



2023
THIRD QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of SV Vision Limited (the “Company”, and together with its subsidiaries, the “Group”, “we” or “our”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Ms. Woo Chan Tak Chi Bonnie
(*Chairperson and Chief Executive Officer*)

Non-executive Director

Mr. Chow Sai Yiu Evan

Independent Non-executive Directors

Mr. Ip Arnold Tin Chee
Mr. Hung Alan Hing Lun
Mr. Man Ka Ho Donald

COMPLIANCE OFFICER

Ms. Woo Chan Tak Chi Bonnie

COMPANY SECRETARY

Ms. Tsui Sum Yi

AUTHORISED REPRESENTATIVES

Ms. Woo Chan Tak Chi Bonnie
Ms. Tsui Sum Yi

AUDIT COMMITTEE

Mr. Ip Arnold Tin Chee (*Chairman*)
Mr. Hung Alan Hing Lun
Mr. Man Ka Ho Donald

REMUNERATION COMMITTEE

Mr. Hung Alan Hing Lun (*Chairman*)
Mr. Ip Arnold Tin Chee
Mr. Man Ka Ho Donald
Ms. Woo Chan Tak Chi Bonnie

NOMINATION COMMITTEE

Mr. Man Ka Ho Donald (*Chairman*)
Mr. Ip Arnold Tin Chee
Mr. Hung Alan Hing Lun
Ms. Woo Chan Tak Chi Bonnie
Mr. Chow Sai Yiu Evan

AUDITOR

Mazars CPA Limited
Certified Public Accountants, Hong Kong
42/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

CORPORATE INFORMATION (CONTINUED)

REGISTERED OFFICE

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 9th Floor
Safety Godown Industrial Building
56 Ka Yip Street
Chai Wan
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

East West Bank
9300 Flair Drive, 4th Fl.
El Monte, CA 91731
The United States

STOCK CODE

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COMPANY WEBSITE

www.swvision.io

UNAUDITED THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2023 (the “Unaudited Condensed Consolidated Financial Statements”), together with the unaudited comparative figures for the corresponding periods in 2022 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023	2022	2023	2022
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	14,696	18,488	38,216	39,552
Other income and gains	3	46	297	263	1,850
Outsourced project costs		(7,302)	(6,573)	(16,003)	(12,978)
Materials and consumables		(774)	(1,442)	(2,385)	(2,997)
Depreciation and amortisation expenses		(1,197)	(1,263)	(3,580)	(3,218)
Employee benefits expenses		(4,379)	(4,027)	(13,531)	(11,801)
Rental expenses		(571)	(652)	(1,777)	(1,575)
Transportation fee		(938)	(2,024)	(3,589)	(4,624)
Other operating expenses		(2,386)	(2,609)	(6,568)	(7,032)
Finance cost		(24)	(54)	(97)	(188)
(Loss)/profit before income tax		(2,829)	141	(9,051)	(3,011)
Income tax credit/(expense)	4	18	(111)	(56)	(240)
(Loss)/profit for the period		(2,811)	30	(9,107)	(3,251)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the three months and nine months ended 30 September 2023

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
	Note HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
(Loss)/profit for the period	(2,811)	30	(9,107)	(3,251)
Other comprehensive loss: <i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	(42)	(51)	(107)	(5)
Other comprehensive loss for the period	(42)	(51)	(107)	(5)
Total comprehensive loss for the period	(2,853)	(21)	(9,214)	(3,256)
(Loss)/profit for the period attributable to:				
Owners of the Company	(2,800)	43	(9,074)	(3,178)
Non-controlling interests	(11)	(13)	(33)	(73)
(Loss)/profit for the period	(2,811)	30	(9,107)	(3,251)
Total comprehensive loss for the period attributable to:				
Owners of the Company	(2,848)	(8)	(9,181)	(3,177)
Non-controlling interests	(5)	(13)	(33)	(79)
Total comprehensive loss for the period	(2,853)	(21)	(9,214)	(3,256)
(Loss)/earnings per share attributable to the owners of the Company				
Basic and diluted (HK cents)	6	0.01	(1.89)	(0.66)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

	Equity attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000	Fair value reserve (non-recycling) HK\$'000	Retained earnings/ (Accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2023 (audited)	4,800	53,131	11,993	(761)	193	(366)	(4,231)	64,759	(5,099)	59,660
Loss for the period	—	—	—	—	—	—	(9,074)	(9,074)	(33)	(9,107)
Other comprehensive loss: Exchange differences arising on translation of foreign operations	—	—	—	(107)	—	—	—	(107)	—	(107)
Total comprehensive loss for the period	—	—	—	(107)	—	—	(9,074)	(9,181)	(33)	(9,214)
At 30 September 2023 (unaudited)	4,800	53,131	11,993	(868)	193	(366)	(13,305)	55,578	(5,132)	50,446
At 1 January 2022 (audited)	4,800	53,131	11,993	(648)	182	—	225	69,683	(6,605)	63,078
Loss for the period	—	—	—	—	—	—	(3,178)	(3,178)	(73)	(3,251)
Other comprehensive income/ (loss): Exchange differences arising on translation of foreign operations	—	—	—	1	—	—	—	1	(6)	(5)
Total comprehensive income/ (loss) for the period	—	—	—	1	—	—	(3,178)	(3,177)	(79)	(3,256)
Dissolution of a subsidiary	—	—	—	—	—	—	—	—	1,596	1,596
At 30 September 2022 (unaudited)	4,800	53,131	11,993	(647)	182	—	(2,953)	66,506	(5,088)	61,418

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act of the Cayman Islands on 20 January 2017. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The shares of the Company (the "Shares") are listed on GEM of the Stock Exchange since 8 December 2017 (the "Listing Date") by way of share offer of 120,000,000 new Shares ("Share Offer") at an offer price of HK\$0.55 per Share. The Company's principal place of business is located at Unit B, 9th Floor, Safety Godown Industrial Building, 56 Ka Yip Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are marketing production services, e-commerce and content media business.

2. BASIS OF PREPARATION AND PRESENTATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and the applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022.

The accounting policies adopted in the preparation of the Unaudited Condensed Consolidated Financial Statements are same as those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except for the new and revised HKFRSs and interpretations issued by the HKICPA that are first effective for the current accounting period of the Group. There has been no significant change to the accounting policy applied in these Unaudited Condensed Consolidated Financial Statements for the period presented as a result of adoption of these amendments.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 September 2023

2. BASIS OF PREPARATION AND PRESENTATION (Continued)

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgements in the process of applying the Group's accounting policies. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2022.

The Unaudited Condensed Consolidated Financial Statements have been prepared on historical cost basis, except for financial asset designated at fair value through other comprehensive income that are measured at fair value at the end of each reporting period. The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The Unaudited Condensed Consolidated Financial Statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee (the "Audit Committee").

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 September 2023

3. REVENUE AND OTHER INCOME AND GAINS

An analysis of the Group's revenue, and other income and gains for the periods is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue				
Marketing production	8,678	11,563	27,941	26,832
Content media business	6,018	6,925	10,275	12,711
E-commerce	—	—	—	9
	14,696	18,488	38,216	39,552
Other income and gains				
Gain on terminate of lease	—	—	—	829
Government subsidies	—	200	—	650
Interest income	34	2	165	155
Sundry income	12	95	98	216
	46	297	263	1,850

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 September 2023

4. INCOME TAX (CREDIT)/EXPENSE

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income tax (credit)/expense comprises:				
Hong Kong Profits Tax				
— current tax for the period	(18)	(17)	56	112
The People's Republic of China (the "PRC") Enterprise Income (the "EIT")				
— current tax for the period	—	128	—	128
Income tax (credit)/expense	(18)	111	56	240

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax under these jurisdictions during the period (2022: Nil).

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% (2022: 8.25%) during the period, and profits above HK\$2,000,000 will be taxed at 16.5% (2022: 16.5%). The profits of group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5% (2022: 16.5%) during the period.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% of the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated profits above HK\$2 million, taking into account the tax concession granted by the Hong Kong Government for the periods.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 September 2023

4. INCOME TAX (CREDIT)/EXPENSE (Continued)

No provision for EIT has been made for the subsidiary established in the PRC as the subsidiary did not have any assessable profits subject to EIT in the PRC for the nine months ended 30 September 2023.

Under the EIT Law and the Implementation Regulation of the EIT Law, the subsidiaries in the PRC is subject to the tax rate of 25% on the estimated assessable profits for the nine months ended 30 September 2022.

Pursuant to 《關於實施小微企業普惠性稅收減免政策的通知》 (Caishui [2019] No. 13) issued in 2019, a subsidiary in the PRC qualifying as Small and Micro Enterprises whose annual taxable income is less than RMB1.00 million, 25% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%; for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 50% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%. In addition, pursuant to 《關於實施小微企業和個體工商戶所得稅優惠政策的公告》 (Caishui [2021] No. 12) issued in 2021 and 《關於進一步實施小微企業所得稅優惠政策的公告》 (Caishui [2022] No. 13) issued in 2022, for the portion of annual taxable income less than RMB1.00 million and for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million for Small and Micro Enterprises, on the basis of the preferential policies stipulated in Article 2 of 《關於實施小微企業普惠性稅收減免政策的通知》 (Caishui [2019] No. 13) issued in 2019, the PRC Enterprise Income Tax will be reduced by half respectively.

Pursuant to the EIT Law, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. As at 30 September 2023, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$1,606,000 (30 September 2022: HK\$3,358,000). Deferred tax liabilities of approximately HK\$80,000 (30 September 2022: HK\$168,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company is in a position to control the dividend policy of the PRC subsidiary and it has been determined that it is probable that undistributed profits of the PRC subsidiary will not be distributed in the foreseeable future.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 September 2023

5. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2023 (30 September 2022: Nil).

6. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per Share attributable to the owners of the Company is based on the following data:

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
(Loss)/profit attributable to owners of the Company	(2,800)	43	(9,074)	(3,178)
	2023 '000	2022 '000	2023 '000	2022 '000
Number of shares: Weighted average number of ordinary Shares	480,000	480,000	480,000	480,000
	HK cents	HK cents	HK cents	HK cents
Basic and diluted (loss)/earnings per Share	(0.58)	0.01	(1.89)	(0.66)

Diluted (loss)/earnings per Share were same as the basic (loss)/earnings per Share as there were no dilutive potential ordinary Shares in existence during the periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The economic activities across different industries in Hong Kong continue to recover, driven primarily by a rebound in tourism and local consumption. However, economic growth remained sluggish, impacting on our key clients of marketing production business from retail and insurance sectors varies. Revenue from marketing production services for the nine months ended 30 September 2023 was HK\$27.9 million, an increase of 4% compared with the same period last year.

The Group's youth focused media business continues to grow and we started to see the result by shifting our resources focusing on collaboration with brands on their marketing activations (experiential) although content production has been slowing down. We have been actively engaged in negotiating for a sizable experiential project over the months, we look forward to seeing being secured in the fourth quarter. Our influence across various social media platforms in Mainland China and Hong Kong continues to grow with over 290 million cumulative views and over 2.3 million followers. Revenue from content media business for the nine months ended 30 September 2023 was HK\$10.3 million, a 19% decrease compared with the same period last year.

The Group's revenue for the nine months ended 30 September 2023 decreased by 3%, compared with the same period last year. The decrease was mainly attributable to media business resulting from the switch in marketing strategies from our brand customers. The Group's loss for the nine months ended 30 September 2023 increased by 180%, compared with the same period last year. The increase was mainly due to the cost of maintaining an expanded China team where the business direction pivoted to cater for an increased demand for experiential events at the end of the year.

Looking ahead, economic growth in Hong Kong and China is expected to continue its path of recovery. We continue to invest in stronger experiential offerings and are actively exploring business opportunities into high growth markets in the Asia Pacific region. We believe with the changes implemented earlier this year, we are well positioned to meet the demands of a changing market.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

The Group's revenue is generated from business of marketing production, content media, e-commerce which are categorised into (i) marketing production; (ii) content media; (iii) e-commerce. During the nine months ended 30 September 2023, the Group's revenue decreased by approximately HK\$1.3 million, representing 3.4%, to approximately HK\$38.2 million (2022: HK\$39.6 million).

The following table sets forth the breakdown of the revenue by service category during the period:

	For the nine months ended 30 September			
	2023		2022	
	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%
Marketing production	27,941	73.1	26,832	67.8
Content media business	10,275	26.9	12,711	32.1
E-commerce	—	—	9	0.1
Total	38,216	100.0	39,552	100.0

During the nine months ended 30 September 2023, the revenue from marketing production services increased by approximately 4.1% to approximately HK\$27.9 million (2022: HK\$26.8 million). The increase in revenue from marketing production services was mainly due to increase in number of projects during the period.

During the period, the revenue from content media decreased by approximately 19.2% to approximately HK\$10.3 million (2022: HK\$12.7 million) which mainly represented brand income on our original content and experiential. The decrease in revenue of this business was mainly due to lesser deals were secured due to slow recovery in Mainland China.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Outsourced project costs

Outsourced project costs consist of printing costs and other outsourced project costs and costs for content media business. During the nine months ended 30 September 2023, the Group's outsourced project costs increased by approximately HK\$3.0 million, representing 23.3%, to approximately HK\$16.0 million (2022: HK\$13.0 million). The increase was mainly attributable to the increase in costs from marketing production services and also media business.

Materials and consumables

Materials and consumables are costs on papers and other materials sourced by the Group for the marketing production and the cost of goods for e-commerce sales. During the nine months ended 30 September 2023, the Group's materials and consumables decreased by approximately HK\$0.6 million, representing 20.4%, to approximately HK\$2.4 million (2022: HK\$3.0 million). No major increase due to the increase in business from marketing production services as those increase in projects were produced by vendors.

Employee benefits expenses

Employee benefits expenses primarily consists of salaries, allowances and benefits in kind and retirement benefit scheme contributions. During the nine months ended 30 September 2023, the Group's employee benefits expenses increased by approximately HK\$1.7 million, representing 14.7%, to approximately HK\$13.5 million (2022: HK\$11.8 million). The increase was directly attributable to the expansion of content media business.

Rental expenses

Rental expenses primarily represent the rental expenses for short-term leases for office premises and staff quarter and the variable lease payment for the printing machines for confidential data printing services. During the nine months ended 30 September 2023, the Group's rental expenses increased by approximately HK\$0.2 million, representing 12.8%, to approximately HK\$1.8 million (2022: HK\$1.6 million). The increase was primarily attributable to the renewed short term lease for an expanded office premise in the PRC for the content media business.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Transportation fee

Transportation fee consists of fees paid to logistic service providers for (i) delivery of products to clients; and (ii) postage incurred in respect of the direct mailing services. During the nine months ended 30 September 2023, the Group's transportation fee decreased by approximately HK\$1.0 million, representing 22.4%, to approximately HK\$3.6 million (2022: HK\$4.6 million). No major increase due to the increase in business from marketing production services as those increase in projects were produced by vendors.

Other operating expenses

Other operating expenses primarily consist of consultancy fee, professional fee, rates and building management fee, utilities and office expenses. During the nine months ended 30 September 2023, the Group's other operating expenses decreased by approximately HK\$0.5 million, representing 6.6%, to approximately HK\$6.6 million (2022: HK\$7.0 million). The decrease was primarily attributable to the decrease of consultancy and legal and professional expenses attributable to content media business during the period.

Finance cost

Finance cost primarily represents the interest on lease liabilities. During the nine months ended 30 September 2023, the Group's finance cost decreased by approximately HK\$0.1 million, representing 48.4%, to approximately HK\$0.1 million (2022: HK\$0.2 million). The decrease was mainly due to the repayment on lease liabilities during the period.

Loss for the period

During the nine months ended 30 September 2023, the Group recorded loss of approximately HK\$9.1 million (2022: HK\$3.3 million). The increase was mainly attributable to costs incurred from the expansion of content media business.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 30 September 2023, the Group had net current assets of approximately HK\$11.8 million (31 December 2022: HK\$18.9 million), including cash and bank balances of approximately HK\$12.9 million (31 December 2022: HK\$17.0 million) mainly denominated in Hong Kong dollars, with approximately HK\$4.5 million (31 December 2022: HK\$5.3 million) denominated in renminbi which is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

The gearing ratio of the Group as at 30 September 2023 was 3.0% (31 December 2022: 5.5%). The gearing ratio is calculated as total debt divided by total equity as at the respective period ends.

There has been no change in the capital structure of the Company during the nine months ended 30 September 2023. The equity attributable to owners of the Company amounted to approximately HK\$55.6 million as at 30 September 2023 (31 December 2022: HK\$64.8 million).

FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICY

The Group has substantial operations in the PRC with transactions originally denominated and settled in RMB. The Group is exposed to foreign exchange risk from various currencies primarily with respect to Hong Kong dollars. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and may enter into certain forward foreign exchange contracts, when necessary, to manage its exposure against HK\$ and to mitigate the impact on exchange rate fluctuations. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the period. The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

PLEDGE OF ASSETS

As at 30 September 2023, the Group did not have any pledged assets (31 December 2022: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no significant capital commitments as at 30 September 2023 (31 December 2022: Nil).

As at 30 September 2023, the Group did not have any material contingent liability (31 December 2022: Nil).

EMPLOYEE AND REMUNERATION

As at 30 September 2023, the Group had 40 (31 December 2022: 42) full-time employees (including executive Director). The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. The Group has adopted a share option scheme and approved by the then Shareholders on 16 November 2017 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Group has also adopted other employee benefits including a mandatory provident fund retirement benefit scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in central pension scheme organised and governed by the relevant local governments for its employees in the PRC. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments and capital assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the nine months ended 30 September 2023, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and affiliated companies.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 30 September 2023 and up to the date of this report, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

The Group has no significant events after the reporting period.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

(i) Interests in the Shares of the Company

Name of Director	Nature of interest	Number of Shares held ⁽¹⁾	Shareholding percentage
Ms. Woo Chan Tak Chi Bonnie ("Ms. Bonnie Chan Woo")	Interest in a controlled corporation	283,920,000 (L) ⁽²⁾	59.15%
	Interests held jointly with another person	34,850,000 (L) ⁽³⁾	7.26%
	Interest of spouse	5,280,000 (L) ⁽⁴⁾	1.1%
	Beneficial owner	2,340,000 (L)	0.49%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Explorer Vantage Limited ("Explorer Vantage") was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Explorer Vantage.
- Mirousky Limited ("Mirousky") holds 34,850,000 Shares. Mirousky is wholly-owned by Gain Smart Asia Limited ("Gain Smart") and Gain Smart is beneficially owned as to 50% by Ms. Bonnie Chan Woo and 50% by her spouse, Mr. Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Mirousky.
- Ms. Bonnie Chan Woo is the spouse of Mr. Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares which are interested by Mr. Darrin Woo.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

(ii) Interests in associated corporation(s) of the Company

Name of Director	Name of associated corporation(s)	Capacity	Number of Share(s) held ⁽¹⁾	Shareholding percentage
Ms. Bonnie Chan	Explorer Vantage ⁽²⁾	Beneficial owner	1 (L)	100%
Woo	Papercom Limited ("Papercom") ⁽³⁾	Interest in a controlled corporation	10,000 (L)	100%

Notes:

1. The letter "L" denotes the person's long position in the shares.
2. Explorer Vantage is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
3. Papercom is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.

Save as disclosed above, as at 30 September 2023, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, to the knowledge of the Directors, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or 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 were as follows:

Interests in the Shares of the Company

Name	Type of interest	Number of Shares held ⁽¹⁾	Percentage of shareholding in the Company
Explorer Vantage	Beneficial owner	283,920,000 (L) ⁽²⁾	59.15%
Mr. Darrin Woo	Interest of spouse	286,260,000 (L) ⁽³⁾	59.64%
	Interests held jointly with another person	34,850,000 (L) ⁽⁴⁾	7.26%
	Beneficial owner	5,280,000 (L)	1.1%
Mirousky	Beneficial owner	34,850,000 (L) ⁽⁵⁾	7.26%
Gain Smart	Interest in a controlled corporation	34,850,000 (L) ⁽⁵⁾	7.26%
Ms. Chow Jacqueline Wai Ying	Beneficial owner	35,950,000 (L)	7.49%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
- Mr. Darrin Woo is the spouse of Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares which are interested by Ms. Bonnie Chan Woo.
- Mirousky is wholly-owned by Gain Smart and Gain Smart is beneficially owned as to 50% by Mr. Darrin Woo and 50% by his spouse, Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares held by Mirousky.
- Mirousky is wholly-owned by Gain Smart. Such 34,850,000 Shares belong to the same batch of Shares.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Save as disclosed above, as at 30 September 2023, to the knowledge of the Directors, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or 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

Share Option Scheme was adopted and approved by the then Shareholders on 16 November 2017. Details of the Share Option Scheme are set out in Appendix IV to the Prospectus. No share option has been granted pursuant to the Share Option Scheme since its adoption.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the nine months ended 30 September 2023 and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for Shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above in the section “Share Option Scheme”, at no time during the nine months ended 30 September 2023 and up to the date of this report was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the Shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the nine months ended 30 September 2023 and up to the date of this report, none of the Directors, nor the substantial Shareholders nor their respective close associates (as defined under the GEM Listing Rules) had any interests (other than their interest in the Company or its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DEED OF NON-COMPETITION

The Deed of Non-competition dated 16 November 2017 (as defined in the Prospectus) was entered into by Explorer Vantage and Ms. Bonnie Chan Woo in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with our Controlling Shareholders — Deed of Non-competition" and the non-competition undertaking has become effective from the Listing Date.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the "Model Code") by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code throughout the nine months ended 30 September 2023.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a high standard of corporate governance in emphasising a quality board of directors, sound internal control, transparency and accountability with a view to safeguard the interests of all the Shareholders. The Board has adopted the principles and the code provisions of Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established the Audit Committee, a nomination committee and a remuneration committee with specific written terms of reference. During the nine months ended 30 September 2023 and up to the date of this report, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules except for the deviation from code provision C.2.1 as detailed below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current structure of the Company, Ms. Bonnie Chan Woo is the Chairperson and the Chief Executive Officer of the Company (“CEO”). In view that Ms. Bonnie Chan Woo has been managing the Group’s business and overall strategic planning since August 2002, the Board believes that the vesting of the roles of the Chairperson of the Board and CEO in Ms. Bonnie Chan Woo is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group, and the current management has been effective in the development of the Group and implementation of business strategies under the leadership of Ms. Bonnie Chan Woo. In allowing the two roles to be vested in the same person, the Board believes both positions require in-depth knowledge and considerable experience in the Group’s business, and Ms. Bonnie Chan Woo is the most suitable person to take up both positions for effective management of the Group.

Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Audit Committee and Review of Unaudited Condensed Consolidated Financial Statements

The Audit Committee was established with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald; and Mr. Ip Arnold Tin Chee is the chairman of the Audit Committee. The primary duties of the Audit Committee include reviewing and supervising the Group's financial reporting system, monitoring the internal control procedures and risk management, reviewing the Group's financial information and the relationship with the external auditor of the Company, ensuring compliance with the relevant laws and regulations. In addition, the Audit Committee is responsible for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group's management.

The Unaudited Condensed Consolidated Financial Statements have not been audited. The Audit Committee has reviewed with the management of the Group the Unaudited Condensed Consolidated Financial Statements, the quarterly report, the accounting principles and policies adopted by the Group, and other financial reporting matters. The Audit Committee is satisfied that the Unaudited Condensed Consolidated Financial Statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

SV Vision Limited

Woo Chan Tak Chi Bonnie

Chairperson and Chief Executive Officer

Hong Kong, 3 November 2023

As at the date of this report, the Board comprises Ms. Woo Chan Tak Chi Bonnie as executive Director, Mr. Chow Sai Yiu Evan as non-executive Director and Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald as independent non-executive Directors.