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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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2020

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 2020 together with comparative figures for the year ended 31 March 2019, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Note	**2020** *HK$'000*	2019 *HK$'000*
Revenue	3	**67,413**	85,372
Cost of inventories consumed		**(21,329)**	(27,419)
Gross profit		**46,084**	57,953
Other income and other losses		**1,833**	1,590
Staff costs		**(30,191)**	(35,770)
Operating lease rentals		**–**	(17,414)
Depreciation		**(16,846)**	(47)
Other operating expenses		**(19,845)**	(19,114)
Loss from operations		**(18,965)**	(12,802)

* *for identification purpose only*

	Note	**2020**	2019
		HK$'000	*HK$'000*
Finance costs	4	**(4,272)**	–
Loss before tax		**(23,237)**	(12,802)
Income tax expense	5	**–**	–
Loss for the year and loss attributable to owners of the Company	6	**(23,237)**	(12,802)
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")		**(119)**	(187)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**(1,125)**	–
Fair value changes of debt instruments at FVTOCI		**–**	(101)
Other comprehensive income for the year, net of tax		**(1,244)**	(288)
Total comprehensive income for the year attributable to owners of the Company		**(24,481)**	(13,090)
Loss per share (basic and diluted)	7	**(1.19)**	(0.66)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	2020 HK$'000	2019 HK$'000
Non-current assets			
Property, plant and equipment		**3,341**	2,104
Right-of-use assets		**37,677**	–
Property rental deposits		**2,506**	5,294
		43,524	7,398
Current assets			
Inventories		**1,077**	1,052
Trade and other receivables	8	**1,658**	1,660
Property rental deposits		**1,438**	–
Equity instruments as at FVTOCI		**1,219**	1,338
Pledged bank deposits		**416**	415
Short-term bank deposits			
– with original maturity over three months		**–**	2,503
– with original maturity within three months		**48,309**	61,464
Bank and cash balances		**8,527**	12,273
		62,644	80,705
Current liabilities			
Trade and other payables	9	**8,602**	7,813
Lease liabilities		**9,646**	–
		18,248	7,813
Net current assets		**44,396**	72,892
Total assets less current liabilities		**87,920**	80,290
Non-current liabilities			
Other payables	9	**558**	–
Lease liabilities		**31,210**	–
		31,768	–
NET ASSETS		**56,152**	80,290
Capital and reserves			
Share capital		**194,631**	194,631
Reserves		**(138,479)**	(114,341)
TOTAL EQUITY		**56,152**	80,290

NOTES:

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

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

(a) Application of new and revised HKFRSs

The HKICPA has issued a new HKFRS, HKFRS 16 Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, and the related interpretations, HK(IFRIC) 4 Determining whether an Arrangement contains a Lease, HK(SIC) 15 Operating Leases-Incentives and HK(SIC) 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low-value assets.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact or leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities at the date of initial application. The average incremental borrowing rates applied by the relevant group entities with the range from 7.50% to 9.65%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2020;

(ii) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;

(iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and

(iv) relied on the assessment of whether leases are onerous by applying HKAS 37 as an alternative to an impairment review.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

The following table reconciles the operating lease commitments as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	HK$'000
Operating lease commitments disclosed at 31 March 2019	30,298
Add: lease payments for the additional periods where the Group considers it reasonably certain that it will exercise the extension options	35,420
	65,718
Less: total future interest expenses	(11,866)
Lease liabilities recognised as at 1 April 2019	53,852
Of which are:	
Current lease liabilities	13,059
Non-current lease liabilities	40,793
	53,852

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 March 2019.

Property rental deposits are accounted under HKFRS 9 Financial Instruments ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16	**Carrying amount as at 31 March 2019**	**Recognition of leases**	**Re-classification**	**Carrying amount as at 1 April 2019**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets				
Right-of-use assets	–	54,733	1,743	56,476
Property rental deposits	5,294	–	(1,743)	3,551
Liabilities				
Lease liabilities	–	53,852	–	53,852
Other payables (non-current)	–	881	–	881

(c) Impact of the financial results and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 April 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising operating lease rentals expenses and staff costs incurred under operating leases on a straight-line basis over the lease term. This results in a negative impact on the reported loss from operations in the Group's consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the year.

In the consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their principal element and interest element. These elements are classified as financing cash outflows and operating cash outflows respectively. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the consolidated statement of cash flows.

The following tables give an indication of the estimated impact of the adoption of HKFRS 16 on the Group's financial results and cash flows for the year ended 31 March 2020, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply in 2020 instead of HKFRS 16, and by comparing these hypothetical amounts for 2020 with the actual 2019 corresponding amounts which were prepared under HKAS 17.

	2020				2019
	Amounts reported under HKFRS 16	Add back: HKFRS 16 depreciation and interest expense	Deduct: Estimated amounts related to operating lease as if under HKAS 17 *(Note 1)*	Hypothetical amounts for 2020 as if under HKAS 17	Compared to amounts reported for 2019 under HKAS 17
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Financial results for year ended 31 March 2020 impacted by the adoption of HKFRS 16:					
Loss from operation	**(18,965)**	**16,076**	**(16,140)**	**(19,029)**	(12,802)
Finance costs	**(4,272)**	**4,272**	**–**	**–**	–
Loss before tax	**(23,237)**	**20,348**	**(16,140)**	**(19,029)**	(12,802)
Loss for the year	**(23,237)**	**20,348**	**(16,140)**	**(19,029)**	(12,802)

	2020			2019
	Amounts reported under HKFRS 16	Estimated amounts related to operating lease as if under HKAS 17 *(Note 1 & 2)*	Hypothetical amounts for 2020 as if under HKAS 17	Compared to amounts reported for 2019 under HKAS 17
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Line items in the consolidated statement of cash flows for year ended 31 March 2020 impacted by the adoption of HKFRS 16:				
Cash used in operations	**(1,539)**	**(16,140)**	**(17,679)**	(12,573)
Interest element of lease rentals paid	**(4,195)**	**4,195**	**–**	–
Net cash used in operating activities	**(5,734)**	**(11,945)**	**(17,679)**	(12,573)
Capital element of lease rentals paid	**(11,945)**	**11,945**	**–**	–
Net cash used in financing activities	**(11,945)**	**11,945**	**–**	–

Notes:

1. The "estimated amounts related to operating leases" is an estimate of the amounts of the cash flows in 2020 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2020. This estimate assumes that there were no difference between rentals and cash flows and that all of the new leases entered into in 2020 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2020. Any potential net tax effect is ignored.

2. In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash used in operating activities and net cash used in financing activities as if HKAS 17 still applied.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 April 2019. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 3 Definition of a Business	1 January 2020
Amendments to HKAS 1 and HKAS 8 Definition of Material	1 January 2020
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform	1 January 2020

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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 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 with reference to the results as set out in the consolidated statement of profit or loss and other comprehensive income.

No geographical information is presented 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.

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. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interest expenses on lease liabilities	**4,272**	–

5. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year.

6. LOSS FOR THE YEAR

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

	2020	2019
	HK$'000	*HK$'000*
Auditor's remuneration	**480**	450
Cost of inventories consumed	**21,329**	27,419
Depreciation		
– property, plant and equipment	**770**	47
– right-of-use assets	**16,076**	–
Equity-settled share-based payments	**343**	1,093
Operating leases charges – land and buildings	**–**	17,414
Net exchange loss	**86**	117
Impairment loss on property, plant and equipment	**4**	–
Impairment loss on right-of-use assets	**1,673**	–

7. LOSS PER SHARE

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

	2020	2019
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company	**(23,237)**	(12,802)
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 both years.

8. TRADE AND OTHER RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**95**	596
Allowance for doubtful debts	**–**	(124)
	95	472
Other receivables	**1,563**	1,188
	1,658	1,660

Most of the restaurant customers settle in cash and credit cards.

The credit terms of the Group granted to other customers in an average 60 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

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

	2020	2019
	HK$'000	*HK$'000*
0 to 60 days	**91**	472
Over 60 days	**4**	–
	95	472

As of 31 March 2020, trade receivables of approximately HK$4,000 (2019: HK$Nil) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2020	2019
	HK$'000	*HK$'000*
Overdue by:		
Up to 3 months	**4**	–

Overdue balances related to a number of independent customers that have good track record with the Group. The Group does not hold any collateral over these balances.

All trade receivables are denominated in HK$.

9. TRADE AND OTHER PAYABLES

	2020	2019
	HK$'000	*HK$'000*
Trade payables *(Note)*	**2,004**	2,906
Other payables	**2,798**	1,807
Reinstatement cost	**958**	–
Long service payables	**3,400**	3,100
	9,160	7,813

Note:

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

	2020	2019
	HK$'000	*HK$'000*
0 to 60 days	**1,513**	2,816
Over 60 days	**491**	90
	2,004	2,906

Analysed as:

	2020	2019
	HK$'000	*HK$'000*
Current liabilities	**8,602**	7,813
Non – current liabilities	**558**	–
	9,160	7,813

All trade payables are denominated in HK$.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 March 2020, the Group recorded consolidated revenue of approximately HK$67.4 million, representing a decrease of 21.0% from previous year's revenue of approximately HK$85.4 million.

The Group recorded a net loss of approximately HK$23.2 million for the year under review compared to a net loss of approximately HK$12.8 million for the previous year. The year-on-year drop in revenue has resulted in the loss of profit margin by approximately HK$11.9 million.

Under HKFRS 16, the Group is required to capitalise all leases previously classified as operating leases under Hong Kong Accounting Standard 17, "Leases" ("HKAS 17") into right-of-use assets, other than those short-term leases and leases of low-value assets which are exempt. The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments payable over the lease term (including the option period) discounted using the relevant incremental borrowing rate and is subsequently adjusted for interest, lease payments and the impact from any lease modification. As at 31 March 2020, the carrying value of the right-of-use assets and lease liabilities amounted to approximately HK$37.7 million and HK$40.9 million respectively.

Upon the application of HKFRS 16, the lease payments previously accounted for as operating lease rentals and staff quarter costs are now being accounted for as depreciation on right-of-use assets of approximately HK$16.1 million and interest on lease liabilities of approximately HK$4.3 million and are presented in the consolidated financial statement as depreciation and finance costs respectively. Under HKFRS 16, the total of the depreciation and finance costs in relation to the leases amounted to approximately HK$20.4 million for the year ended 31 March 2020 and were approximately HK$4.3 million higher than the total of the lease rental and staff quarter costs if it had not been accounted for under HKFRS 16.

Impairment assessment was performed on the Group's property, plant and equipment and right-of-use assets for its restaurant operations resulted in a total impairment costs of approximately HK$1.7 million being recognised for the year ended 31 March 2020.

On 23 October 2017, 30,000,000 share options were granted to the Group's directors. The fair value of the share options amounted to approximately HK$2.9 million, of which approximately HK$0.3 million was recognised as share-based payments staff expenses for the year ended 31 March 2020 (2019: HK$1.0 million) in accordance with the vesting conditions of the share options granted.

Total staff costs reduced by approximately HK$5.6 million compared to previous year. Excluding the impacts from the reclassification of approximately HK$0.9 million staff quarter costs to depreciation and finance costs; the year-on-year decrease in share-based payments staff expenses of approximately HK$0.7 million and the additional long service leave provision of approximately HK$0.3 million, the actual costs saving was mainly due to a decrease in some turnover-based remuneration, increasing no pay leave and the reduction in temporary workers.

There were also approximately HK$0.9 million costs reduction in other operating expenses due to approximately HK$0.7 million decrease in utility charges and approximately HK$0.2 million decrease in credit card commission charges.

Business Review

Revenue from the first half of the financial year was adversely affected by the social unrest and economic downturn in Hong Kong. With the easing of the protest situation towards the end of 2019, the Group's revenue gradually improved over the Christmas and the Chinese New Year periods. However, since the first locally transmitted case of COVID-19 was confirmed in Hong Kong in early February 2020 and more people were encouraged to stay at home and practice social distancing, the revenue for the Group's restaurants plummeted to an unprecedented low. For health and safety measures for the Group's staff and restaurant patrons, the Tsim Sha Tsui branch was closed for three weeks in February 2020. Since March 2020, the restaurants had to comply with social distancing regulations including limiting the number of diners to four per table, with each table spaced 1.5 metres apart. This posed a further impact on the restaurant operation and resulted in approximately 70% drop from revenues under normal operation.

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 unstable outlook. 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 capitalise any future acquisition and strategic investment opportunities as they arise. The diversification into the development and construction industry in Australia will provide the Group an ample opportunity to acquire an additional source of income and a positive return to the Group and 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$57.3 million as at 31 March 2020. As the Group had no bank borrowings, the Group's gearing ratio was zero as at 31 March 2020 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 Australian dollar, United States dollar and 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 2020, the Group had approximately 126 staff. Total staff costs including directors' emoluments amounted to approximately HK$30.2 million (31 March 2019: HK$35.8 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 2020 (2019: HK$Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 28 July 2020 to Friday 31 July 2020 (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 Friday, 31 July 2020.

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 2020 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 2020.

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 2020.

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 2019/2020 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, 22 June 2020

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.