012 and the related condensed consolidated statement of 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 condensed consolidated financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Report on Review of Condensed Consolidated Financial Statements (Continued)

Other Matters

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 30 September 2011 and the relevant explanatory notes disclosed in these condensed consolidated financial statements have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

SHINEWING (HK) CPA Limited

Certified Public Accountants

Wong Hon Kei, Anthony

Practising Certificate Number: P05591

Hong Kong

27 November 2012

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2012

	Notes	Six months ended 30 September	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Turnover	4	484,016	271,085
Cost of sales		(440,583)	(229,809)
Gross profit		43,433	41,276
Other income		1,821	11,602
Administrative expenses		(24,428)	(20,792)
Finance costs	5	(818)	(683)
Gain on disposal of a subsidiary		—	459
Share of profit (loss) of an associate		7,051	(170)
Profit before taxation	6	27,059	31,692
Taxation	7	(3,856)	(4,774)
Profit for the period attributable to owners of the Company		23,203	26,918
Other comprehensive income (expense):			
Exchange differences arising on translation of foreign operations		1,924	(2,253)
Reclassification adjustment for the cumulative exchange difference included in profit or loss upon disposal of foreign operation		—	39
Fair value gain (loss) on available-for-sale investments		2,762	(4,135)
Other comprehensive income (expense) for the period		4,686	(6,349)
Total comprehensive income for the period attributable to owners of the Company		27,889	20,569
Earnings per share (in Hong Kong cents)			
Basic and diluted	9	7.73	10.81

Condensed Consolidated Statement of Financial Position

As at 30 September 2012

	Notes	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	17,936	13,842
Interest in an associate		7,431	196
Available-for-sale investments		16,150	13,030
		41,517	27,068
Current assets			
Amounts due from customers for contract work		42,390	36,245
Trade and other receivables	11	243,962	208,831
Amount due from an associate		—	8,151
Pledged bank deposits		42,414	43,197
Bank balances and cash		68,907	65,997
		397,673	362,421
Current liabilities			
Trade and other payables	12	169,015	137,532
Secured bank borrowings	13	65,015	66,599
Tax payable		7,112	6,203
		241,142	210,334
Net current assets		156,531	152,087
Total assets less current liabilities		198,048	179,155
Non-current liabilities			
Provision for long service payments		1,272	1,272
Deferred tax liabilities		418	414
		1,690	1,686
Net assets		196,358	177,469
Capital and reserves			
Share capital	14	3,000	3,000
Reserves		193,358	174,469
Total equity		196,358	177,469

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2012

	Share capital	Share premium	Exchange reserve	Capital reserve	Legal reserve	Available-for-sale investments revaluation reserve	Other reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Note a)		(Note b)	(Note c)		(Note d)		
At 1 April 2012 (audited)	3,000	53,322	7,926	2,776	12	1,317	22,000	87,116	177,469
Profit for the period	—	—	—	—	—	—	—	23,203	23,203
Other comprehensive income for the period	—	—	1,924	—	—	2,762	—	—	4,686
Total comprehensive income for the period	—	—	1,924	—	—	2,762	—	23,203	27,889
Dividend paid (Note 8)	—	(9,000)	—	—	—	—	—	—	(9,000)
At 30 September 2012 (unaudited)	3,000	44,322	9,850	2,776	12	4,079	22,000	110,319	196,358
At 1 April 2011 (audited)	22,000	—	8,824	2,776	12	12	—	54,152	87,776
Profit for the period	—	—	—	—	—	—	—	26,918	26,918
Other comprehensive expenses for the period	—	—	(2,214)	—	—	(4,135)	—	—	(6,349)
Total comprehensive (expenses) income for the period	—	—	(2,214)	—	—	(4,135)	—	26,918	20,569
At 30 September 2011 (unaudited)	22,000	—	6,610	2,776	12	(4,123)	—	81,070	108,345

Notes:

- 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.
- In prior years, Wan Chung Construction Company Limited acquired entire equity interest in Wan Chung Property Company Limited from its then shareholder, Regent Pacific Investments Limited, a related company of Vision Fame International Holding Limited under common shareholder, at a discount of approximately HK\$2,776,000. Such acquisition is deemed to be a transaction with owners of the Company and therefore recorded in capital reserve.
- 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.
- Other reserve represented the difference between the nominal value of the issued share capital of the subsidiaries, acquired pursuant to the group reorganisation and the consideration paid for acquiring these subsidiaries.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2012

	Six months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Net cash from (used in) operating activities	10,196	(7,179)
Net cash from investing activities	3,656	35,928
Net cash used in financing activities	(11,402)	(71,663)
Net increase (decrease) in cash and cash equivalents	2,450	(42,914)
Cash and cash equivalents at the beginning of the period	65,997	64,849
Effect of foreign exchange rate changes	460	(102)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	68,907	21,833

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

1. General

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

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

Pursuant to a group reorganisation (the “Reorganisation”) of the Company and its subsidiaries (collectively referred to as the “Group”) 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 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 condensed 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”). Accordingly, the comparative condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the six months ended 30 September 2011 and relevant explanatory notes disclosed in these condensed consolidated financial statements have been prepared on the basis as if the current group structure has been in existence throughout the prior period.

2. Basis of Preparation

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

3. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment property and certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2012 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

Amendments to HKFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

3. Principal Accounting Policies (Continued)

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

4. Turnover and Segment Information

The Group's operating and reportable segments, based on information reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided as follows:

- (i) Building construction;
- (ii) Property maintenance; and
- (iii) Alterations, renovation, upgrading and fitting-out works.

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

(a) Segment revenue and results

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

For the six months ended 30 September 2012

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

4. Turnover and Segment Information (Continued)

(a) Segment revenue and results (Continued)

For the six months ended 30 September 2011

	Building construction HK\$'000 (Unaudited)	Property maintenance HK\$'000 (Unaudited)	Alterations, renovation, upgrading and fitting-out works HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	97,194	79,286	94,605	271,085
Segment profit	21,866	9,171	18,288	49,325
Other income				3,553
Central administration costs				(20,792)
Finance costs				(683)
Gain on disposal of a subsidiary				459
Share of loss of an associate				(170)
Profit before taxation				31,692

(b) Segment assets

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

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Building construction	91,603	67,722
Property maintenance	62,963	64,476
Alterations, renovation, upgrading and fitting-out works	116,034	86,252
Total segment assets	270,600	218,450

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

5. Finance Costs

	Six months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Interest on secured bank borrowings wholly repayable within five years	818	683

6. Profit Before Taxation

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

	Six months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Bank interest income	(313)	(237)
Interest income from sub-contractors	(766)	(421)
Other interest income (Note)	—	(7,494)
Gain on disposal of property, plant and equipment	—	(1,744)
Investment income	(7)	(7)
Depreciation of property, plant and equipment	1,792	571
Minimum lease payment under operating leases in respect of land and buildings	542	590
Exchange difference, net	765	198

Note: During six months ended 30 September 2011, interest income of approximately HK\$7,494,000 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

7. Taxation

	Six months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Current taxation		
Hong Kong Profits Tax	3,852	3,310
Singapore Corporate Tax	—	1,460
Deferred taxation	3,852 4	4,770 4
	3,856	4,774

8. Dividends

During the current interim period, a final dividend of HK3 cents per share in respect of the year ended 31 March 2012 (six months ended 30 September 2011: nil in respect of the year ended 31 March 2011) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK\$9,000,000 (six months ended 30 September 2011: nil).

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: nil).

9. Earnings Per Share

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

	Six months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share	23,203	26,918
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	300,000	249,000

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

9. Earnings Per Share (Continued)

The weighted average number of ordinary share in issue during the period ended 30 September 2011 represents 249,000,000 ordinary shares (Notes 14 (a), (b) and (c)) in issue before the Listing, as if such shares had been outstanding during the six months ended 30 September 2011.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares for the six months ended 30 September 2012 and 2011.

10. Property, Plant and Equipment

During the six months ended 30 September 2012, the Group spent approximately HK\$5,784,000 (six months ended 30 September 2011: approximately HK\$919,000) for the acquisition of property, plant and equipment.

Property, plant and equipment with a net carrying value of approximately HK\$2,456,000 were disposed of by the Group during the six months ended 30 September 2011 (six months ended 30 September 2012: nil), resulting in a net gain on disposals of approximately HK\$1,744,000 (six months ended 30 September 2012: nil).

11. Trade Receivables

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

The following is an analysis of trade receivables by age, presented based on the invoice date at the end of the reporting period, and net of impairment loss recognised:

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Within 30 days	144,563	82,806
More than 30 days and within 90 days	79	—
More than 90 days	1,749	593
	146,391	83,399

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

12. Trade Payables

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

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Within 30 days	121,680	98,931
More than 30 days and within 90 days	1,751	1,610
More than 90 days	135	104
	123,566	100,645

13. Secured Bank Borrowings

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Bank loans	58,000	50,500
Trust receipt loans	7,015	16,099
Carrying amount repayable within one year (<i>Note</i>)	65,015	66,599

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

As at 30 September 2012, secured bank borrowings carried floating interest rates from 2.30% to 7.25% (31 March 2012: 2.30% to 3.85%) per annum.

As at 30 September and 31 March 2012, the secured bank borrowings are secured by the Group's certain assets of the Group as set out in Note 17.

As at 31 March 2012, certain banking facilities were guaranteed by the Company's director, Mr. Wong Law Fai and a subsidiary's director. The personal guarantee provided by Mr. Wong Law Fai has been released during the six months ended 30 September 2012.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

14. Share Capital

	Number of Ordinary shares	Nominal value of ordinary shares HK\$'000
Ordinary share of HK\$0.01 each		
Authorised:		
At 31 May 2011 (date of incorporation) (Note a)	38,000,000	380
Increase in the year (Note c)	1,962,000,000	19,620
At 31 March 2012 and 30 September 2012	2,000,000,000	20,000
Issued and fully paid:		
At 31 May 2011 (date of incorporation) (Note a)	1	—
Shares issued on Reorganisation (Note b)	9,999	—
Shares issued by capitalisation (Note c)	248,990,000	2,490
Shares issued under global offering (Note d)	51,000,000	510
At 31 March 2012 and 30 September 2012	300,000,000	3,000

Notes:

- a. Upon incorporation, the authorised share capital of the Company was HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. One share was allotted and issued nil paid to the subscriber on 31 May 2011, which was then transferred to Smart Tactics Group Limited ("Smart Tactics") on the same date.
- b. Pursuant to the Reorganisation and as consideration for the acquisition by the Company of the entire issued share capital of Prosper Ace Investments Limited ("Prosper Ace") from Smart Tactics, on 16 December 2011, (i) the one nil paid share then held by Smart Tactics was credited as fully paid at par, and (ii) 9,999 shares, credited as fully paid at par, were allotted and issued to Smart Tactics. The acquisition of the issued share capital of Prosper Ace was accounted for by the Group using merger method and approximately HK\$22,000,000 was recognised in other reserve.
- c. Pursuant to the written resolutions passed by the sole shareholder of the Company on 19 December 2011, the authorised share capital of the Company was increased from HK\$380,000 to HK\$20,000,000 by the creation of an additional 1,962,000,000 ordinary shares of HK\$0.01 each. Subject to the share premium account of the Company being credited as a result of the global offering of 51,000,000 ordinary shares on 17 January 2012, the directors of the Company were authorised to capitalise approximately HK\$2,490,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par allot and issue a total of 248,990,000 ordinary shares for the allotment and issue to the shareholders of the Company on the register of the members of the Company at the close of business on 16 December 2011 in proportion to their then respective existing shareholdings in the Company and the directors of the Company allotted and issued such shares as aforesaid and gave effect to the capitalisation.
- d. On 17 January 2012, 51,000,000 ordinary shares of HK\$0.01 each were issued to the public at a price of HK\$1.20 per share for cash totalling approximately HK\$61,200,000 by way of global offering. The excess of the issue price over the par value of the shares, net of share issued expenses of approximately HK\$4,878,000, were credited to the share premium account of the Company.

All shares issued rank pari passu in all respects with all shares then in issue.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

15. Commitments

The Group as lessee

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

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Within one year	604	778
In the second to fifth year inclusive	101	229
	705	1,007

Operating lease payments represent rentals payable by the Group for certain of its office premises and staff quarters. Leases are negotiated and rentals are fixed for an average term of one to three years (31 March 2012: one to four years).

16. Contingent Liabilities

(a) Contingent liabilities in respect of legal claims

One subsidiary of the Group is defendant in a number of claims, lawsuits, arbitrations and potential claims relating to subcontracting fees, damages of personal injuries and breach of construction contracts. The directors of the Company considered that no provision for the contingent liabilities in respect of the litigation is necessary after due consideration of each case and with reference to the legal opinion.

(b) Guarantees issued

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

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Guarantees in respect of performance bonds in favor of its clients	105,268	83,359
Guarantee given to a bank in respect of banking facilities granted to an associate	14,551	14,227
	119,819	97,586

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

17. Pledge of Assets

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

	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Property, plant and equipment	8,010	8,100
Other receivables	16,842	16,696
Bank deposits	42,414	43,197
	67,266	67,993

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

28 18. Related Party Transactions

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

	Six months ended 30 September 2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Construction revenue received from an associate	3,004	8,451
Administrative income received from an associate	—	220
Rental income received from a key management personnel	—	26

- (b) On 1 June 2011, the Group entered into an assignment of sale and purchase with a key management personnel and his spouse, pursuant to which the Group agreed to sell and the key management personnel and his spouse agreed to purchase the Group's land and buildings at cash consideration of HK\$4,200,000 which was determined with reference to market value. On the date of disposal, the carrying value of the land and buildings amounted to approximately HK\$2,456,000.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2012

18. Related Party Transactions (Continued)

- (c) On 30 May 2011, the Group entered into a memorandum of sale and purchase with One Two Holdings Hong Kong Limited ("One Two Holdings") (formerly known as Wan Chung Holdings Limited) in which Mr. Wong Law Fai is the common director of the Company and One Two Holdings, to dispose of the investment property at cash consideration of HK\$8,200,000 which was determined with reference to market value. On the date of disposal, the carrying value of the investment property amounted to HK\$8,200,000. The transaction was completed on 25 July 2011.

(d) Compensation of key management personnel

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

	Six months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and other benefits	8,084	7,746
Contributions to retirement benefits scheme	213	207
	8,297	7,953

- (e) The following balances were outstanding from an associate at the end of the reporting period:

	30 September	31 March
	2012	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Amounts due from customers for contract work	—	38
Trade receivables	—	6,886
	—	6,924

- (f) As at 31 March 2012, included in accrued expense and other payables was amount of approximately HK\$102,000 (30 September 2012: nil) representing accrued directors' remunerations.
- (g) Under a deed of indemnity dated 19 December 2011, the then controlling shareholders have undertaken to provide indemnities on a joint and several basis in respect of, among other matters, all claims, payments, suits, damages, settlements payment and any associated costs and expenses which would be incurred or suffered by the Group as a result of any litigation, arbitration and/or legal proceedings, whether of criminal, administrative, contractual, tortious or otherwise nature against any member of the Group which was issued and/or accrued and/or arising from any act, non-performance, omission or otherwise of any member of the Group on or before the listing date.

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 2012.

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 2012.

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

As at 30 September 2012, 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 corporation (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. Wong Law Fai (Note)	Interest of Controlled Corporation	225,000,000 (L)	75%

(L): Long position

Note: The 225,000,000 Shares are held by Smart Tactics Group Limited, and Mr. Wong Law Fai beneficially owns the entire issued share capital of Smart Tactics Group Limited. By virtue of the SFO, Mr. Wong Law Fai is deemed to be interested in the 225,000,000 Shares held by Smart Tactics Group Limited.

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



Other Information (Continued)

Directors' Right to Acquire Shares

Save as disclosed above, at no time during the six months ended 30 September 2012 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 2012, 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
Smart Tactics Group Limited	Beneficial Owner	225,000,000 (L)	75%
Ms. Lam Shui Ling Patriza (Note)	Interest of Spouse	225,000,000 (L)	75%

(L): Long position

Note: Ms. Lam Shui Ling Patriza is the spouse of Mr. Wong Law Fai, the executive Director. By virtue of the SFO, Ms. Lam Shui Ling Patriza is deemed to be interested in 225,000,000 Shares which Mr. Wong Law Fai is interested in.

Save as disclosed above, as at 30 September 2012, the Company had not been notified by any persons (other than the Directors and chief executive of the Company) who had an interest or short position in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Share Option Scheme

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

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

Other Information (Continued)

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 2012 except the code provisions A.2.1 and A.6.7 of the CG Code as disclosed below:

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the six months ended 30 September 2012, Mr. Wong Law Fai is both the chairman (the "Chairman") of the board (the "Board") of the Company and the chief executive officer of the Company (the "Chief Executive Officer"); therefore, the Group does not at present separate the roles of the Chairman and the Chief Executive Officer.

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 the Chairman and the 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.

According to the code provision A.6.7 of the CG Code, the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. An independent non-executive Director was unable to attend the annual general meeting of the Company held on 31 August 2012 due to other commitments.

Audit Committee

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



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.

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Lam Siu Lo, Andrew, JP, Mr. Li Ying Ming and Mr. Tam Tak Kei, Raymond, and one executive Director, namely Mr. Wong Law Fai. Mr. Li Ying Ming is the chairman of the Remuneration Committee.

Nomination Committee

The nomination committee of the Company (the “Nomination Committee”) was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 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 comprises three independent non-executive Directors, namely Mr. Lam Siu Lo, Andrew, JP, Mr. Li Ying Ming and Mr. Tam Tak Kei, Raymond, and one executive Director, namely Mr. Wong Law Fai. Mr. Lam Siu Lo, Andrew, JP is the chairman of the Nomination Committee.

Pre-emptive Rights

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

Change of Director’s Information

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

Mr. Tam Tak Kei, Raymond has been appointed as an independent non-executive director of Sunley Holdings Limited (stock code: 1240), a company listed on the Main Board of the Stock Exchange, on 11 September 2012.

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 on us.

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

Hong Kong, 27 November 2012

As at the date of this report, 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.