# G-VISION INTERNATIONAL (HOLDINGS) LIMITED

# 環科國際集團有限公司*

*(Incorporated in Bermuda with limited liability)*

(Stock code: 657)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The board of directors of G-Vision International (Holdings) Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2019, together with comparative results. The condensed consolidated interim results have not been audited, but have been reviewed by the Company's auditor, RSM Hong Kong, and the Company's audit committee.

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

*For the six months ended 30 September 2019*

| | | **Six months ended 30 September** | |
|---|---|---|---|
| | | **2019** | 2018 |
| | *Note* | ***HK\$'000*** | *HK\$'000* |
| | | **(Unaudited)** | (Unaudited) |
| **Revenue** | 3 | **36,579** | 41,929 |
| Cost of inventories consumed | | **(11,604)** | (13,477) |
| **Gross profit** | | **24,975** | 28,452 |
| Other income and other gains and losses | | **890** | 790 |
| Staff costs | | **(16,128)** | (17,686) |
| Operating lease rentals | | **–** | (8,707) |
| Depreciation | | **(7,949)** | (21) |
| Other operating expenses | | **(8,982)** | (9,514) |

* *for identification purpose only*

| | Note | Six months ended 30 September **2019** *HK$'000* **(Unaudited)** | 2018 *HK$'000* (Unaudited) |
|---|---|---|---|
| **Loss from operations** | | **(7,194)** | (6,686) |
| Finance costs | | **(2,387)** | – |
| **Loss before tax** | | **(9,581)** | (6,686) |
| Income tax expense | 4 | **–** | – |
| **Loss for the period attributable to owners of the Company** | 5 | **(9,581)** | (6,686) |
| **Other comprehensive income:** | | | |
| *Items that will not be reclassified to profit or loss:* | | | |
| Fair value changes of equity investments at fair value through other comprehensive income ("FVTOCI") | | **(188)** | (298) |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Fair value changes of debt instruments at FVTOCI | | **–** | (79) |
| **Other comprehensive income for the period, net of tax** | | **(188)** | (377) |
| **Total comprehensive income for the period attributable to owners of the Company** | | **(9,769)** | (7,063) |
| **Loss per share** | 6 | | |
| – Basic (HK$ cents) | | **(0.49)** | (0.34) |
| – Diluted (HK$ cents) | | **N/A** | N/A |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2019*

| | Note | **As at 30 September 2019** *HK$'000* **(Unaudited)** | As at 31 March 2019 *HK$'000* (Audited) |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **3,729** | 2,104 |
| Right-of-use assets | | **45,407** | – |
| Property rental deposits | | **4,214** | 5,294 |
| **Total non-current assets** | | **53,350** | 7,398 |
| **Current assets** | | | |
| Inventories | | **1,275** | 1,052 |
| Trade and other receivables | 7 | **1,935** | 1,660 |
| Property rental deposits | | **1,080** | – |
| Equity instruments as at FVTOCI | | **1,150** | 1,338 |
| Pledged bank deposits | | **415** | 415 |
| Short-term bank deposits | | | |
| – with original maturity over three months | | **–** | 2,503 |
| – with original maturity within three months | | **60,532** | 61,464 |
| Bank and cash balances | | **5,522** | 12,273 |
| **Total current assets** | | **71,909** | 80,705 |
| **TOTAL ASSETS** | | **125,259** | 88,103 |
| **EQUITY** | | | |
| Share capital | | **194,631** | 194,631 |
| Reserves | | **(123,805)** | (114,341) |
| **Total equity** | | **70,826** | 80,290 |

| | Note | As at 30 September 2019 *HK$'000* (Unaudited) | As at 31 March 2019 *HK$'000* (Audited) |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Lease liabilities | | **35,670** | – |
| **Total non-current liabilities** | | **35,670** | – |
| **Current liabilities** | | | |
| Trade and other payables | 8 | **7,202** | 7,813 |
| Lease liabilities | | **11,561** | – |
| **Total current liabilities** | | **18,763** | 7,813 |
| **TOTAL EQUITY AND LIABILITIES** | | **125,259** | 88,103 |
| **Net current assets** | | **53,146** | 72,892 |
| **Total assets less current liabilities** | | **106,496** | 80,290 |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2019*

### 1. BASIS OF PREPARATION

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

These condensed financial statements should be read in conjunction with the 2018/19 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2019 except as stated below.

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2019. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has initially adopted HKFRS 16 Leases from 1 April 2019. A number of other new standards are effective from 1 April 2019 but they do not have a material effect on the Group's consolidated financial statements.

**HKFRS 16 Leases**

HKFRS 16 supersedes HKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied HKFRS 16 using the modified retrospective approach to operating lease commitment that existed at 1 April 2019 in accordance with the transition requirements. Comparative information has not been restated and continues to be reported under HKAS 17. The details of the changes in accounting policies are disclosed below.

*(a)* ***Definition of a lease***

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under HK(IFRIC)-Int 4. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

*(b)* ***As a lessee***

The Group leases many properties, including office, restaurants and director's quarter.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for leases with remaining lease terms of less than 12 months from 31 March 2019 and for some leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The recognised right-of-use assets relate to the following types of assets:

| | **30 September 2019** *HK$'000* | 1 April 2019 *HK$'000* |
|---|---|---|
| Properties | **45,407** | 53,004 |

*Significant accounting policies*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

*Transition*

Previously, the Group classified property leases as operating leases under HKAS 17.

At transition, for leases classified as operating leases under HKAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, and discounted using the lessee's incremental borrowing rate at the date of initial application.

The Group used the following practical expedients when applying HKFRS 16 to leases previously classified as operating leases under HKAS 17.

– Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

– Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

– Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

### (c) *Impacts of financial statements*

*Impact on transition*

On transition to HKFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition as at 1 April 2019 is summarised below.

| | At 31 March 2019 | Impact on initial application of HKFRS 16 | At 1 April 2019 |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| **Non-current assets** | | | |
| Right-of-use assets | – | 53,004 | 53,004 |
| **Non-current liabilities** | | | |
| Lease liabilities | – | (40,183) | (40,183) |
| **Current liabilities** | | | |
| Lease liabilities | – | (12,821) | (12,821) |

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate with the range from 7.50% to 9.65% at 1 April 2019.

| | 1 April 2019 |
|---|---|
| | *HK$'000* |
| Operating lease commitment as at 31 March 2019 under HKAS 17 | 30,298 |
| Add/less: Adjustments as a result of a different treatment of extension and termination options | 46,711 |
| Adjusted operating lease commitment as at 31 March 2019 under HKAS 17 | 77,009 |
| Less: Total future interest expenses under HKFRS 16 | (24,005) |
| **Lease liabilities recognised as at 1 April 2019 under HKFRS 16** | 53,004 |
| Representing: | |
| Non-current lease liabilities | 40,183 |
| Current lease liabilities | 12,821 |
| | 53,004 |

*Impacts for the period*

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases under HKAS 17, the Group recognised right-of-use assets of HK$45,407,000 and lease liabilities of HK$47,231,000 as at 30 September 2019.

Also in relation to those leases under HKFRS 16, the Group has recognised depreciation and finance costs, instead of operating lease rental and staff costs. During the six months ended 30 September 2019, the Group recognised depreciation charges of HK$7,597,000 and finance costs of HK$2,387,000 from these leases.

## 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 makers, 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 condensed consolidated statement of profit or loss and other comprehensive income and the condensed consolidated statement of financial position. Financial information regarding the segment for the six months ended 30 September 2019 and 2018 can be made with reference to the results as set out in the condensed consolidated statement of profit or loss and other comprehensive income.

No geographical information is presented as all external revenue for both periods 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.

**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. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made in the condensed consolidated financial statements as the Group did not have assessable profit for both periods.

## 5. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging the following:

| | Six months ended 30 September | |
|---|---|---|
| | **2019** | 2018 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Cost of inventories consumed | **11,604** | 13,477 |
| Depreciation | | |
| – property, plant and equipment | **353** | 21 |
| – right-of-use assets | **7,596** | – |
| Equity-settled share-based payments | **305** | 736 |
| Finance costs | | |
| – interest on lease liabilities | **2,387** | – |
| Net exchange loss | **212** | 186 |

## 6. LOSS PER SHARE

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

| | Six months ended 30 September | |
|---|---|---|
| | **2019** | 2018 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| **Loss** | | |
| Loss attributable to owners of the Company | **9,581** | 6,686 |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of calculating basic loss per share *(Note)* | **1,946,314,108** | 1,946,314,108 |

*Note:*

There was no dilutive potential ordinary share for the Company's share option for the six months ended 30 September 2018 and 2019.

## 7. TRADE AND OTHER RECEIVABLES

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follow:

| | 30 September 2019 HK$'000 (Unaudited) | 31 March 2019 HK$'000 (Audited) |
|---|---|---|
| 0 to 60 days | **377** | 472 |
| More than 60 days | **4** | – |
| | **381** | 472 |

## 8. TRADE AND OTHER PAYABLES

The ageing analysis of trade payables, based on the date of invoice, is as follows:

| | 30 September 2019 HK$'000 (Unaudited) | 31 March 2019 HK$'000 (Audited) |
|---|---|---|
| 0 to 60 days | **2,394** | 2,816 |
| More than 60 days | **35** | 90 |
| | **2,429** | 2,906 |

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Results

The Group is principally engaged in the operations of Chinese restaurants in Hong Kong which specialise in Chiu Chow cuisine.

For the six months ended 30 September 2019, the Group recorded a consolidated revenue of approximately HK$36.6 million, a decrease of 12.8% compared to the last corresponding period's revenue of approximately HK$41.9 million.

The net loss for the period under review amounted to approximately HK$9.6 million compared to the net loss of approximately HK$6.7 million in the last corresponding period. The net loss would have been approximately HK$7.8 million before the negative impact of the adoption of HKFRS 16.

### Review of Operations

Revenue from the restaurant operation amounted to approximately HK$36.6 million for the period under review, a decrease of approximately HK$5.3 million from the last corresponding period. The decline in revenue was mainly due to the widespread protests in Hong Kong since the month of June 2019 and the restaurant renovation at Hover City Chiu Chow Restaurant in April 2019.

The revenue contributed by the Tsim Sha Tsui branch was stable in the first two months of the reporting period but had continued to deteriorate since the month of June with double-digit percentage drop in revenue recorded for the month of August and September. There has been a notable decline in the revenue from the tourist business as well as the corporate patrons in the midst of the social and economic turmoil in Hong Kong.

For the branch at Cheung Sha Wan Plaza, revenue was adversely affected in April due to a renovation which last for five weeks since mid of March. The new image of the restaurant did help to boost business in the two months following the renovation but the trend was reversed since the month of July with revenue fall over 20% below our revenue target. Revenue from dinner time was affected the most due to frequent and last minute cancellations of booking reservation. Customers are also deterred to dine out at night and in the weekends due to safety reason. The constant disruption in the public transportation system caused further inconvenience to the restaurant's patrons.

The net loss for the Group had increased by approximately HK$2.9 million during the period under review which was mainly attributable to the year-on-year decrease in revenue and hence a drop in gross profit of approximately HK$3.5 million and the adoption of HKFRS 16. The gross profit margin remained stable compared to the last corresponding period.

The application of HKFRS 16 has resulted in the recognition of right-of-use assets of approximately HK$45.4 million and lease liabilities of HK$47.2 million for the Group as at 30 September 2019. In addition, the total expenditure on operating lease rentals and staff quarter costs are now being accounted for as depreciation on right-of-use assets of approximately HK$7.6 million and interest on lease liabilities of approximately HK$2.4 million and are presented in the financial statement as depreciation and finance costs respectively. Please refer to Note 2 of the "Notes to the Condensed Consolidated Financial Statements" for detailed explanation of the impact of the application of HKFRS 16. Under HKFRS 16, the total of the depreciation and finance costs in relation to the leases amounted to approximately HK$10.0 million for the six months ended 30 September 2019 and were approximately HK$1.8 million higher than the total rental amount if it had not been accounted for under HKFRS 16. The total cash outflows on lease payments, however, are substantially the same under the old and the new accounting standard.

Total staff costs reduced by approximately HK$1.6 million from last corresponding period. Besides the reclassification of the HK$0.5 million staff quarter costs to depreciation and finance costs, the actual costs saving was mainly due to a decrease in some turnover-based staff costs such as service charges and payments to freelance workers.

There was also approximately HK$0.5 million costs reduction in other operating expenses due to approximately HK$0.3 million decrease in utility charges and approximately HK$0.2 million decrease in professional fees.

**Events after the Reporting Period**

Subsequent to the end of the reporting period, on 18 October 2019, GV Australia Pty Ltd (a wholly-owned subsidiary of the Company) entered into the agreement with a connected party in relation to the development and construction of a low-rise apartment block on the land comprising 26 apartments and certain communal facilities situated in Camden, Sydney, New South Wales, Australia.

***Implication under the listing rules***

As one or more of the applicable percentage ratios for the arrangement contemplated under the agreement were more than 25% but all of them were less than 100%, the arrangement contemplated under the agreement constituted a major transaction of the Company under Chapter 14 of the Listing Rules. By virtue of certain executive directors and senior management personnel's interests in the land, the arrangement also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the arrangement contemplated under the agreement was subject to the announcement, reporting and independent shareholders' approval requirements of the Listing Rules. Details of the arrangement were set out in the announcement dated 18 October 2019 and the circular dated 12 November 2019 issued by the Company. The resolution in relation to the above transaction as set out in the notice of the special general meeting was duly passed by the independent shareholders, by way of poll, at the special general meeting held on 29 November 2019.

## Prospects

The months of political unrest as well as the US-China trade war have complicated and undermined the business environment for the food and beverage industry in Hong Kong. The continued social and economic turmoil in Hong Kong resulted in an overall worsened consumer sentiment. Amid the challenging operating environment, the Group will continue to operate its Chinese restaurant business. However, it will adopt a more cautious approach in committing further capital expenditure and will implement various costs control measures to mitigate the loss during this difficult time such as seeking rental concession from landlords and suspending the hiring of full time and freelance workers.

The Group will continue to review and revise its business strategies from time to time with the aim to better position itself to meet the challenges ahead and to capture any new investment opportunities as they arise. The commencement of the development and construction business in Australia in the second half of the financial year will mark a new era for the Group and is considered as a suitable opportunity for the Group to expand its business activities and diversify risks with an aim to improve the returns for its shareholders.

## Liquidity and Financial Resources

The Group's cash and bank balances (including pledged bank deposits and short-term bank deposits) amounted to approximately HK$66.5 million as at 30 September 2019. As the Group had no bank borrowings, the Group's gearing ratio was zero as at 30 September 2019 and 31 March 2019.

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.

## Contingent Liabilities

As at 30 September 2019, the Group did not have any significant contingent liabilities.

### Employees and Remuneration Policies

As at 30 September 2019, the Group had approximately 120 staff. 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.

## INTERIM DIVIDEND

The board of directors has resolved not to declare any interim dividend for the six months ended 30 September 2019 (for the six months ended 30 September 2018: nil).

## 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 current interim period.

## 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 six months ended 30 September 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 comprises the three INEDs of the Company, namely, Mr. Leung Tai Chiu as the chairman, and Mr. Law Toe Ming and Mr. Hung Chi Yuen, Andrew as members. The terms of reference of the audit committee are consistent with the code provisions set out in the Code. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the board of directors the internal control and financial reporting matters including the unaudited interim financial statements for the six months ended 30 September 2019.

## REMUNERATION COMMITTEE

Pursuant to rule 3.25 of the Listing Rules, the Company has established a remuneration committee comprising the three INEDs of the Company, namely, Mr. Law Toe Ming as the chairman, and Mr. Leung Tai Chiu and Mr. Hung Chi Yuen, Andrew as members. The terms of reference of the remuneration committee are consistent with the code provisions set out in the Code. The principal function of the remuneration committee is to make recommendation to the board of directors on the Group's policy and structure for the remuneration of directors and senior management.

## NOMINATION COMMITTEE

Pursuant to code provision A.5.1 set out in the Code, the Company has established a nomination committee comprising Mr. Cheng Hop Fai as the chairman and two INEDs of the Company, namely, Mr. Law Toe Ming and Mr. Hung Chi Yuen, Andrew as members. The terms of reference of the nomination committee are consistent with the code provisions set out in the Code. The principal function of the nomination committee is to review the structure, size, composition and diversity of the board of directors at least annually with reference to the business needs and development of the Company and make recommendations to the board of directors on any proposed changes to the board of directors to complement the Group's corporate strategy.

## 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 six months ended 30 September 2019.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim 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 interim report 2019/20 will be dispatched to its shareholders and posted on the said websites in due course.

By Order of the Board
**Cheng Hop Fai**
*Chairman*

Hong Kong, 29 November 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; Mr. Leung Tai Chiu, Mr. Law Toe Ming and Mr. Hung Chi Yuen, Andrew as independent non-executive directors.*