G-VISION INTERNATIONAL (HOLDINGS) LIMITED
環科國際集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 657)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 MARCH 2016

The board of directors of G-Vision International (Holdings) Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016 together with comparative figures for the corresponding previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	NOTES	***HK$'000***	*HK$'000*
Revenue	3	**90,938**	93,742
Other income and other gains		**3,394**	4,045
Cost of inventories consumed		**(29,555)**	(31,775)
Staff costs		**(33,831)**	(34,898)
Operating lease rentals		**(15,934)**	(15,152)
Depreciation		**(635)**	(1,493)
Other operating expenses		**(23,681)**	(19,182)
Loss for the year attributable to owners of the Company	4	**(9,304)**	(4,713)

* *for identification purpose only*

	NOTE	**2016** HK$'000	2015 HK$'000
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investments		**(435)**	(195)
Reclassification to profit or loss upon disposal of available-for-sale investments		**62**	(294)
Other comprehensive expense for the year		**(373)**	(489)
Total comprehensive expense for the year attributable to owners of the Company		**(9,677)**	(5,202)
Loss per share (basic and diluted)	6	**(HK0.48 cent)**	(HK0.24 cent)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	NOTES	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**91**	629
Available-for-sale investments		**3,538**	4,942
Property rental deposits		**4,916**	1,446
		8,545	7,017
Current assets			
Inventories		**1,459**	1,594
Trade and other receivables	7	**13,833**	30,876
Available-for-sale investments		**2,163**	2,293
Investments in certificates of deposit		**5,866**	2,500
Pledged bank deposits		**1,012**	1,010
Short-term bank deposits			
– with original maturity over three months		**33,507**	40,780
– with original maturity within three months		**27,739**	20,024
Bank balances and cash		**21,194**	17,302
		106,773	116,379
Current liabilities			
Trade and other payables	8	**7,518**	7,196
Net current assets		**99,255**	109,183
Net assets		**107,800**	116,200
Capital and reserves			
Share capital		**194,631**	193,941
Reserves		**(86,831)**	(77,741)
Total equity		**107,800**	116,200

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for available-for-sale investments, which are measured at fair values at the end of the reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied the following amendments to HKFRSs issued by HKICPA for the first time in the current year.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers[2]
HKFRS 16	Leases[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[1]
Amendments to HKAS 1	Disclosure initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

[4] Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 "Financial instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors anticipate that the adoption of HKFRS 9 in the future will have an impact on the classification and re-designation of the Group's available-for-sale investments as either fair value through profit or loss or FVTOCI. The Group will also have to recognise expected credit losses on its financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 16 "Leases"

HKFRS 16 was issued on 13 January 2016 and is effective for annual periods beginning on or after 1 January 2019. HKFRS 16 replaces all existing lease accounting requirements and represents a significant change in the accounting and reporting of leases, with more assets and liabilities to be reported on the consolidated statement of financial position and a different recognition of lease costs.

HKFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees.

Application of HKFRS 16 will result in the Group's recognition of right-of-use assets and corresponding liabilities in respect of many of the Group's lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed as commitments in these consolidated financial statements in note 9.

The directors of the Company are in the process to assess the impact of HKFRS 16 on the Group's consolidated financial statements. Operating lease arrangements are disclosed in note 9.

The directors of the Company do not anticipate that the application of the other new and revised HKFRSs will have a material effect on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received or receivable for goods sold and services rendered by the Group, net of discounts and sales related taxes, during the year.

Financial information provided to the chief operating decision maker, being the executive directors, for performance assessment and resources allocation is based on the overall operating results and financial position of the Group which constitute the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position. Financial information regarding the segment for both years can be made reference to the results as set out in the consolidated statement of profit or loss and other comprehensive income.

Geographical information

As all external revenue for both years and non-current assets are either derived from or located in Hong Kong, an analysis of the consolidated revenue and non-current assets by geographical location is not presented.

Information about major customers

There is no customer contributing over 10% of the total revenue of the Group for both years.

4. LOSS FOR THE YEAR

	2016	2015
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Directors' emoluments	**4,854**	4,852
Other staff costs, including retirement benefits costs	**28,977**	30,046
Total staff costs	**33,831**	34,898
Auditor's remuneration	**410**	410
Net exchange loss included in other operating expenses	**3,845**	25
and after crediting:		
Interest income from:		
– Available-for-sale investments	**389**	539
– Others	**2,971**	3,194

5. TAXATION

No provision for taxation has been made in the consolidated financial statements as the Company and its subsidiaries have no assessable profit for both years.

6. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	2016	2015
	HK$'000	*HK$'000*
Loss for the year	**(9,304)**	(4,713)

	Number of shares	
	2016	2015
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	**1,941,563,288**	1,939,414,108

The calculation of diluted loss per share for both years does not assume the exercise of share options as their assumed exercise would result in a decrease in loss per share.

7. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK$532,000 (2015: HK$351,000). Most of the restaurant customers settle in cash and credit cards. The Group allows an average credit period of 60 days to other trade customers including travel agencies.

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

	2016	2015
	HK$'000	*HK$'000*
0 – 60 days	**530**	351
61 – 90 days	**2**	–
	532	351

Management has delegated a team responsible for assessing the potential customer's credit quality and defines credit limit by customer. Credit limits attributed to customers are reviewed regularly by management. Management closely monitors the credit quality of trade receivables and considers that trade receivables that are neither past due nor impaired to be of good credit quality as most trade receivables were settled within credit period based on the historical experience. Over 99% (2015: over 99%) of the trade receivables are neither past due nor impaired. Based on the historical experience of the Group, trade receivables that are past due are generally recoverable. Accordingly, no impairment loss was recognised.

Included in trade and other receivables is an aggregate sum of RMB9,850,000 (equivalent to approximately HK$11,727,000) (2015: RMB21,059,000; equivalent to approximately HK$26,323,000) resulting from disposal of investment properties located in the People's Republic of China during the year ended 31 March 2012. The balance is placed with a bank by two directors of the Company under an arrangement that the directors will follow the instructions of the Company with respect to the disposition of such balance. Interest generated from the bank deposits is recognised by the Group as interest income and included in 'other income and other gains' in the consolidated statement of profit or loss and other comprehensive income. As the Group will request these two directors to transfer the balance gradually to the Company or its subsidiaries, the balance is classified as a current asset.

8. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$2,456,000 (2015: HK$2,838,000). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
0 – 60 days	**2,427**	2,818
More than 60 days	**29**	20
	2,456	2,838

9. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

	2016	2015
	HK$'000	*HK$'000*
Within one year	**17,266**	12,920
In the second to fifth year inclusive	**12,555**	8,071
	29,821	20,991

Operating lease payments mainly represent rental payable by the Group for its office, restaurants and staff accommodation. Leases are negotiated for an average term of one to three years (2015: one to three years).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 March 2016, the Group recorded a consolidated revenue of approximately HK$90.9 million, representing a decrease of 2.99% from previous year's revenue of approximately HK$93.7 million.

The Group recorded a net loss of approximately HK$9.3 million for the year under review compared to a net loss of approximately HK$4.7 million for the previous year.

Business Review

For the restaurant operation, the decline in revenue was mainly attributable to the global economy downturn and lower sales to both tourists and corporate clients. However, the Group was able to improve the gross profit margin by 1.4% for the year ended 31 March 2016 with the implementation of stringent cost control of inventories sold while maintaining the food quality.

Despite the improvement in gross profit margin, the operating loss increased by approximately HK$4.6 million from approximately HK$4.7 million for the year ended 31 March 2015 to approximately HK$9.3 million for the year ended 31 March 2016. The increase in operating loss was mainly due to the revaluation loss from the depreciation in value of the Group's Renminbi denominated bank deposits and other receivables of approximately HK$3.8 million and the increase in rental costs of approximately HK$0.8 million. With no further provision for the long service leave payments (31 March 2015: HK$1.1 million) for the year under review, the staff cost reduced by approximately HK$1.1 million.

Outlook

The restaurant business will continue to serve as our core operation. However, the operating environment for the Group's restaurant operations still remains challenging. The Group will continue to monitor its operating costs cautiously given the higher rentals and increasing food and staff costs. The Group reviews and revises its business strategies on a regular basis with the aim to better position itself to meet the challenges ahead and to capitalize any future acquisition and strategic investment opportunities as they arise.

Liquidity and Financial Resources

The Group's cash and bank balances (including pledged bank deposits) amounted to approximately HK$83.5 million as at 31 March 2016. As the Group had no bank borrowings, the Group's gearing ratio was zero as at 31 March 2016 and 31 March 2015.

With the cash generated from the Group's operations in its ordinary course of business and the existing unutilised banking and credit facilities, the directors consider that the Group has sufficient working capital for its operations.

Foreign Exchange Exposure

Most of the Group's sales, purchases, cash and bank balances were denominated in Hong Kong dollars. The Group is exposed to foreign currency risk primarily through certain bank deposits and other receivables which were denominated in Renminbi. The management would closely monitor such risk and would consider hedging significant foreign currency exposure should the need arise.

Employees

As at 31 March 2016, the Group had approximately 150 staff. Total staff costs including directors' emoluments amounted to approximately HK$33.8 million (31 March 2015: HK$34.9 million) for the year under review.

Review of the employees' remuneration packages is normally conducted annually and as required from time to time. The salary and benefit levels of the Group's employees are competitive and individual performance is rewarded through the Group's bonus scheme. Other benefits including medical coverage and mandatory provident fund scheme are also provided to employees.

DIVIDEND

The directors have resolved not to recommend the payment of any final dividend for the year ended 31 March 2016 (2015: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 21 July 2016 to Tuesday 26 July 2016 (both days inclusive) for the purpose of establishing entitlement of shareholders to attend and vote at the forthcoming annual general meeting of the Company. During this period, no transfer of shares will be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 20 July 2016.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year.

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code contained in Appendix 14 (the "Code") to the Listing Rules as its own corporate governance code. The Company has complied with the code provisions set out in the Code throughout the year ended 31 March 2016 except for code provision A.2.1 in respect of the role separation of the chairman and the chief executive; code provision A.4.1 in respect of the service term of non-executive directors ("NEDs") and code provision D.1.4 in respect of the letters of appointment for directors.

Code provision A.2.1 sets out that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Currently, Mr. Cheng Hop Fai assumes the role of both the chairman and the managing director (equivalent to the role of a chief executive) of the Company. The board of directors considers that such arrangement will not result in undue concentration of power and is, at this stage, conducive to the efficient formulation and implementation of the Group's strategies thus allowing the Group to develop its business more effectively.

Code provision A.4.1 stipulates that NEDs should be appointed for a specific term, subject to re-election. The independent non-executive directors ("INEDs") of the Company are not appointed for a specific term. This constitutes a deviation from the code provision A.4.1. However, as all the INEDs of the Company are subject to retirement by rotation at the annual general meetings of the Company at least once every three years in accordance with the Company's Bye-laws, in the opinion of the directors, this meets the objective of the code provision A.4.1.

Code provision D.1.4 sets out that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for certain directors. All of the directors of the Company are, however, required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" published by the Hong Kong Institute of Directors in performing their duties and responsibilities as directors of the Company. In the opinion of the directors, this meets the objective of the code provision D.1.4.

AUDIT COMMITTEE

The audit committee which comprises the three INEDs of the Company has reviewed with management and the external auditor financial reporting matters including the consolidated accounts for the year ended 31 March 2016.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Following specific enquiry by the Company, all the directors confirmed that they have complied with the required standards as set out in the Model Code during the year ended 31 March 2016.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The final results announcement will be published on the websites of the Company (www.g-vision.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkex.com.hk). The Company's annual report 2015/2016 will be dispatched to the shareholders and posted on the said websites in due course.

ACKNOWLEDGEMENTS

I would like to express my gratitude to the management and staff members of the Group for their dedication and invaluable efforts and contributions to the Group during the year.

By Order of the Board
Cheng Hop Fai
Chairman

Hong Kong, 13 June 2016

As at the date of this announcement, the board of directors of the Company 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.