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## **G-Vision International (Holdings) Limited**

**環科國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 657)**

### **CONTINUING CONNECTED TRANSACTIONS TENANCY AGREEMENTS**

On 30 January 2012, CCCMC and Hover City entered into the 2012 Tenancy Agreement I pursuant to which CCCMC leased from Hover City Premises I for a period of three years commencing from 1 February 2012. The 2012 Tenancy Agreement I will expire on 31 January 2015.

The Directors announce that on 30 January 2015, CCCMC and Hover City entered into the 2015 Tenancy Agreement I pursuant to which CCCMC will continue to lease from Hover City Premises I at a monthly rental of HK\$78,000.00 (exclusive of rates and management and air-conditioning fees) for a period of three years commencing from 1 February 2015.

On 30 January 2012, CCCMC and Sky Global entered into the 2012 Tenancy Agreement II pursuant to which CCCMC leased from Sky Global Premises II for a period of three years commencing from 1 February 2012. The 2012 Tenancy Agreement II will expire on 31 January 2015.

The Directors further announce that on 30 January 2015, CCCMC and Sky Global entered into the 2015 Tenancy Agreement II pursuant to which CCCMC will lease from Sky Global Premises II at a monthly rental of HK\$100,000.00 (exclusive of rates and management and air-conditioning fees) for a period of three years commencing from 1 February 2015.

Sky Global is a direct wholly-owned subsidiary of Hover City which in turn is a direct wholly-owned subsidiary of Golden Toy. Golden Toy and Kong Fai hold approximately 8.91% and 65.85% of the issued share capital of the Company respectively. The entire issued share capital of each of Golden Toy and Kong Fai is beneficially owned by two discretionary trusts, the objects of which include members of the Cheng Family. As all members of the Cheng Family are executive Directors, Hover City and Sky Global being direct and indirect wholly-owned subsidiaries of Golden Toy are associates of such persons and are connected persons of the Company under the Listing Rules. Accordingly, the Transactions constitute continuing connected transactions of the Company under the Listing Rules.

As each of the relevant percentage ratios with respect to the aggregate sum of the annual rentals under the Tenancy Agreements is less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Transactions are in the ordinary and usual course of business of the Group, and that the terms of the Tenancy Agreements have been negotiated on an arm's length basis and on normal commercial terms that are fair and reasonable so far as the Shareholders are concerned and are in the interest of the Company.

## **1. BACKGROUND**

On 30 January 2012, CCCMC and Hover City entered into the 2012 Tenancy Agreement I pursuant to which CCCMC leased from Hover City Premises I at a monthly rental of HK\$78,000.00 (exclusive of rates and management and air-conditioning fees) for a period of three years commencing from 1 February 2012. As the 2012 Tenancy Agreement I will expire on 31 January 2015, CCCMC and Hover City entered into the 2015 Tenancy Agreement I on 30 January 2015 pursuant to which CCCMC will continue to lease from Hover City Premises I at a monthly rental of HK\$78,000.00 (exclusive of rates and management and air-conditioning fees) and for a period of three years commencing from 1 February 2015.

On 30 January 2012, CCCMC and Sky Global entered into the 2012 Tenancy Agreement II pursuant to which CCCMC leased from Sky Global Premises II at a monthly rental of HK\$78,000.00 (exclusive of rates and management and air-conditioning fees) for a period of three years commencing from 1 February 2012. As the 2012 Tenancy Agreement II will expire on 31 January 2015, CCCMC and Sky Global entered into the 2015 Tenancy Agreement II on 30 January 2015 pursuant to which CCCMC will continue to lease from Sky Global Premises II but at a monthly rental of HK\$100,000.00 (exclusive of rates and management and air-conditioning fees) for a period of three years commencing from 1 February 2015.

## **2. 2015 TENANCY AGREEMENT I**

### **Parties:**

- (i) Hover City as the landlord
- (ii) CCCMC as the tenant

### **Principal Terms of the 2015 Tenancy Agreement I:**

On 30 January 2015, CCCMC and Hover City entered into the 2015 Tenancy Agreement I pursuant to which CCCMC will lease from Hover City Premises I for a term of three years commencing from 1 February 2015 to 31 January 2018 at a monthly rental of HK\$78,000.00 (exclusive of rates and management and air-conditioning fees). There is no provision in the 2015 Tenancy Agreement I that

allows the variation of the monthly rental during the term of the tenancy. Upon signing of the 2015 Tenancy Agreement I, CCCMC shall pay Hover City a sum of HK\$156,000.00 as rental deposit and security for the due observance and performance by CCCMC of its obligations under the 2015 Tenancy Agreement I. The rental deposit shall be returned to CCCMC without interest within 15 days after the expiration or early termination of the 2015 Tenancy Agreement I and the delivery of vacant possession to Hover City in respect of Premises I.

## **2015 TENANCY AGREEMENT II**

### **Parties:**

- (i) Sky Global as the landlord
- (ii) CCCMC as the tenant

### **Principal Terms of the 2015 Tenancy Agreement II:**

On 30 January 2015, CCCMC and Sky Global entered into the 2015 Tenancy Agreement II pursuant to which CCCMC will lease from Sky Global Premises II for a term of three years commencing from 1 February 2015 to 31 January 2018 at a monthly rental of HK\$100,000.00 (exclusive of rates and management and air-conditioning fees) with rent free periods for two months from 1 January 2016 to 31 January 2016 and from 1 January 2018 to 31 January 2018. There is no provision in the 2015 Tenancy Agreement II that allows the variation of the monthly rental during the term of the tenancy. Upon signing of the 2015 Tenancy Agreement II, CCCMC shall pay Sky Global a sum of HK\$239,936.90 as rental deposit and security for the due observance and performance by CCCMC of its obligations under the 2015 Tenancy Agreement II. The rental deposit shall be returned to CCCMC without interest within 30 days after the expiration or early termination of the 2015 Tenancy Agreement II and the delivery of vacant possession to Sky Global in respect of Premises II or within 30 days of the settlement of the last outstanding claim by Sky Global against CCCMC in respect of any breach of non-observance or non-performance of the 2015 Tenancy Agreement II by CCCMC (whichever is later).

It was noted that the maximum amount payable to Hover City and Sky Global in aggregate under the Tenancy Agreements during each of the three financial years ending 31 March 2015, 2016 and 2017 would amount to HK\$356,000.00, HK\$2,036,000.00 and HK\$2,136,000.00 respectively. The rentals in respect of the Premises shall be payable monthly in advance on the first day of each month and shall be financed from the internal resources of the Group.

The rentals under the Tenancy Agreements were negotiated on an arm's length basis and on normal commercial terms between CCCMC and its landlords with reference to prevailing market rentals of the other comparable premises.

### **3. REASONS FOR THE TENANCY AGREEMENTS**

The Group is principally engaged in the operation of a chain of Chinese restaurants in Hong Kong that specializes in Chiu Chow cuisine. Premises I are used as director's quarters for the Group's chairman and Premises II are used as the principal office for the Group.

CCCMC is an indirect wholly-owned subsidiary of the Company and is principally engaged in providing management and consultancy services to other members of the Group.

Hover City is a direct wholly-owned subsidiary of Golden Toy and is principally engaged in investment holding and property investment.

Sky Global is an indirect wholly-owned subsidiary of Golden Toy and is principally engaged in property investment.

The 2015 Tenancy Agreement I was entered by the Company as part of remuneration package to provide quarters for our executive Director and Chairman, Mr. Cheng Hop Fai. As the Group has been occupying Premises II as the Group's principal office in Hong Kong and Premises II are located in the same building as the Group's restaurant outlet, the 2015 Tenancy Agreement II was entered by the Company in the interest of the Group. The terms of the Tenancy Agreements are negotiated on an arm's length basis and are on normal commercial terms.

The Directors (including the independent non-executive Directors) consider that the Transactions contemplated under the Tenancy Agreements are in the ordinary and usual course of business of the Group, and that the terms of the Tenancy Agreements have been negotiated on an arm's length basis and on normal commercial terms that are fair and reasonable so far as the Shareholders are concerned and are in the interest of the Company.

### **4. CONTINUING CONNECTED TRANSACTIONS**

As at the date of this announcement, Golden Toy and Kong Fai hold approximately 8.91% and 65.85% of the issued share capital of the Company respectively. The entire issued share capital of each of Golden Toy and Kong Fai is beneficially owned by two discretionary trusts the objects of which include members of the Cheng Family. As all members of the Cheng Family are executive Directors, Hover City and Sky Global being direct and indirect wholly-owned subsidiaries of Golden Toy are associates of such persons and are connected persons of the Company under the Listing Rules. Accordingly, the Transactions constitute continuing connected transactions of the Company. As each of the relevant percentage ratios with respect to the aggregate sum of the annual rentals under the Tenancy Agreements is less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## 5. TERMS USED IN THIS ANNOUNCEMENT

"2012 Tenancy Agreement I"	the tenancy agreement dated 30 January 2012 entered into between Hover City and CCCMC in respect of Premises I
"2012 Tenancy Agreement II"	the tenancy agreement dated 30 January 2012 entered into between Sky Global and CCCMC in respect of Premises II
"2015 Tenancy Agreement I"	the tenancy agreement dated 30 January 2015 entered into between Hover City and CCCMC in respect of Premises I
"2015 Tenancy Agreement II"	the tenancy agreement dated 30 January 2015 entered into between Sky Global and CCCMC in respect of Premises II
"CCCMC"	City Chiu Chow Management & Consultants Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Cheng Family"	Mr. Cheng Hop Fai, Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily, all of whom are executive Directors. Mr. Cheng Hop Fai is the chairman of the Company. Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily are daughters of Mr. Cheng Hop Fai
"Company"	G-Vision International (Holdings) Limited, a company incorporated in Bermuda with limited liability
"Directors"	directors of the Company
"Golden Toy"	Golden Toy Investments Limited, a company incorporated in the British Virgin Islands with limited liability
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hover City"	Hover City Industrial Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Golden Toy
"Kong Fai"	Kong Fai International Limited, a company incorporated in the British Virgin Islands with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China

“Premises”	Premises I and Premises II
“Premises I”	Flat B on 29 <sup>th</sup> Floor of Block 1, Parc Palais, 18 Wylie Road, Kowloon, Hong Kong
“Premises II”	Units 106, 107, 108, 133, 134, 1 <sup>st</sup> Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong
“Shareholders”	shareholders of the Company
“Sky Global”	Sky Global Investments Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Golden Toy
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	2015 Tenancy Agreement I and 2015 Tenancy Agreement II
“Transactions”	the transactions contemplated under the Tenancy Agreements
“HK\$”	Hong Kong dollars

By order of the Board  
**G-Vision International (Holdings) Limited**  
**Cheng Hop Fai**  
*Chairman*

Hong Kong, 30 January 2015

*As at the date of this announcement, the Board comprises Mr. Cheng Hop Fai (Chairman and Managing Director), Mr. Zhang Yunkun, Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily as executive directors, and Mr. Leung Tai Chiu, Mr. Law Toe Ming and Mr. Mark Yiu Tong, William as independent non-executive directors.*

*\* for identification purpose only*