

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1315)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Vision Fame International Holding Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2020, together with the comparative figures for the corresponding period in 2019:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2020

		Six months ended	
		30 September	
		2020	2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	2,685,819	1,091,219
Cost of sales and services		<u>(2,637,012)</u>	<u>(1,053,258)</u>
Gross profit		48,807	37,961
Other income		16,453	6,411
Other gains and (losses)		(435)	(415)
Selling expenses		(25,771)	—
Administrative expenses		(29,115)	(35,370)
Research and development costs		<u>—</u>	<u>(999)</u>
Profit from operations		9,939	7,588
Finance costs	5	<u>(6,655)</u>	<u>(6,662)</u>
Profit before tax	6	3,284	926
Income tax expenses	7	<u>(2,894)</u>	<u>(5,999)</u>
Profit/(loss) for the period		<u>390</u>	<u>(5,073)</u>

		Six months ended	
		30 September	
		2020	2019
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Other comprehensive income for the period, net of tax:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operation		<u>8,581</u>	<u>(11,276)</u>
Other comprehensive income for the period, net of tax		<u>8,581</u>	<u>(11,276)</u>
Total comprehensive income for the period		<u>8,971</u>	<u>(16,349)</u>
Profit/(loss) for the period attributable to:			
Owners of the Company		1,187	(5,073)
Non-controlling interests		<u>(797)</u>	<u>—</u>
		<u>390</u>	<u>(5,073)</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		9,768	(16,349)
Non-controlling interests		<u>(797)</u>	<u>—</u>
		<u>8,971</u>	<u>(16,349)</u>
Earnings/(losses) per share			
	8		
Basic (HK cents per share)		<u>0.02</u>	<u>(0.09)</u>
Diluted (HK cents per share)		<u>0.02</u>	<u>(0.09)</u>

Condensed Consolidated Statement of Financial Position

At 30 September 2020

		As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		3,877	2,631
Right-of-use assets		3,808	4,917
Financial assets at fair value through other comprehensive income		<u>—</u>	<u>6,000</u>
		<u>7,685</u>	<u>13,548</u>
Current assets			
Inventories		3,517	4,358
Trade and other receivables	10	473,321	574,972
Contract assets		300,447	344,327
Financial assets at fair value through profit or loss		14,142	13,881
Pledged bank deposits		59,681	59,266
Bank and cash balances		<u>53,004</u>	<u>28,634</u>
		<u>904,112</u>	<u>1,025,438</u>
Current liabilities			
Trade and other payables	11	449,893	432,121
Lease liabilities		3,287	3,124
Contract liabilities		39,242	192,159
Convertible bond	12	22,717	21,434
Amounts due to a related party	13	1,527	337
Amount due to a director		400	1,000
Loans from a related party	13	243,009	—
Current tax liabilities		<u>9,814</u>	<u>11,612</u>
		<u>769,889</u>	<u>661,787</u>
Net current assets		<u>134,223</u>	<u>363,651</u>
Total assets less current liabilities		<u>141,908</u>	<u>377,199</u>

		As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
Non-current liabilities			
Loans from a related party	<i>13</i>	—	243,009
Accruals and other payables		487	487
Lease liabilities		621	1,879
		<u>1,108</u>	<u>245,375</u>
NET ASSETS		<u>140,800</u>	<u>131,824</u>
Capital and reserves			
Share capital		12,000	12,000
Equity component of a convertible bond	<i>12</i>	11,746	11,746
Reserves		117,846	108,078
Equity attributable to owners of the Company		141,592	131,824
Non-controlling interests		(792)	—
TOTAL EQUITY		<u>140,800</u>	<u>131,824</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2020

1. GENERAL INFORMATION

Vision Fame International Holding Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law (Revised) of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 2001 & 10, 20/F., No. 118 Connaught Road West, Hong Kong. The Company’s shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group is principally engaged in the provision of building construction services, property maintenance services, alterations, renovation, upgrading works and fitting-out works services and trading of materials.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2020 annual consolidated financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Group’s annual consolidated financial statements for the year ended 31 March 2020.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2020. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies applied in these financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 March 2020. A number of new or amended standards are effective from 1 April 2020 but they do not have a material effect on the Group’s consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The Group has four operating segments as follows:

- (a) Building construction and other construction related business
- (b) Alterations, renovation, upgrading and fitting-out works
- (c) Property maintenance
- (d) Trading of materials

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that certain other income and gain/loss, finance costs, and gain on deregistration of subsidiaries as well as head office and corporate expenses are excluded from such measurement.

There were no intersegment sales or transfers during the period (2019: Nil).

An analysis of the Group's revenue and results by reportable and operating segment is as follows:

	Building construction and other construction related business HK\$'000 (Unaudited)	Alterations, renovation, upgrading and fitting- out works HK\$'000 (Unaudited)	Property maintenance HK\$'000 (Unaudited)	Trading of materials HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Six months ended 30 September 2020					
Segment revenue					
— External customers	46,789	118,240	279,597	2,241,193	2,685,819
Segment profit/(loss)	<u>(3,835)</u>	<u>(1,696)</u>	<u>24,105</u>	<u>6,075</u>	24,649
Unallocated other income					14,219
Other gains and (losses)					(435)
Administrative expenses					(28,494)
Finance costs					<u>(6,655)</u>
Profit before tax					<u><u>3,284</u></u>

	Building construction and other construction related business <i>HK\$'000</i> (Unaudited)	Alterations, renovation, upgrading and fitting- out works <i>HK\$'000</i> (Unaudited)	Property maintenance <i>HK\$'000</i> (Unaudited)	Trading of materials <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Six months ended 30 September 2019					
Segment revenue					
— External customers	79,746	138,669	311,414	561,390	1,091,219
Segment profit	<u>6,998</u>	<u>7,599</u>	<u>11,787</u>	<u>10,582</u>	36,966
Unallocated other income and other gains and (losses)					5,992
Administrative expenses					(35,370)
Finance costs					<u>(6,662)</u>
Profit before tax					<u>926</u>

5. FINANCE COSTS

	Six months ended 30 September	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Interest on:		
Banks and other loans	638	111
Convertible bond	1,283	1,302
Lease liabilities	104	523
Loans from a related party	<u>4,630</u>	<u>4,726</u>
	<u>6,655</u>	<u>6,662</u>

6. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period is arrived at after charging/(crediting):

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	1,232	2,520
Depreciation of right-of-use assets	1,755	9,713
Research and development costs	—	999
Lease payments not included in the measurement of lease liabilities	140	109
Bank interest income	(437)	(1,930)
Interest income from sub-contractors	(2,224)	(3,819)
(Gain)/loss on disposal of property, plant and equipment	(8)	589
Net foreign exchange loss	44	4

7. INCOME TAX EXPENSES

Pursuant to the rules and regulations of the Cayman Islands, Republic of Seychelles and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in these regions.

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25% (2019: 8.25%), and profits above that amount will be subject to the tax rate of 16.5%. For the other Hong Kong established subsidiaries, Hong Kong Profit Tax has been provided at a rate 16.5% (2019: 16.5%) on the estimated assessable profits.

PRC Enterprise Income Tax has been provided at a rate of 25% (2019: 25%).

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
— Hong Kong	1,520	3,132
— Elsewhere	1,374	2,867
	<u>2,894</u>	<u>5,999</u>

8. EARNINGS/(LOSSES) PER SHARE

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 6,000,000,000 (2019: 6,000,000,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 September 2020 and 2019.

The calculations of basic and diluted loss per share are based on:

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to ordinary equity holders of the parent	<u>1,187</u>	<u>(5,073)</u>
	Number of shares	
	Six months ended	
	30 September	
	2020	2019
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue during the period	<u>6,000,000</u>	<u>6,000,000</u>

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months from 1 April 2020 to 30 September 2020 (six months from 1 April 2019 to 30 September 2019: Nil).

10. TRADE AND OTHER RECEIVABLES

	30 September	31 March
	2020	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables	204,473	405,816
Less: allowance for doubtful debts	<u>—</u>	<u>—</u>
	<u>204,473</u>	<u>405,816</u>
Prepayments	246,516	159,595
Deposits and other receivables	<u>22,332</u>	<u>9,561</u>
	<u>268,848</u>	<u>169,156</u>
	<u>473,321</u>	<u>574,972</u>

The Group's trading terms with other customers are mainly based on the contract terms. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
0 to 90 days	203,195	402,405
91 to 180 days	1,032	—
181 to 365 days	246	3,411
	<u>204,473</u>	<u>405,816</u>

11. TRADE AND OTHER PAYABLES

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Trade payables	213,955	197,363
Retention monies payables	48,541	51,172
	<u>262,496</u>	<u>248,535</u>
Accruals and other payables	187,884	184,073
Less: non-current portion	(487)	(487)
	<u>187,397</u>	<u>183,586</u>
	<u>449,893</u>	<u>432,121</u>

An aging analysis of the trade payables as at the end of the reporting period, based on the date of receipt of goods, is as follows:

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
0 to 90 days	212,149	195,074
91 to 180 days	103	17
181 to 365 days	332	2,004
Over 365 days	<u>1,371</u>	<u>268</u>
	<u><u>213,955</u></u>	<u><u>197,363</u></u>

Trade payables are non-interest-bearing and are normally settled on 30 to 60 day terms.

12. CONVERTIBLE BOND

On 3 February 2016, the Company issued a convertible bond with a principal amount of HK\$24,000,000 to Mega Start Limited (“Mega Start”), which is a substantial shareholder and a company wholly owned by Mr. Chau Chit (being the Chairman and an executive director of the Company). The convertible bond can be converted into ordinary shares of the Company at HK\$0.06 per conversion share, bearing no interest and will mature in 5 years after the date of issue. The holder of the convertible bond shall convert the outstanding principal amount of the convertible bond into ordinary shares in full mandatorily, if and only if, the gross profits of the new graphene business of the Group for the two financial years ending 31 March 2018 and 2017 exceed HK\$300 million in aggregate. The conversion right on the convertible bond expired on 31 March 2018 and the bond shall be redeemed on its maturity.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders’ equity.

The convertible bond issued during the prior periods has been split into the liability and equity components as follows:

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Nominal value		
At 1 April 2019, 31 March 2020, 1 April 2020 and 30 September 2020	<u>24,000</u>	<u>24,000</u>
Liability component		
At 1 April	21,434	18,739
Interest expense	<u>1,283</u>	<u>2,695</u>
At period/year end	<u>22,717</u>	<u>21,434</u>
Equity component		
At 1 April 2019, 31 March 2020, 1 April 2020 and 30 September 2020	<u>11,746</u>	<u>11,746</u>

13. AMOUNT DUE TO A RELATED PARTY/LOANS FROM A RELATED PARTY

The loans from a related party were advanced by Mr. Wong Law Fai, a director of certain subsidiaries of the Company. The loans are unsecured and bear interest at 3.8% per annum and repayable in September 2021 as extended by Mr. Wong Law Fai.

The amounts due to a related party of approximately HK\$1,527,000 (31 March 2020: approximately HK\$337,000) was advanced by Mr. Wong Law Fai, director of certain subsidiaries of the Company, respectively. They are unsecured, interest-free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Interim Results

For the half year ended 30 September 2020 (the “Period”), the Group recorded a turnover of approximately HK\$2,686 million representing an approximately 146% increase as compared to approximately HK\$1,091 million of the same period in 2019 (the “Prior Interim Period”).

The Group recorded a gross profit of approximately HK\$48.8 million (Prior Interim Period: approximately HK\$38.0 million) for the Period, representing an approximately 28% increase as compared to the Prior Interim Period.

The fluctuations in revenue and segment results are discussed in the Review of Operations section below.

The profit attributable to owners of the Company for the Period was approximately HK\$1,187,000 as compared to the loss of approximately HK\$5,073,000 in Prior Interim Period, representing a slight improvement of financial performance.

Basic earning per share for the Period was approximately HK0.02 cent (Prior Interim Period: loss per share approximately HK0.09 cent).

(2) Review of Operations

(i) *Building Construction and Other Construction Related Business*

Revenue for the building construction segment for the Period was approximately HK\$46,789,000 (Prior Interim Period: approximately HK\$79,746,000).

Segment profit decreased from Prior Interim Period approximately HK\$6,998,000 to segment loss approximately HK\$3,835,000 in the Period.

The decrease in the segment revenue was mainly attributable to a full swing operations of two large scale building construction projects in Singapore in the Prior Interim Period that had contributed more segment revenue in the Prior Interim Period and also attributable to work interruption due to the outbreak of COVID-19 in the Period. Segment profit decreased from the Prior Interim Period to segment loss in the Period was mainly attributable to additional project costs incurred of the large scale building construction project in Singapore in the Period.

(ii) *Property Maintenance*

Revenue for the property maintenance segment decreased from approximately HK\$311,414,000 in the Prior Interim Period to approximately HK\$279,597,000 in the Period and segment profit increased from approximately HK\$11,787,000 in the Prior Interim Period to approximately HK\$24,105,000 in the Period.

The property maintenance projects mainly included maintenance works for public sectors. The decrease in segment revenue was mainly attributable to a large scale long term property maintenance contract, with contract value of approximately HK\$1,147 million secured in early 2020, which was in the preliminary stage in the Period that had contributed less segment revenue in the Period.

On the contrary, increase in segment profit was mainly attributable to additional construction costs of a large scale long term property maintenance project in the Prior Interim Period.

(iii) *Alterations, renovation, upgrading and fitting-out works (collectively “A&A works”)*

Revenue for the A&A works segment for the Period was approximately HK\$118,240,000 (Prior Interim Period: approximately HK\$138,669,000) and segment loss was approximately HK\$1,696,000 (Prior Interim Period: segment profit approximately HK\$7,599,000).

The decrease in the segment revenue from A&A works was mainly attributable to the recognition of more revenue from two large scale A&A works projects in Hong Kong which were in full swing operation in the Prior Interim Period. It was also attributable to the completion of several large scale projects in the Prior Interim Period.

Segment profit decreased from the Prior Interim Period to segment to segment loss of the Period was mainly attributable to additional construction costs in the Period for completion of two large scale A&A works projects in the Period.

(iv) *Trading of materials*

Revenue for this segment of the Period represented sales of materials such as iron ores, cast iron and coal of approximately HK\$2,241 million (Prior Interim Period: approximately HK\$561 million).

Segment profit was approximately HK\$6.1 million (Prior Interim Period: approximately HK\$10.6 million). Decrease in segment profit was mainly attributable to the decrease in gross profit margin during the period.

(3) Prospects

Building construction, property maintenance and A&A works

The Hong Kong construction industry is slowing down in year 2020 because of the Covid-19 pandemic. Though the numbers of confirmed cases are surging globally, there are good news about the vaccine development. With also the outbreak in China has been effectively stabilized, our border with motherland may re-open soon. In this connection, the building market recession probably has reached the trough.

In 2021, the Hong Kong economy would not experience another serious decline. The Group expect there would be more work opportunities in the local construction market, but the competition would remain keen. To tackle the coming challenges, we would put more effort in operation costs control so as to keep the Group competitive in the market. Apart from that, the Group would explore other construction business opportunities in order to lower our business risk.

The construction industry in Singapore has been actively managing the Covid-19 outbreak and has largely contained the virus spread to allow almost all projects to resume operations. The Group has adopted numerous measures to curb the spread of the virus, ensure its workforce remain healthy and also introduced safeguards and contingency plans against a second wave of virus.

While these measures and safeguards may cause some hindrance to progress of works, the Group had made full use of the down-time during the 2 months Circuit Breaker and ensuing 2 months transition period to plan for works to be carried out in an expedited manner and to minimize abortive works.

On the digital front, the Group is planning to adopt digital solutions like Safety & Quality Management application system (Hubble) as well as drone photography. Moving forward, as these digital solutions become more mainstream, the Group endeavours to be in the leading pack championing these digital solutions and pushing them to increase efficiency, effectiveness and productivity in this traditionally labour-intensive industry.

Trading of material business

Affected by the Covid-19, the market of materials such as iron ores and cast iron was more fluctuated as usual and the Group had taken a more prudent approach to minimize market risks when conducting the trading businesses. While revenue was steadily recognized with a lower profit margin amid the abnormal situation during the period, the management would strive to continue developing its trading business and be eager to contribute a stable return to the Group.

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

There was no material acquisition or disposal of subsidiaries or associated companies by the Group during the Period.

(5) Liquidity and Financial Resources

The Group maintained a healthy financial position. As at 30 September 2020, the current assets and current liabilities were stated at approximately HK\$904.1 million (as at 31 March 2020: approximately HK\$1,025.4 million) and approximately HK\$769.9 million (as at 31 March 2020: approximately HK\$661.8 million), respectively. The current ratio decreased from 1.55 times as at 31 March 2020 to 1.17 times as at 30 September 2020. The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective periods.

As at 30 September 2020, the Group had total cash and bank deposits of approximately HK\$53.0 million (as at 31 March 2020: approximately HK\$28.6 million).

As at 30 September 2020, total interest-bearing loans and zero-coupon convertible bond amounted to approximately HK\$243.0 million (31 March 2020: approximately HK\$243.0 million) and approximately HK\$22.7 million (31 March 2020: approximately HK\$21.4 million) respectively.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. As at 30 September 2020, the Group had obtained credit facilities from various banks and financial institutions up to a maximum amount of approximately HK\$154 million (31 March 2020: approximately HK\$154 million) and approximately HK\$24.1 million (31 March 2020: approximately HK\$24.8 million) of the credit facilities has been utilized.

As at 30 September 2020, the gearing ratio of the Group was approximately 26.7% (as at 31 March 2020: approximately 23.4%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at the reporting date multiplied by 100%.

(6) Foreign Exchange and Interest Rate Risk

The Group adheres to prudent financial management principle in order to control and minimise financial and operational risks. The Group has certain portion of bank balances and cash denominated in currencies other than the functional currencies of the relevant entities to which they relate. In addition, the Group's sales and purchases are mainly transacted in Hong Kong dollar, United States dollar, Singapore dollar and Renminbi. The Group will, from time to time, review its foreign exchange position and market conditions to determine if any hedging is required.

Similarly, the Group currently does not have an interest rate hedging policy and the Group monitors interest rate risks continuously and considers hedging any excessive risk when necessary.

(7) Pledge of Assets

At the end of the reporting period, the following assets are pledged to banks and insurance companies to secure the bank borrowings and performance bond facilities to the extent of approximately HK\$95,945,000 (31 March 2020 approximately HK\$101,226,000) in aggregate granted to the Group:

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Other receivables	4,720	4,700
Financial assets at fair value through profit or loss	12,214	12,032
Bank deposits and restricted cash	<u>59,681</u>	<u>59,266</u>
	<u>76,615</u>	<u>75,998</u>

(8) Contingent Liabilities and Capital Commitments

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

	30 September	31 March
	2020	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Guarantees in respect of performance bonds in favor of its clients	<u>95,945</u>	<u>101,226</u>

At the end of each reporting period, the Group had the following capital commitments:

	30 September	31 March
	2020	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted, but not provided for: Plant and machinery	<u><u>—</u></u>	<u><u>—</u></u>

(9) Event after the Reporting Period

An outbreak of the coronavirus disease 2019 (“COVID-19”) pandemic may impact the Group’s business in the coming year.

The Group will continue to monitor the development of COVID-19 situation closely and assess its impacts on the financial position and operating results of the Group. Up to the date of the announcement, the assessment is still in progress.

Save for disclosed above, there is no other significant event has taken place after 30 September 2020 and up to the date of this announcement.

(10) Movement of Incomplete Contracts for the six months ended 30 September 2020

	31 March 2020	Contracts Secured	Contracts Completed	30 September 2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Building Construction	1,102,485	179,909	(0)	1,282,394
Property Maintenance Alteration, Renovation, Upgrading and Fitting-Out Works	2,415,392	3,577	(421)	2,418,548
	<u>275,357</u>	<u>171,691</u>	<u>(39,389)</u>	<u>407,659</u>
	<u>3,793,234</u>	<u>355,177</u>	<u>(39,810)</u>	<u>4,108,601</u>

(11) Employees and Remuneration Policies

As at 30 September 2020, the Group employed a total of 318 staff (as at 30 September 2019: 347 staff) which included Hong Kong, Singapore, the People's Republic of China and Macau employees. The total remuneration for staff was approximately HK\$50.6 million for the Period (Prior Interim Period: approximately HK\$59.0 million).

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

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

INTERIM DIVIDEND

The directors of the Company (the "Directors") do not recommend the payment of dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures.

Save as disclosed below, 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 2020.

Roles of the chairman and the chief executive

Under the code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing.

The roles of the chairman and the CEO of the Company were not separated and were performed by the same individual, Mr. Chau Chit during the period from 1 April 2020 to 30 September 2020.

The Directors meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

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 2020.

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.

AUDIT COMMITTEE

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

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

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website (<http://www.visionfame.com>) and the Stock Exchange's website (<http://www.hkexnews.hk>). The 2020 Interim Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

By Order of the Board
Vision Fame International Holding Limited
Chau Chit
Chairman and Chief Executive Officer

Hong Kong, 30 November 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chau Chit and Mr. Zhu Xiaodong; and three independent non-executive Directors, namely Mr. Tam Tak Kei Raymond, Mr. Wong Kai Tung Simon and Mr. Wong Wai Kwan.