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 2022

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 2022 together with comparative figures for the year ended 31 March 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 *HK$'000*	2021 *HK$'000*
Revenue	3	**114,637**	37,173
Cost of sales		**(79,129)**	(11,644)
Gross profit		**35,508**	25,529
Other income and other gains and losses	4	**2,033**	10,678
Staff costs		**(19,186)**	(18,682)
Short-term lease rentals		**(6,230)**	(3,220)
Depreciation		**(3,321)**	(6,478)
Impairment loss on property, plant and equipment		**(1,890)**	–
Impairment loss on right-of-use assets		**(3,110)**	–
Write off of property, plant and equipment		**(2,005)**	–
Other operating expenses		**(14,169)**	(14,150)
Loss from operations		**(12,370)**	(6,323)
Finance costs	6	**(1,406)**	(2,194)
Loss before tax		**(13,776)**	(8,517)
Income tax expense	7	**(304)**	(243)
Loss for the year and loss attributable to owners of the Company	8	**(14,080)**	(8,760)

* *for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	**2022** *HK$'000*	2021 *HK$'000*
Other comprehensive (loss)/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")		**(125)**	38
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**116**	1,036
Other comprehensive (loss)/income for the year, net of tax		**(9)**	1,074
Total comprehensive loss for the year attributable to owners of the Company		**(14,089)**	(7,686)
Loss per share (basic and diluted) (cents)	9	**(0.72)**	(0.45)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 HK$'000	2021 HK$'000
Non-current assets			
Property, plant and equipment		**6,000**	2,545
Right-of-use assets		**9,711**	1,796
Property rental deposits		**1,330**	–
		17,041	4,341
Current assets			
Inventories		**768**	948
Capitalised contract costs		**–**	45,807
Trade and other receivables	10	**1,319**	3,288
Property rental deposits		**1,481**	4,071
Equity instruments as at FVTOCI		**1,131**	1,256
Pledged bank deposits		**–**	417
Bank and cash balances		**31,730**	21,467
		36,429	77,254
Current liabilities			
Trade and other payables	11	**5,830**	12,452
Loan from the ultimate parent		**–**	20,112
Lease liabilities		**2,443**	565
		8,273	33,129
Net current assets		**28,156**	44,125
Total assets less current liabilities		**45,197**	48,466
Non-current liability			
Lease liabilities		**10,820**	–
NET ASSETS		**34,377**	48,466
Capital and reserves			
Share capital		**194,631**	194,631
Reserves		**(160,254)**	(146,165)
TOTAL EQUITY		**34,377**	48,466

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. APPILCATION OF AMENDMENTS TO HKFRSs

(a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concession
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realizable value of inventories.

The application of the amendments to HKFRSs in the current year has 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.

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

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

Amendments to Annual Improvements Project	Annual Improvements to HKFRSs 2018-2020[1]
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope amendments[1]
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[2]
HKFRS 17	Insurance Contracts[2]
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2022
2 Effective for annual periods beginning on or after 1 January 2023
3 Effective date is to be determined

The directors of the Company anticipate that the application of all above new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE

(a) Disaggregation of revenue

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

	2022	2021
	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	**40,577**	37,173
– Property development	**74,060**	–
	114,637	37,173

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	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Geographical market						
Hong Kong	**40,577**	37,173	**–**	–	**40,577**	37,173
Australia	**–**	–	**74,060**	–	**74,060**	–
	40,577	37,173	**74,060**	–	**114,637**	37,173
Timing of recognition						
Transferred at a point in time	**40,577**	37,173	**74,060**	–	**114,637**	37,173

(b) Performance obligation

Restaurant operations

The performance obligation is the promise to provide food and beverages. Revenue from the operations of Chinese restaurants is recognised at a point in time when the food and beverages are served to the customers. A receivable is recognised by the Group when the services are rendered to the customers at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment of the transaction price is due immediately at the point the services are rendered to the customers. For payments settled by credit cards by customers, the settlement period is normally within 2 days from the trade date. As the provision of these services are at a period of one year or less, as permitted under HKFRS 15, the transaction price allocation to the unsatisfied contracts is not disclosed.

Property development

The Group develops residential properties in Australia. Revenue is recognised at the point in time when control over the property has been transferred to the customer.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2022	2021
	HK$'000	*HK$'000*
Other income		
Interest income – bank deposits	**2**	351
Dividend income	**67**	60
Sundry income	**437**	19
Gain on lease modifications	**–**	528
Government subsidies *(note)*	**2,050**	5,673
Imputed interest income	**150**	376
	2,706	7,007
Other gains and losses		
Net exchange (loss)/gain	**(673)**	3,671
Total	**2,033**	10,678

Note:

During the year, the Group recognised government subsidies of HK$2,050,000 (2021: HK$5,673,000) in respect of COVID-19 related subsidies, which related to Catering Business (Social Distancing) Subsidy Scheme provided by the government of the Hong Kong Special Administrative Region.

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.

Revenue are 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 2022			
Revenue from external customers	**40,577**	**74,060**	**114,637**
Segment (loss)/profit	**(22,015)**	**7,447**	**(14,568)**
Interest revenue	**152**	**–**	**152**
Interest expense	**(1,406)**	**–**	**(1,406)**
Government subsidies	**2,050**	**–**	**2,050**
Depreciation of property, plant and equipment	**(927)**	**–**	**(927)**
Depreciation of right-of-use assets	**(2,394)**	**–**	**(2,394)**
Impairment loss on property, plant and equipment	**(1,890)**	**–**	**(1,890)**
Impairment loss on right-of-use assets	**(3,110)**	**–**	**(3,110)**
Income tax expense	**–**	**(304)**	**(304)**
Other material non-cash items:			
Net exchange loss	**(673)**	**–**	**(673)**
Additions to segment non-current assets	**22,791**	**–**	**22,791**
As at 31 March 2022			
Segment assets	**21,739**	**1**	**21,740**
Segment liabilities	**(18,713)**	**(305)**	**(19,018)**

	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

Reconciliations of segment revenue and profit or loss:

	2022	2021
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**114,637**	37,173
Consolidated revenue	**114,637**	37,173
Profit or loss		
Total profit or loss of reportable segments	**(14,568)**	(17,084)
Unallocated amounts:		
Administrative expenses	**(139)**	(160)
Interest revenue	**152**	727
Interest expense	**(1,406)**	(2,194)
Government subsidies	**2,050**	5,673
Gain on lease modifications	**–**	528
Net exchange (loss)/gain	**(673)**	3,671
Other unallocated income	**504**	79
Consolidated loss for the year	**(14,080)**	(8,760)

Reconciliations of segment assets and liabilities:

	2022	2021
Assets		
Total assets of reportable segments	**21,740**	59,711
Bank and cash balances	**31,730**	21,467
Consolidated total assets	**53,470**	81,595
Liabilities		
Total liabilities of reportable segments	**19,018**	33,034
Trade and other payables	**75**	95
Consolidated total liabilities	**19,093**	33,129

6. FINANCE COSTS

	2022	2021
	HK$'000	*HK$'000*
Interest expenses on lease liabilities	**438**	2,082
Interest on loan from the ultimate parent	**948**	112
Imputed interest expense	**20**	–
	1,406	2,194

7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for both years. The tax expenses represented withholding tax paid for intra-group loan interest income in Australia.

The Group's subsidiary incorporated in Australia was subject to Australian income tax at a rate of 25% (2021: 26%).

The taxation for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income is shown as follows:

	2022	2021
	HK$'000	*HK$'000*
Loss before tax	**(13,776)**	(8,517)
Tax at Hong Kong Profits Tax rate of 16.5% (2021: 16.5%)	**(2,273)**	(1,405)
Tax effect of income that are not taxable	**(1,218)**	(2,304)
Tax effect of expenses that are not deductible	**1,579**	1,038
Tax effect of tax losses not recognised	**1,442**	2,992
Withholding tax	**304**	243
Effect of different tax rates of a subsidiary operating in other jurisdiction	**470**	(321)
Income tax expense	**304**	243

At the end of the reporting period the Group has unused tax losses of HK$241,935,000 (2021: HK$239,676,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of HK$241,935,000 (2021: HK$239,676,000) 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:

	2022	2021
	HK$'000	*HK$'000*
Auditor's remuneration	**504**	450
Building management fee and rates	**4,513**	5,014
Cost of inventories consumed	**12,766**	11,644
Construction cost	**66,363**	–
Depreciation		
– property, plant and equipment	**927**	843
– right-of-use assets	**2,394**	5,635
Impairment loss on		
– property, plant and equipment	**1,890**	–
– right-of-use assets	**3,110**	–
Gain on lease modifications	**–**	(528)
Staff costs	**19,186**	18,682
Short-term lease rentals	**6,230**	3,220
Net exchange loss/(gain)	**673**	(3,671)
Utilities and cleaning expenses	**3,557**	3,580

9. LOSS PER SHARE

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

	2022	2021
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company	**(14,080)**	(8,760)
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

	2022	2021
	HK$'000	*HK$'000*
Trade receivables from restaurant operations	**–**	87
Goods and service tax ("GST") receivable	**–**	1,912
Other receivables	**1,319**	1,289
	1,319	3,288

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

The credit terms of the Group granted to other customers were 60 days on average. 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 from restaurant operations, based on the invoice date, and net of allowance, is as follows:

	2022	2021
	HK$'000	*HK$'000*
0 to 60 days	**–**	87

As of 31 March 2022, no trade receivables from restaurant operations were past due but not impaired (2021: HK$Nil).

The Group does not hold any collateral over these balances. All trade receivables from restaurant operations are denominated in HK$.

11. TRADE AND OTHER PAYABLES

	2022	2021
	HK$'000	*HK$'000*
Trade payables *(note)*	**1,013**	2,391
Other payables	**1,468**	2,181
Contract costs payables	**–**	3,211
Reinstatement costs	**1,149**	1,269
Long service payables	**2,200**	3,400
	5,830	12,452

Note:

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

	2022	2021
	HK$'000	*HK$'000*
0 to 60 days	**167**	2,286
Over 60 days	**846**	105
	1,013	2,391

Analysed as:

	2022	2021
	HK$'000	*HK$'000*
Current liabilities	**5,830**	12,452

All trade payables are denominated in HK$.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 March 2022, the Group recorded consolidated revenue of approximately HK$114.6 million, representing an increase of 208.1% from the previous year's revenue of approximately HK$37.2 million. The substantial increase in revenue was primarily attributable to the recognition of approximately HK$74.1 million of revenue from the Group's property development business in Australia. The revenue from the restaurant operations in Hong Kong was approximately HK$40.6 million, representing an increase of 9.1% from previous year's revenue of approximately HK$37.2 million.

The Group recorded a net loss of approximately HK$14.1 million for the year under review compared to a net loss of approximately HK$8.8 million for the last corresponding period.

The increase in gross profit of approximately HK$10.0 million was contributed by the property development segment of approximately HK$7.7 million and the restaurant operations segment of approximately HK$2.3 million. The positive impact from the improvement in profit margin, however, was offset by the decrease in subsidies granted by the Hong Kong Government ("HK Govt") of approximately HK$3.7 million; foreign exchange movement of approximately HK$4.4 million and also the write-off of the remaining balances of property, plant and equipment for Hover City Chiu Chow Restaurant following its closure in the beginning of October 2021 of approximately HK$2.0 million.

The Group had received in total approximately HK$7.25 million subsidies from the HK Govt under various stages of the Anti-epidemic Fund relief schemes since April 2020. For the year ended 31 March 2022, the Group recognised subsidies amounting to approximately HK$2.1 million under the Catering Business (Social Distancing) Subsidy Scheme for its restaurants. For the year ended 31 March 2021, the Group recognised approximately HK$5.2 million under the Catering Business (Social Distancing) Subsidy Scheme for its restaurant operations and approximately HK$0.5 million under the Employment Support Scheme for its management office.

The exchange loss of approximately HK$0.7 million recognised for the year under review was mainly due to the translation loss on the Group's bank balances which were denominated in Australian Dollar. The exchange gain of approximately HK$3.7 million in the last corresponding period was due to the revaluation of the intercompany loan denominated in Australian dollar. The intercompany loan was fully repaid during the year ended 31 March 2022.

Total staff costs were approximately HK$19.2 million for the year under review, representing an increase of HK$0.5 million from the last corresponding period.

The adoption of HKFRS 16 on the new lease for Kwun Tong City Chiu Chow Restaurant resulted in an addition of right-of-use ("ROU") assets and the recognition of lease liability each of approximately HK$13.6 million. The depreciation charged for the ROU and the finance costs on the lease liability amounted to approximately HK$2.4 million and HK$0.4 million respectively for the year under review.

After considering the latest development of the COVID-19 epidemic in Hong Kong and the adverse impact and uncertainties casted on the Group's future cash flows stream, the management had adjusted the cash flow forecast and adopted a more prudent view on the business growth resulted in the recognition of approximately HK$3.1 million and HK$1.9 million impairment losses on the Group's ROU assets and the property, plant and equipment respectively for the year ended under review.

BUSINESS REVIEW

Restaurant Operations in Hong Kong

Since January 2020, the food and beverage industry in Hong Kong has 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 in the years ended 31 March 2021 and 2022 were severely affected:

April to June 2021

As the fourth wave of the COVID-19 outbreak which emerged in November 2020 subsided, the HK Govt relaxed the social distancing measures by implementing the "vaccine bubble" policy to dine-in catering premises with effect from 29 April 2021. Under the "vaccine bubble" policy, catering businesses are classified into 4 types of mode of operation, the key details of which are summarised below:

- **Type A:** Dine-in services can be provided from 5 a.m. to 5:59 p.m. every day, with the number of customers at the catering premises at any one time not exceeding 50% of the normal seating capacity of the premises and no more than two persons seated together at one table. The maximum number of persons per banquet is capped at 20.

- **Type B:** All customers (excluding persons who only order takeaways) must use the "LeaveHomeSafe" mobile application or register their names, contact numbers and the dates and times of their visits before they are allowed to enter the premises. All staff members involved in the operation of the premises be tested once every 14 days. Dine-in services can be provided from 5 a.m. to 9:59 p.m. every day, with the number of customers at the catering premises at any one time not exceeding 50% of the normal seating capacity of the premises and no more than four persons seated together at one table. The maximum number of persons per banquet is capped at 20.

- **Type C:** All staff must have received the first dose of COVID-19 vaccine. The whole or part of the catering premises can be designated as "Designated Zone C", and all customers in the zone must use the "LeaveHomeSafe" mobile application. Within the "Designated Zone C", the catering business can provide dine-in services from 5 a.m. to 11:59 p.m. every day, with the number of customers at the catering premises at any one time not exceeding 50% of the normal seating capacity of the premises and no more than six persons seated together at one table. The maximum number of persons per banquet is capped at 20.

- **Type D:** All staff have completed the full course of COVID-19 vaccination (which generally refers to having received two doses of COVID-19 vaccine plus 14 days). The person responsible for carrying on a catering business can designate the whole or part of the premises as "Designated Zone D", and must ensure that all customers in the zone have received the first COVID-19 vaccine dose and use the "LeaveHomeSafe" mobile application. Within the "Designated Zone D", the catering business can provide dine-in services every day from 5 a.m. to 1:59 a.m. on the subsequent day, with the number of customers at the catering premises at any one time not exceeding 75% of the normal seating capacity of the premises and no more than eight persons seated together at one table. The maximum number of persons per banquet is capped at 100.

In order to comply with the above requirements and in view of our customers' needs and the vaccination conditions of the staff, the Group's restaurants had to operate under Type B/C/D mode or a combination of the 3 modes. The Group's revenue in this period was approximately HK$13.6 million, representing a 49% increase from the previous quarter and a year-on-year increase of 16%. The increase in revenue was due to the fact that the revenue for the corresponding period in the previous year was significantly lower as a result of the suspension of operation of the Tsim Sha Tsui's branch in April 2020. Although the Group's business had improved in May and June 2021 as the COVID-19 situation was largely under control, the Group's revenue was still 30% less than that of prior to the outbreak of COVID-19. The absence of tourists' business and the lower corporate and local businesses continued to affect our restaurant operations as more people stayed at or worked from home. As local tours of not more than 30 persons were permitted provided that the relevant staff had received their first dose of COVID-19 vaccine, local tour business at our Tsim Sha Tsui's branch began to resume from June 2021.

July to September 2021

The global COVID-19 epidemic situation remained severe during this period, with the prevailing Delta mutant strain being highly transmissible and posed incredible challenges to local anti-epidemic efforts. After considering the operational risk of catering businesses, especially the fact that customers had to take off their masks when consuming food or drinks within the catering premises, the HK Govt tightened the testing requirement for staff of catering businesses which adopted the Type B mode of operation. The staff would be required to undergo more frequent testing, from once every 14 days to once every 7 days. The operating environment remained difficult under the different mode of operations.

In order to boost local consumption, the HK Govt implemented the HK$36 billion Consumption Voucher Scheme in July 2021, to disburse by instalments electronic consumption vouchers with a total value of HK$5,000 to each eligible and validly registered person. The scheme had brought a positive impact to our restaurant operations. The Group recorded a relatively strong quarterly performance with revenue surged to approximately HK$16.3 million, representing an increase of 20% from the previous quarter and a year-on-year increase of 140%. The significant year-on-year increase in revenue was due to the tightening of social distancing requirements by the HK Govt which prohibited dine-in services at night time during the last corresponding period in order to contain the spread of COVID-19 under the third wave of COVID-19 outbreak, causing the suspension of operation of the Tsim Sha Tsui's branch from 26 July 2020 to 19 August 2020 and the Cheung Sha Wan Plaza's branch from 29 July 2020 to 18 August 2020.

October to December 2021

From October to December 2021, although COVID-19 mutant strains including the latest Omicron variant was spreading rapidly around the world, the epidemic situation was relatively stable in Hong Kong. Starting from 9 December 2021, all customers had to use the "LeaveHomeSafe" mobile application before entering the premises.

The revenue for this quarter was approximately HK$8.2 million, representing a decrease of 50% from the previous quarter and a decrease of 17% compared to the last corresponding period due to the closure of the Cheung Sha Wan Plaza's branch after its lease expired on 30 September 2021. In spite of this, the year-on-year decrease in revenue was relatively less significant since, during the last corresponding period, the Cheung Sha Wan Plaza's branch suspended its dinner operations from 10 December 2020 to 17 February 2021 in response to the more stringent social distancing measures under the fourth wave of COVID-19 outbreak.

In addition, Kwun Tong City Chiu Chow Restaurant, the new branch at Yue Man Square, Kwun Tong was still under renovation in October and November 2021. It commenced to contribute revenue to the Group following its official opening on 7 December 2021.

Fifth Wave of COVID-19 Outbreak – January to March 2022

In mid-January 2022, Hong Kong was facing the imminent threat of both the Delta and Omicron mutant strains spreading in the community. In late-January 2022, the HK Govt announced that bureaus and departments would implement special work arrangements, including allowing some staff to take turns working from home. To further reduce the flow of people and social contact in the community, the public was encouraged to avoid gatherings among families during the festive season in order to contain the epidemic. The HK Govt also appealed to employers to allow their staff to work from home as far as possible according to their operational needs. All restaurant staff would be required to have received at least the first dose of COVID-19 vaccine by 24 February 2022 and then at least second doses of COVID-19 vaccine after eight weeks' time. From 7 January 2022, dine-in services for catering businesses were prohibited at night time.

On 27 January 2022, the HK Govt outlined its plan to expand the vaccine pass arrangement whereby, starting from 24 February 2022, all persons aged 12 or above entering certain specified premises are required to adhere to the vaccine pass arrangements by using the LeaveHomeSafe mobile app and presenting their vaccination record.

The January-March quarter is traditionally the peak season for the food and beverage industry in Hong Kong. However, the tightening of the various social distancing measures coupled with the deteriorating condition of the epidemic situation in Hong Kong resulted in a significant downturn in our business. As a result of the surge in the number of COVID-19 confirmed cases after the Chinese New Year period and for the safety of our patrons and staff, the Tsim Sha Tsui's branch was forced to completely suspend its operations from 14 February to 9 April 2022. The Kwun Tong's branch also suspended its operations from 8 February to 12 April 2022. The Group recorded a revenue of merely HK$2.6 million in this quarter, representing a significant drop in revenue of 68% from the previous quarter and a drop of 35% from the last corresponding period.

As compensation and support for the different sectors affected by the tightened social distancing measures, the HK Govt launched the fifth and sixth round of the Anti-epidemic Fund. The Group's restaurants were entitled to a total sum of HK$1.35 million in respect of the Catering Business (Social Distancing) Subsidy Scheme under these two rounds of funding.

Property Development in Australia

The property development project in Australia commenced from March 2020 and completed in October 2021. A project control team had been set up to oversee and monitor the marketing and construction progress. Following the issue of the occupation certificate for the apartment block end of October 2021, the Group recognised development management fees of approximately A$12.9 (HK$74.1 million equivalent) and cost of sales of approximately A$11.5 (HK$66.4 million equivalent) accordingly. The profit margin was approximately A$1.4 million (HK$7.7 million equivalent). As of 31 March 2022, all 26 apartments were sold, out of which 25 apartments had completed settlement.

Outlook

The restaurant business will continue to serve as our core operation. However, the operating environment for the Group's restaurant operation remains challenging. The Group has to monitor the dynamic COVID-19 situation closely and adapt to the ever-changing health, social, political and economic climate. For the restaurant business, the Group's strategy is to concentrate on operating medium-sized restaurants while achieving efficient risk management. It will also adopt a more cautious approach in future expansion plan as well as in committing further capital expenditure. The Group will continue to seek investment opportunities in property development projects both in Hong Kong and in Australia. The diversification into this segment will give the Group ample opportunities to acquire additional source of income and a positive return to the Group and its shareholders.

Liquidity and Financial Resources

The Group's bank and cash balances amounted to approximately HK$31.7 million as at 31 March 2022. 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 2022 and 31 March 2021.

The Group 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. On 1 September 2021, the loan facilities were increased to HK$50.0 million. During the year ended 31 March 2022, the total sum drawn down by the Group was approximately HK$43.0 million (31 March 2021: HK$20.0 million), with accrued loan interests of approximately HK$1.0 million (31 March 2021: HK$0.1 million). The loans and accrued interest amounted to HK$44.1 million were fully repaid in October 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, bank and cash balances from the restaurant operations are denominated in Hong Kong dollars. The Group is exposed to foreign currency risk primarily through its property development operations in Australia as the relevant transactions, assets, liabilities and bank balances are denominated in Australian dollar. The management would closely monitor such risk and would consider hedging significant foreign currency exposure should the need arise.

Employees

As at 31 March 2022, the Group had approximately 90 staff. Total staff costs including directors' emoluments amounted to approximately HK$19.2 million (31 March 2021: HK$18.7 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 2022 (2021: HK$Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 22 August 2022 to Thursday 25 August 2022 (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, 19 August 2022.

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 2022 except for code provision A.2.1 (which has been renumbered as C.2.1 since 1 January 2022) in respect of the role separation of the chairman and the chief executive; code provision A.4.1 (which has been deleted from the Code since 1 January 2022) in respect of the service term of non-executive directors ("**NEDs**") and code provision D.1.4 (which has been renumbered as C.3.3 since 1 January 2022) 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 2022.

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 2022.

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 2021/2022 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, 30 June 2022

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.