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 2019

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 2019 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 2019

	NOTE	**2019** *HK$'000*	2018 *HK$'000*
Revenue	3	**85,372**	86,926
Other income and other gains		**1,590**	1,520
Cost of inventories consumed		**(27,419)**	(27,500)
Staff costs		**(35,770)**	(34,938)
Operating lease rentals		**(17,414)**	(16,023)
Depreciation		**(47)**	(37)
Other operating expenses		**(19,114)**	(18,893)
Loss for the year attributable to owners of the Company	4	**(12,802)**	(8,945)

* *for identification purpose only*

	NOTE	2019 HK$'000	2018 HK$'000
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Change in fair value on equity instruments as at fair value through other comprehensive income		**(187)**	–
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investments		**–**	327
Change in fair value on debt instruments at fair value through other comprehensive income		**(101)**	–
Other comprehensive (expense) income for the year		**(288)**	327
Total comprehensive expense for the year attributable to owners of the Company		**(13,090)**	(8,618)
Loss per share (basic and diluted)	6	**(HK0.66 cent)**	(HK0.46 cent)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	NOTE	**2019** **HK$'000**	2018 HK$'000
Non-current assets			
Property, plant and equipment		**2,104**	121
Property rental deposits		**5,294**	5,320
		7,398	5,441
Current assets			
Inventories		**1,052**	1,217
Trade and other receivables	8	**1,660**	2,302
Available-for-sale investments	7	**–**	2,750
Equity instruments as at fair value through other comprehensive income		**1,338**	–
Pledged bank deposits		**415**	414
Short-term bank deposits			
– with original maturity over three months		**2,503**	70,366
– with original maturity within three months		**61,464**	7,016
Bank balances and cash		**12,273**	10,765
		80,705	94,830
Current liabilities			
Trade and other payables	9	**7,813**	7,984
Net current assets		**72,892**	86,846
Net assets		**80,290**	92,287
Capital and reserves			
Share capital		**194,631**	194,631
Reserves		**(114,341)**	(102,344)
Total equity		**80,290**	92,287

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 that 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 AMENDMENTS TO HKFRSs

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to Hong Kong Accounting Standards ("HKAS") 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new and 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.

2.1 HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from the operation of Chinese restaurants in Hong Kong which specialise in Chiu Chow cuisine.

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in note 3.

The directors of the Company consider the application of HKFRS 15 has no material impact on the timing and amounts of revenue recognised in the respective reporting periods.

2.2 HKFRS 9 "Financial Instruments"

In the current year, the Group has applied HKFRS 9 ''Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The differences between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	* AFS instruments	* Equity instruments at FVTOCI	*Debt investments at FVTOCI
	HK$'000	*HK$'000*	*HK$'000*
Closing balance at 31 March 2018 – HKAS 39	2,750	–	–
Effect arising from initial application of HKFRS 9:			
Reclassification from available-for-sale investments	(2,750)	1,525	1,225
Opening balance at 1 April 2018	–	1,525	1,225

* As defined below

(a) *Available-for-sale ("AFS") investments*

From AFS to equity investments at fair value through other comprehensive income ("FVTOCI")

The Group elected to present in other comprehensive income ("OCI") for the fair value changes of all its equity investments previously classified as AFS investments. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK$1,525,000 were reclassified from AFS investments to equity instruments as at FVTOCI. The fair value gains of HK$327,000 relating to those investments previously carried at fair value continued to accumulate in investment revaluation reserve.

From AFS to debt investments at FVTOCI

Listed bonds with a fair value of HK$1,225,000 were reclassified from AFS investments to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding.

(b) *Impairment under ECL model*

In the current period, the Group has applied the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics, and there has been no significant increase in credit risk since initial recognition.

Loss allowances for financial assets at amortised cost mainly comprise of other receivables, pledged bank deposits, short-term bank deposits and bank balances, are measured on 12-month ("12m") ECL basis and there had been no significant increase in credit risk since initial recognition.

All of the Group's debt instruments at FVTOCI are listed bonds that are rated in the top credit rating grades by various rating agencies. Therefore, these investments are considered to be low credit risk investments and the loss allowance is measured on 12m ECL basis.

As at 1 April 2018, no additional credit loss allowance has been recognised in the accumulated losses as the estimated allowance under the ECL model were not significantly different to the impairment losses previously recognised under HKAS 39.

2.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the entity's accounting policies above, the opening consolidated statement of financial position had been restated. The following table summarises the adjustments recognised for the relevant individual line item.

	31 March 2018	**HKFRS 9**	**1 April 2018**
	HK$'000	*HK$'000*	*HK$'000*
	(Audited)		(Restated)
Current assets			
AFS investments	2,750	(2,750)	–
Debt instruments at FVTOCI	–	1,225	1,225
Equity instruments as at FVTOCI	–	1,525	1,525

New and amendments to HKFRSs in issued but not yet effective

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

HKFRS 16	Leases[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[3]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019.

2 Effective for annual periods beginning on or after a date to be determined.

3 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

4 Effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases 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, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at costs and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as operating cash flows, respectively.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK$30,298,000 as disclosed in note 10. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK$5,294,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The management of the Group expects that the adoption of HKFRS 16 as compared with the current accounting policy would result in increase in the Group's right-of-use assets and related lease liability. The combination of straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term, but there is no impact on the total expenses recognised over the lease term. The management of the Group has assessed the impact of the application of HKFRS 16 and considers that it will have a significant impact on assets and liabilities of the Group.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated losses without restating comparative information.

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.

Operation of Chinese restaurants (revenue recognised at a point in time)

For operation of Chinese restaurants, revenue is recognised when food and beverages are served to the customers.

4. LOSS FOR THE YEAR

	2019	2018
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging (crediting):		
Directors' emoluments	**5,413**	5,820
Other staff costs, including retirement benefits costs	**30,357**	29,118
Total staff costs	**35,770**	34,938
Auditor's remuneration	**450**	430
Net exchange loss (gain) included in other operating expenses	**117**	(205)
Interest income or dividend income from:		
– AFS investments	**–**	(123)
– Debt instruments at FVTOCI	**(29)**	–
– Equity instruments as at FVTOCI	**(59)**	–
– Others	**(1,485)**	(1,107)
Reversal of impairment loss on AFS debt investments	**–**	(114)

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:

	2019	2018
	HK$'000	*HK$'000*
Loss for the year	**(12,802)**	(8,945)

	Number of shares	
	2019	2018
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	**1,946,314,108**	1,946,314,108

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. AVAILABLE-FOR-SALE INVESTMENTS/DEBT INSTRUMENTS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME/EQUITY INSTRUMENTS AS FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

AFS investments comprise:

	2019	2018
	HK$'000	*HK$'000*
At fair value:		
Equity securities listed in Hong Kong	**–**	1,525
Debt securities listed in Hong Kong *(note)*	**–**	1,225
	–	2,750

As detailed in note 2, the Group's AFS investments as at 31 March 2018 have been reclassified to appropriate categories of financial assets upon adoption of HKFRS 9 on 1 April 2018.

	2019	2018
	HK$'000	*HK$'000*
Equity instruments as at FVTOCI:		
Equity securities listed in Hong Kong	**1,338**	–

Note: The Group holds listed redeemable note with fixed interest at 4.2% per annum. During the year, the note is redeemed at par value in November 2018. The Group holds no collateral over this balance.

8. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK$472,000 (2018: HK$799,000). 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:

	2019	2018
	HK$'000	*HK$'000*
0 – 60 days	**472**	799

Management has delegated a team responsible for assessing the potential customer's credit quality and defining 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% (2018: 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.

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$2,906,000 (2018: HK$2,769,000). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2019	2018
	HK$'000	*HK$'000*
0 – 60 days	**2,816**	2,712
More than 60 days	**90**	57
	2,906	2,769

10. CAPITAL COMMITMENTS

	2019	2018
	HK$'000	*HK$'000*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the financial statements	**2,277**	–

11. 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:

	2019	2018
	HK$'000	*HK$'000*
Within one year	**17,304**	18,284
In the second to fifth year inclusive	**12,994**	30,176
	30,298	48,460

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 (2018: one to three years).

Included in the amount committed is HK$7,855,000 (2018: HK$14,950,000) being commitment with related parties in relation to rental agreements.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 March 2019, the Group recorded consolidated revenue of approximately HK$85.4 million, representing a decrease of 1.8% from previous year's consolidated revenue of approximately HK$86.9 million.

The Group recorded a net loss of approximately HK$12.8 million for the year under review compared to a net loss of approximately HK$8.9 million for the previous year.

Business Review

The drop in revenue by approximately HK$1.5 million compared to the last corresponding period was mainly attributable to the drop in revenue from Hover City Chiu Chow Restaurant by HK$4.9 million. The revenue contributed by Hover City Chiu Chow Restaurant in the second half of the year was significantly affected by the more competitive business operating environment as well as the restaurant renovation which lasted for five weeks since mid of March 2019. The revenue for our Tsim Sha Tsui branch, however improved by HK$3.4 million as the revenue in the last corresponding period was affected by the closure of the restaurant for three weeks in April 2017 for some kitchen maintenance and upgrading works.

The net loss for the Group had increased by approximately HK$3.9 million for the year under review. The Group's result was negatively impacted by the loss in revenue which resulted in a loss of profit margin of approximately HK$1.5 million, an increase in rental costs by approximately HK$1.4 million and an increase in staff costs by approximately HK$0.8 million. On 23 October 2017, 30,000,000 share options were granted to the Group's directors. The fair value of the stock options amounted to approximately HK$2.9 million, of which approximately HK$1.0 million was recognised as share-based payment staff expenses for the year ended 31 March 2019 (2018: HK$1.5 million) in accordance with the vesting conditions of the stock options granted.

Outlook

The restaurant business will continue to serve as our core operation. However, the operating environment for the Group's restaurant operation 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 and short-term bank deposits) amounted to approximately HK$76.7 million as at 31 March 2019. As the Group had no bank borrowings, the Group's gearing ratio was zero as at 31 March 2019 and 31 March 2018.

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 which are denominated in Renminbi and United States dollar. The management would closely monitor such risk and would consider hedging significant foreign currency exposure should the need arise.

Employees

As at 31 March 2019, the Group had approximately 150 staff. Total staff costs including directors' emoluments amounted to approximately HK$35.8 million (31 March 2018: 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 board of directors has resolved not to recommend the payment of any final dividend for the year ended 31 March 2019 (2018: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 23 July 2019 to Monday 29 July 2019 (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 such period, no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates and transfer forms 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 for registration not later than 4:30p.m. on Monday, 22 July 2019.

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 (the "Code") contained in Appendix 14 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 2019 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 auditor financial reporting matters including the consolidated financial statements for the year ended 31 March 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained 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 2019.

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 2018/2019 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, 18 June 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. Cheng Hop Fai (Chairman and Managing Director), 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. Hung Chi Yuen, Andrew as independent non-executive directors.