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 2021

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 2021 together with comparative figures for the year ended 31 March 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 HK$'000	2020 HK$'000
Revenue	3	**37,173**	67,413
Cost of inventories consumed		**(11,644)**	(21,329)
Gross profit		**25,529**	46,084
Other income and other losses	4	**10,678**	1,833
Staff costs		**(18,682)**	(30,191)
Short-term lease rentals		**(3,220)**	–
Depreciation		**(6,478)**	(16,846)
Other operating expenses		**(14,150)**	(19,845)
Loss from operations		**(6,323)**	(18,965)

* *for identification purpose only*

	Note	2021 HK$'000	2020 HK$'000
Finance costs	6	**(2,194)**	(4,272)
Loss before tax		**(8,517)**	(23,237)
Income tax expense	7	**(243)**	–
Loss for the year and loss attributable to owners of the Company	8	**(8,760)**	(23,237)
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")		**38**	(119)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**1,036**	(1,125)
Other comprehensive income for the year, net of tax		**1,074**	(1,244)
Total comprehensive income for the year attributable to owners of the Company		**(7,686)**	(24,481)
Loss per share (basic and diluted) (cents)	9	**(0.45)**	(1.19)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	**2021** **HK$'000**	2020 HK$'000
Non-current assets			
Property, plant and equipment		**2,545**	3,341
Right-of-use assets		**1,796**	37,677
Property rental deposits		**–**	2,506
		4,341	43,524
Current assets			
Inventories		**948**	1,077
Capitalised contract costs		**45,807**	–
Trade and other receivables	10	**3,288**	1,658
Property rental deposits		**4,071**	1,438
Equity instruments as at FVTOCI		**1,256**	1,219
Pledged bank deposits		**417**	416
Short-term bank deposits			
– with original maturity within three months		**–**	48,309
Bank and cash balances		**21,467**	8,527
		77,254	62,644
Current liabilities			
Trade and other payables	11	**12,452**	8,602
Loan from the ultimate parent		**20,112**	–
Lease liabilities		**565**	9,646
		33,129	18,248
Net current assets		**44,125**	44,396
Total assets less current liabilities		**48,466**	87,920
Non-current liabilities			
Other payables		**–**	558
Lease liabilities		**–**	31,210
		–	31,768
NET ASSETS		**48,466**	56,152
Capital and reserves			
Share capital		**194,631**	194,631
Reserves		**(146,165)**	(138,479)
TOTAL EQUITY		**48,466**	56,152

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 Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments had no impact on the consolidated financial statements.

Amendments to HKFRS 3 Definition of a Business

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 April 2020. The application of the amendments had no impact on the consolidated financial statements.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7, Interest Rate Benchmark Reform

The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reform.

The amendments had no impact on the consolidated financial statements of the Group as the Group's is not affected by the interest rate benchmark reform.

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

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 April 2020. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendment to HKFRS 16 COVID-19-Related Rent Concessions	1 June 2020
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to HKFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16 Property, plant and equipment: proceeds before intended use	1 January 2022
Amendments to HKAS 37 Onerous contracts - cost of fulfilling a contract	1 January 2022
Annual Improvements to HKFRSs 2018 - 2020 Cycle	1 January 2022
Amendments to HKAS 1 Classification of liabilities as current or non-current	1 January 2023

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

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by service line for the year is as follows:

	2021	2020
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Operation of Chinese restaurants	**37,173**	67,413
– Property development	**–**	–
	37,173	67,413

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines and geographical regions.

	Restaurant operations		**Property development**		**Total**	
For the year ended 31 March	**2021**	2020	**2021**	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Geographical market						
Hong Kong	**37,173**	67,413	**–**	N/A	**37,173**	67,413
Australia	**–**	–	**–**	N/A	**–**	–
	37,173	67,413	**–**	N/A	**37,173**	67,413
Timing of recognition						
Transferred at a point in time	**37,173**	67,413	**–**	N/A	**37,173**	67,413

(b) The Group has entered into a development and management contract and is entitled to development fees until performance obligation is satisfied upon the completion of contract. The transaction price is AUD12,880,000 and the contract is expected to be completed in July 2021.

4. OTHER INCOME AND OTHER LOSSES

	2021	2020
	HK$'000	*HK$'000*
Other income		
Interest income - bank deposits	**351**	1,352
Dividend income	**60**	60
Sundry income	**19**	113
Gain on lease modifications	**528**	–
Government subsidies *(note)*	**5,673**	–
Imputed interest income	**376**	394
	7,007	1,919
Other losses		
Net exchange gain/(loss)	**3,671**	(86)
Total	**10,678**	1,833

Note:

During the year, the Group recognised government grants of HK$5,200,000 and HK$473,000 in respect of COVID-19 related subsidies, which relates to Catering Business Subsidy Scheme and Employee Support Scheme respectively provided by the Hong Kong government.

5. SEGMENT INFORMATION

The Group has two operating segments as follows:

Restaurant operations	– Operation of Chinese restaurants in Hong Kong
Property development	– Property development in Australia

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different expertise and marketing strategies.

Segment profits or losses do not include unallocated administrative expenses, other income, interest income and finance costs. Segment assets do not include pledged bank deposits and bank and cash balances. Segment liabilities do not include unallocated trade and other payables. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Turnover reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

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

Information about operating segment profit or loss, assets and liabilities:

	Restaurant operations in Hong Kong *HK$'000*	**Property development in Australia** *HK$'000*	**Total** *HK$'000*
Year ended 31 March 2021			
Revenue from external customers	**37,173**	**–**	**37,173**
Segment loss	**(16,782)**	**(302)**	**(17,084)**
Interest revenue	**619**	**108**	**727**
Interest expense	**(2,194)**	**–**	**(2,194)**
Government subsidies	**5,673**	**–**	**5,673**
Depreciation of property, plant and equipment	**(843)**	**–**	**(843)**
Depreciation of right-of-use assets	**(5,635)**	**–**	**(5,635)**
Income tax expense	**–**	**(243)**	**(243)**
Other material non-cash items:			
Gain on lease modifications	**528**	**–**	**528**
Net exchange gain	**–**	**3,671**	**3,671**
Additions to segment non-current assets	**47**	**–**	**47**
As at 31 March 2021			
Segment assets	**11,992**	**47,719**	**59,711**
Segment liabilities	**29,824**	**3,210**	**33,034**

	Restaurant operations in Hong Kong *HK$'000*	Property development in Australia *HK$'000*	Total *HK$'000*
Year ended 31 March 2020			
Revenue from external customers	67,413	N/A	67,413
Segment loss	(23,237)	N/A	(23,237)
Interest revenue	1,806	N/A	1,806
Interest expense	(4,272)	N/A	(4,272)
Depreciation of property, plant and equipment	(770)	N/A	(770)
Depreciation of right-of-use assets	(16,076)	N/A	(16,076)
Other material non-cash items:			
Impairment loss of property, plant and equipment	(4)	N/A	(4)
Impairment loss of right-of-use assets	(1,673)	N/A	(1,673)
Additions to segment non-current assets	(2,011)	N/A	(2,011)
As at 31 March 2020			
Segment assets	106,168	N/A	106,168
Segment liabilities	50,016	N/A	50,016

Reconciliations of segment revenue and profit or loss:

	2021
	HK$'000
Revenue	
Total revenue of reportable segments	**37,173**
Consolidated revenue	**37,173**
Profit or loss	
Total profit or loss of reportable segments	**(17,084)**
Elimination of intersegment profits	**–**
Unallocated amounts:	
Administrative expenses	**(160)**
Interest revenue	**727**
Interest expense	**(2,194)**
Government subsidies	**5,673**
Gain on lease modifications	**528**
Net exchange gain	**3,671**
Other unallocated income	**79**
Consolidated loss for the year	**(8,760)**

Reconciliations of segment assets and liabilities:

Assets	
Total assets of reportable segments	**59,711**
Pledged bank deposits	**417**
Bank and cash balances	**21,467**
Consolidated total assets	**81,595**
Liabilities	
Total liabilities of reportable segments	**33,034**
Trade and other payables	**95**
Consolidated total liabilities	**33,129**

6. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interest expenses on lease liabilities	**2,082**	4,272
Interest on loan from the ultimate parent	**112**	–
	2,194	4,272

7. INCOME TAX EXPENSE

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

The Group's subsidiary incorporated in Australia was subject to Australian income tax at a rate of 30% (2020: 30%).

The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2021	2020
	HK$'000	*HK$'000*
Loss before tax	**(8,517)**	(23,237)
Tax at Hong Kong Profits Tax rate of 16.5% (2020: 16.5%)	**(1,405)**	(3,834)
Tax effect of income that are not taxable	**(2,304)**	(543)
Tax effect of expenses that are not deductible	**1,038**	576
Tax effect of tax losses not recognised	**2,992**	3,809
Withholding tax	**243**	–
Effect of different tax rates of a subsidiary operating in other jurisdiction	**(321)**	(8)
Income tax expense	**243**	–

At the end of the reporting period the Group has unused tax losses of HK$239,676,000 (2020: HK$221,542,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the HK$239,676,000 (2020: HK$221,542,000) due to the unpredictability of future profit streams. The aforesaid unused tax losses of the Group have not yet been agreed by respective tax authorities. All tax losses may be carried forward indefinitely for both years.

8. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2021	2020
	HK$'000	*HK$'000*
Auditor's remuneration	**450**	480
Building management fee and rates	**5,014**	5,034
Cost of inventories consumed	**11,644**	21,329
Depreciation		
– property, plant and equipment	**843**	770
– right-of-use assets	**5,635**	16,076
Equity-settled share-based payments	**–**	343
Gain on lease modifications	**(528)**	–
Net exchange (gain)/loss	**(3,671)**	86
Impairment loss on property, plant and equipment	**–**	4
Impairment loss on right-of-use assets	**–**	1,673
Utilities and cleaning expenses	**3,580**	5,410

9. LOSS PER SHARE

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

	2021	2020
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company	**(8,760)**	(23,237)
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.

10. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables	**87**	95
Goods and service tax ("GST") receivable	**1,912**	–
Other receivables	**1,289**	1,563
	3,288	1,658

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:

	2021	2020
	HK$'000	*HK$'000*
0 to 60 days	**87**	91
Over 60 days	**–**	4
	87	95

As of 31 March 2021, no trade receivables were past due but not impaired (2020: HK$4,000). The ageing analysis of these trade receivables is as follows:

	2021	2020
	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$.

11. TRADE AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables *(Note)*	**2,391**	2,004
Other payables	**2,181**	2,798
Contract costs payables	**3,211**	–
Reinstatement costs	**1,269**	958
Long service payables	**3,400**	3,400
	12,452	9,160

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

	2021	2020
	HK$'000	*HK$'000*
0 to 60 days	**2,286**	1,513
Over 60 days	**105**	491
	2,391	2,004

Analysed as:

	2021	2020
	HK$'000	*HK$'000*
Current liabilities	**12,452**	8,602
Non - current liabilities	**–**	558
	12,452	9,160

All trade payables are denominated in HK$.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 March 2021, the Group recorded consolidated revenue of approximately HK$37.2 million, representing a decrease of 44.9% from previous year's revenue of approximately HK$67.4 million. The substantial decline in revenue is attributable to the severe impacts of the (COVID-19) pandemic on the Group's restaurant operations.

The Group recorded a net loss of approximately HK$8.8 million for the year under review compared to a net loss of approximately HK$23.2 million for the previous year.

The significant increase in other income for the year under review was mainly due to approximately HK$5.7 million subsidies granted by the Hong Kong Government ("**HK Govt**") under the various anti-epidemic fund relief schemes. The Group recognised subsidies amounting to approximately HK$5.2 million from the Catering Business (Social Distancing) Subsidy Scheme for its restaurant operations and approximately HK$0.5 million from the Employment Support Scheme for its management office. The revaluation of the intercompany loan denominated in Australian dollar for the property development operations also resulted in an exchange gain of approximately HK$3.7 million being recognised for the year under review.

Total staff costs reduced by approximately HK$11.5 million compared to previous year. Excluding the impacts from the reclassification of approximately HK$0.8 million (2020: HK$0.9 million) staff quarter costs to depreciation and finance costs as well as the absence of share-based payments staff expenses (2020: HK$0.3 million) and no additional provision for long service payment (2020: HK$0.3 million), the actual costs saving was mainly due to the decrease in some turnover-based remuneration, increasing no pay leave and the reduction in temporary workers.

The adoption of HKFRS 16 resulted in the depreciation of right-of-use assets of approximately HK$5.6 million (2020: HK$16.1 million); finance costs of approximately HK$2.1 million (2020: HK$4.3 million) and gain on lease modification of approximately HK$0.5 million (2020: Nil) for the year under review. The year-on-year decrease in these line items was mainly due to the renewals of leases which were exempted from the application of HKFRS 16 as well as the lease modifications due to rental concessions and revised rental terms. The related rental payments for the new leases of approximately HK$3.2 million (2020: Nil) were booked under the operating lease rentals line.

Impairment assessment was performed on the Group's property, plant and equipment and right-of-use assets for its restaurant operations and no further impairment costs were recognised for the year ended 31 March 2021 (2020: HK$1.7 million).

Cost savings in other operating costs also resulted from the decrease in utility and cleaning charges of approximately HK$1.8 million; the decrease in professional fees of approximately HK$0.7 million and the lower credit card commission of approximately HK$0.5 million.

Business Review

Restaurant Operations in Hong Kong

In 2020/2021, the food and beverage industry in Hong Kong had been hit hard by the outbreak of the COVID-19 pandemic and the various social distancing and quarantine measures imposed by the HK Govt. The operations and financial results of the Group's restaurants were severely affected:

First Wave of COVID-19 – January to February 2020

The World Health Organization ("WHO") declared the COVID-19 outbreak a Public Health Emergency of International Concern in January 2020. On 23 January 2020, the HK Govt announced the first confirmed case of COVID-19 in Hong Kong. Since then, the number of import-related COVID-19 cases continued to rise.

The loss of inbound tourists' business, the numerous cancellations of banquet and corporate bookings following the Chinese New Year period and the suspension of the Tsim Sha Tsui's branch for three weeks resulted in a 73% year-on-year drop in the Group's revenue in the month of February 2020.

Second Wave of COVID-19 – March to April 2020

The WHO declared the COVID-19 outbreak a pandemic on 11 March 2020. The HK Govt imposed new regulations to fight COVID-19 and required restaurants only to serve half their capacity of customers. Each table had to be separated by at least 1.5 metres and only four people can be seated at a table. Customers and staff were required to have their body temperature checked before entering the premises and wear masks at all time except when consuming food and drink. Hand sanitizers had to be provided to customers. The new regulations came into effect at 6 p.m. on 28 March 2020. In April 2020, the COVID-19 pandemic remained severe around the world but the number of new COVID-19 cases was trending downward in Hong Kong. As the COVID-19 situation became more stable, social distancing measures were relaxed with the seating capacity limit removed from 23 April 2020 and the number of customers per table increased to eight from 8 May 2020 and unlimited from 19 June 2020 while other requirements and restrictions remained in effect.

The Group's revenue in this period lowered by over 50% compared to the last corresponding period. Following the implementation of the above new regulations, the Tsim Sha Tsui's branch suspended its operations again in the month of April 2020. The absence of tourists' business and the lower corporate and local business continued to affect our restaurant operations as more people stayed at or worked from home. The Group's business improved in May and June 2020 as the COVID-19 situation was more under control but still fell by approximately 30% compared to the last corresponding period.

Third Wave of COVID-19 – July to September 2020

Following the surge in the number of local COVID-19 cases in early July 2020, the HK Govt tightened the social distancing measures from 11 July 2020, the seating capacity was capped at 60% and each table should accommodate no more than eight customers at a time. From 22 July 2020, the measures were tightened further with the seating capacity capped at 50% and no more than four people might be seated together at one table. The dine-in services were prohibited from 6 p.m. to 4.59 a.m. of the following day, only takeaway services and deliveries were allowed. From 5 August 2020, each table could accommodate no more than two customers. From 28 August 2020, the dine-in services were prohibited from 9 p.m. to 4.59 a.m. of the following day. From 11 September 2020, the maximum number of people allowed to be seated together at one table increased from two to four.

Following the continuous tightening of the social distancing measures, the July-September quarter of 2020 recorded a 65% year-on-year drop in revenue. The prohibition of dine-in business at night time caused the Tsim Sha Tsui's branch to suspend its operations completely from 26 July to 19 August 2020 and the Cheung Sha Wan Plaza's branch to suspend its operations from 29 July to 18 August 2020 resulting in a year-on-year drop in revenue by over 90% in the month of August 2020.

Fourth Wave of COVID-19 – November 2020 to February 2021

From 30 October 2020, the seating capacity was capped at 75%, customers per table increased from four to six and the dine-in services were prohibited from 2 a.m. to 4.59 a.m. of the following day. From 16 November 2020, the customers per table reduced from six to four and dine-in business was prohibited from 12 a.m. to 4.59 a.m. of the following day. With the surge of the number of new confirmed and preliminary cases since 20 November 2020, the HK Govt strengthened the social distancing measures from 2 December 2020, the seating capacity was capped at 50% and each table should accommodate no more than 2 customers at a time and from 9 December 2020, dine-in services were prohibited completely from 6 p.m. to 4.59 a.m. of the following day.

In response to the more stringent measures, the Cheung Sha Wan Plaza's branch suspended its dinner operations from 10 December 2020 to 17 February 2021. The year-on-year drop in the Group's revenue was over 75% in the month of December 2020 and almost 80% in the month of January 2021.

February to March 2021

As the COVID-19 situation easing and the number of confirmed cases declining, the social distancing measures were relaxed from 18 February 2021. Provided there were no spikes in positive cases and the additional requirements were met, dine in numbers were set to increase to four customers per table and the operating hours could be extended to 10 p.m. The new requirements were to have all the staff tested every 14 days and to set up the LeaveHomeSafe mobile app for customers to keep record of the places they visited.

Although the Group’s revenue in February and March 2021 improved by 45% due to a low base for the last corresponding year, it was still 50% short of our target sales.

Property Development in Australia

As of 31 March 2021, the capitalised contract costs for the project amounted to approximately A$7.6 million or HKD equivalent of 45.8 million, representing around 60% of the total construction costs. The construction of superstructure and external envelop including walls, windows and roofs have all been completed. The works are now concentrating on the internal fit out of all apartments including bathrooms, kitchen installations, plastering and lighting fitment. The external waterproofing and tiling for balconies as well as the landscaping decks are all approaching the final stage of completion.

Outlook

The restaurant business will continue to serve as our core operations. However, the operating environment for the Group’s restaurant operations still remains challenging. The Group will continue to monitor its operating costs cautiously given the 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 property development 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$21.9 million as at 31 March 2021. As the Group had no bank borrowings, the Group’s gearing ratio was zero (defined as total bank borrowings divided by total assets) as at 31 March 2021 and 31 March 2020.

The Group has obtained loan facilities on 1 February 2021 of HK$40.0 million from its ultimate parent, Kong Fai International Limited, which bear interest at a rate of 5% per annum. As at 31 March 2021, the sum drawn down by the Group was approximately HK$20 million (31 March 2020: N/A), with accrued interests of approximately HK$0.1 million (31 March 2020: N/A). The loans are repayable in one lump sum (including accrued interests) by 31 December 2021.

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 from the restaurant operations are denominated in Hong Kong dollars. The Group is exposed to foreign currency risk primarily through the intercompany loans from the property development operations which are denomimated in Australian dollar as well as 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 2021, the Group had approximately 100 staff. Total staff costs including directors' emoluments amounted to approximately HK$18.7 million (31 March 2020: HK$30.2 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 2021 (2020: HK$Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 9 August 2021 to Thursday 12 August 2021 (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 4:30 p.m. on Friday, 6 August 2021.

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 2021 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 has reviewed with management and the auditor financial reporting matters including the consolidated financial statements for the year ended 31 March 2021.

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 2021.

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 2020/2021 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, 23 June 2021

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. Law Toe Ming, Mr. Hung Chi Yuen, Andrew and Mr. Yuen Shiu Cheong, Johnny as independent non-executive directors.