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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)

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

The board of directors (the “**Board**”) of G-Vision International (Holdings) Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2024, together with comparative results. The condensed consolidated interim results have not been audited, but have been reviewed by the audit committee of the Company.

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

*For the six months ended 30 September 2024*

		<b>Six months ended 30 September</b>	
		<b>2024</b>	<b>2023</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	4	<b>24,232</b>	24,422
Cost of sales		<b>(6,869)</b>	(6,743)
<b>Gross profit</b>		<b>17,363</b>	17,679
Other income and other losses		<b>860</b>	415
Staff costs		<b>(11,628)</b>	(11,497)
Short-term lease rentals		<b>(2,770)</b>	(2,783)
Depreciation		<b>(204)</b>	(98)
Building management fees and rates		<b>(2,080)</b>	(2,060)
Utilities and cleaning expenses		<b>(2,246)</b>	(2,319)
Other operating expenses		<b>(2,496)</b>	(2,703)
<b>Loss from operations</b>		<b>(3,201)</b>	(3,366)
Finance costs		<b>(197)</b>	(268)
<b>Loss before tax</b>		<b>(3,398)</b>	(3,634)
Income tax expense	5	<b>–</b>	–
<b>Loss for the period attributable to owners of the Company</b>	6	<b>(3,398)</b>	(3,634)

\* *for identification purpose only*

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (CONTINUED)**

*For the six months ended 30 September 2024*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
<i>Note</i>	<b>(Unaudited)</b>	(Unaudited)
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value changes of equity investments at fair value through other comprehensive income ("FVTOCI")	<b>205</b>	(140)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translating foreign operations	<u>—</u>	<u>(7)</u>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<u><b>205</b></u>	<u>(147)</u>
<b>Total comprehensive loss for the period attributable to owners of the Company</b>	<u><b>(3,193)</b></u>	<u>(3,781)</u>
<b>Loss per share attributable to owners of the Company</b>	<i>HK cents</i>	<i>HK cents</i>
– Basic and diluted	<u><b>(0.17)</b></u>	<u>(0.19)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2024*

		As at <b>30 September 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31 March 2024 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		1,573	1,777
Right-of-use assets		–	–
Property rental deposits		1,427	1,408
		<b>3,000</b>	3,185
<b>Current assets</b>			
Inventories		535	519
Trade receivables, prepayments and other receivables	8	1,362	2,338
Property rental deposits		1,471	1,481
Equity instruments as at FVTOCI		1,129	924
Fixed deposits		–	25,500
Bank and cash balances		41,745	15,848
		<b>46,242</b>	46,610
<b>Current liabilities</b>			
Trade and other payables	9	9,195	9,045
Amount due to a director		30,500	26,500
Lease liabilities		3,246	3,108
		<b>42,941</b>	38,653
<b>Net current assets</b>		<b>3,301</b>	7,957
<b>Total assets less current liabilities</b>		<b>6,301</b>	11,142
<b>Non-current liabilities</b>			
Lease liabilities		3,221	4,869
<b>NET ASSETS</b>		<b>3,080</b>	6,273
<b>Capital and reserves</b>			
Share capital		194,631	194,631
Reserves		(191,551)	(188,358)
<b>TOTAL EQUITY</b>		<b>3,080</b>	6,273

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2024*

## 1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Unit 108, 1st Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong. The ordinary shares of the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its subsidiaries are the operation of Chinese restaurants in Hong Kong which specialise in Chiu Chow cuisine.

In the opinion of the directors of the Company (the “**Directors**”), Kong Fai International Limited, a company incorporated in the British Virgin Islands, is the ultimate parent. Mr. Cheng Hop Fai and his family members are the ultimate controlling parties of the Company.

## 2. BASIS OF PREPARATION

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

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The condensed consolidated interim financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 3. ACCOUNTING POLICIES

The condensed consolidated interim financial statements should be read in conjunction with the 2023/24 annual consolidated financial statements. The adoption of the new or revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are relevant to the Group’s operations and mandatorily effective for accounting periods beginning on or after 1 January 2024, the accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2024.

The adoption of the new and revised HKFRSs did not have any material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received or receivable for goods sold and services rendered by the Group, net of discounts and sales related taxes, during the period.

As the Group was principally engaged in the operation of Chinese restaurants in Hong Kong for the six months ended 30 September 2024, the financial information provided to the chief operating decision makers, being the executive Directors, for performance assessment and resources allocation has been based on the overall operating results and financial position of the Group which constitutes the condensed consolidated statement of profit or loss and other comprehensive income and the condensed consolidated statement of financial position. The segment information for the six months ended 30 September 2024, together with comparative results, refers to the results as set out in the condensed consolidated statement of profit or loss and other comprehensive income.

As all external revenue for both periods and non-current assets are either derived from or located in Hong Kong, an analysis of the consolidated revenue and non-current assets by geographical location is not presented.

##### **Revenue from contracts with customers recognised at a point in time in Hong Kong – Operation of Chinese restaurants**

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

The following table provides information about receivables from contracts with customers:

	<b>30 September 2024 HK\$'000 (Unaudited)</b>	31 March 2024 HK\$'000 (Audited)
Trade receivables, which are included in “trade receivables, prepayments and other receivables”	<b>141</b>	510

During both periods, there was no customer contributing more than 10% of the total revenue of the Group.

#### 5. INCOME TAX

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

The Group’s subsidiary incorporated in Australia is subject to Australian income tax rate of 25% (six months ended 30 September 2023: 25%).

## 6. LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation		
– property, plant and equipment	204	98
– right-of-use assets	–	–
	204	98
Finance costs		
– interest on lease liabilities	180	251
– imputed interest expense	17	17
	197	268
Interest income	(765)	(310)
Net exchange loss	–	446
Rental concessions	–	(459)
	<u>204</u>	<u>98</u>

## 7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Loss</b>		
Loss attributable to owners of the Company	<u>3,398</u>	<u>3,634</u>
<b>Number of Shares</b>		
Weighted average number of Shares for the purpose of calculating basic loss per Share ( <i>Note</i> )	<u>1,946,314,108</u>	<u>1,946,314,108</u>

*Note:*

There was no dilutive potential Share for the Company's share option for the six months ended 30 September 2023 and 2024.

**8. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES**

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

	<b>30 September 2024 <i>HK\$'000</i> (Unaudited)</b>	31 March 2024 <i>HK\$'000</i> (Audited)
0 to 30 days	<u>141</u>	<u>510</u>

**9. TRADE AND OTHER PAYABLES**

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

	<b>30 September 2024 <i>HK\$'000</i> (Unaudited)</b>	31 March 2024 <i>HK\$'000</i> (Audited)
0 to 60 days	<u>2,525</u>	<u>2,399</u>
Over 60 days	<u>8</u>	<u>54</u>
	<u><b>2,533</b></u>	<u><b>2,453</b></u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW**

#### **Revenue and Net Loss**

For the six months ended 30 September 2024, the Group recorded a consolidated revenue of approximately HK\$24.2 million, representing a decrease of approximately 0.8% compared to the last corresponding period's revenue of approximately HK\$24.4 million. The net loss for the period under review amounted to approximately HK\$3.4 million compared to the net loss of approximately HK\$3.6 million in the last corresponding period.

#### **Gross Profit**

The decrease in gross profit of approximately HK\$0.3 million from approximately HK\$17.7 million in the last corresponding period to approximately HK\$17.4 million for the period under review was partly due to the decrease in revenue and partly due to a drop in gross profit margin by approximately 0.7%.

#### **Other Income and Other Losses**

The increase in other income by approximately HK\$0.4 million from the last corresponding period was primarily due to approximately HK\$0.4 million foreign exchange difference from the revaluation of deposits denominated in Australian dollars and the increase in interest income by approximately HK\$0.5 million which was partially offset by a decrease in rental concession of approximately HK\$0.5 million.

#### **Staff Costs**

The total staff costs of the Group amounted to approximately HK\$11.6 million for the period under review compared to the last corresponding period's staff costs of approximately HK\$11.5 million. The increase in staff costs was mainly due to the hiring of more part-time staff for the period under review.

#### **Short-term Lease Rentals, Finance Costs and Depreciation of Right-of-Use Assets**

The application of HKFRS 16 on the Group's lease agreements resulted in the booking of related short-term lease rentals of approximately HK\$2.8 million (2023: HK\$2.8 million) and finance costs of approximately HK\$0.2 million (2023: HK\$0.3 million) for the period under review. There was no depreciation of right-of-use assets (2023: Nil) for the period under review as the right-of-use assets in relation to the restaurant lease in Kwun Tong had been fully impaired.



## **Other Operating Expenses**

The decrease in other operating expenses of the Group of approximately HK\$0.2 million from approximately HK\$2.7 million in the last corresponding period to approximately HK\$2.5 million for the period under review was mainly attributable to the decrease in insurance expenses.

## **BUSINESS REVIEW**

### **Restaurant Operation in Hong Kong**

The Group is mainly engaged in the operation of Chinese restaurants in Hong Kong specialising in Chiu Chow cuisine, with the revenue generated by the Group's restaurant operations amounting to approximately HK\$24.2 million for the period under review, reflecting a decline of approximately HK\$0.2 million compared to the previous corresponding period.

The renovation of the City Chiu Chow Restaurant in Tsimshatsui, completed in early April 2024, positively impacted the Group's revenue. This restaurant experienced approximately 13% year-on-year revenue growth during the reviewed period. Such increase in revenue can be attributed not only to the restaurant's refreshed image, which has attracted more bookings for corporate functions and private events but also to the 40th-anniversary promotional campaign and heightened business from Southeast Asia tours during this timeframe.

Conversely, while there was an improvement in revenue for the Tsimshatsui restaurant, it was entirely offset by an approximate 16% year-on-year decline in revenue for the Kwun Tong restaurant. The operating environment at Yue Man Square, Kwun Tong remains challenging and unfavourable. The substantial revenue drop is linked to transformations in daily life and shifts in consumer behaviour among Hong Kong residents. The prevalence of work-from-home arrangements and a reduction in corporate events and social gatherings have adversely impacted lunchtime business. Additionally, a less vibrant nightlife has directly affected the restaurant's dining activities. Despite efforts to introduce a greater variety of dishes and offer discounted meal sets, customer loss has continued. This trend is particularly noticeable among the retired demographic during weekdays, as well as across all age groups in weekends and during school holidays, as residents increasingly travel to the Greater Bay Area and other countries. The Group has expressed concerns regarding the decline in customer traffic at Yue Man Square, Kwun Tong and is actively collaborating with the landlord and the management office of the Kwun Tong restaurant to explore various strategies to enhance sales and strive to negotiate further rental concessions to mitigate ongoing losses at this restaurant.

## **Liquidity and Financial Resources**

The Group's bank and cash balances amounted to approximately HK\$42.5 million as at 30 September 2024. 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 30 September 2024 and 31 March 2024.

With the cash generated from the Group's operations in its ordinary course of business and the existing unutilised banking and other 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 operation are denominated in Hong Kong dollars. The Group is exposed to foreign currency risk primarily through certain bank deposits which are denominated in Australian dollars, United States dollars and Renminbi. The management closely monitors such risk and will consider hedging significant foreign currency exposure should the need arise.

## **Contingent Liabilities**

As at 30 September 2024, the Group did not have any significant contingent liabilities.

## **Employees and Remuneration Policies**

As at 30 September 2024, the Group had approximately 90 staff. The Group's total staff costs were approximately HK\$11.6 million for the period 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 the Group's employees.

## **Interim Dividend**

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2024 (for the six months ended 30 September 2023: Nil).

## **PROSPECTS**

The restaurant business will remain the Group's core operational focus. It is anticipated that the performance of the restaurant sector will improve in the second half of the financial year, as the approaching festive season has historically represented a peak season for the food and beverage industry. In the future, changes in the spending habits of local patrons and tourists are expected to continue influencing the business performance of the Group's restaurants. Additionally, rising food and service costs, alongside with a shortage of skilled labour within the Chinese restaurant industry, all suggest that the outlook will remain challenging. Nevertheless, improvements in the economic conditions in the mainland, bolstered by the recent introduction of a stimulus package and the initiation of interest rate reduction cycle in the United States, will support food and beverage consumption. Furthermore, various measures implemented by the HKSAR Government to boost market sentiment will also benefit the industry.

## **EVENTS AFTER THE REPORTING PERIOD**

Subsequently to the reporting period ended 30 September 2024 and up to the date of this announcement, there was no other significant event affecting the Company or any of its subsidiaries.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

There was no purchase, sale or redemption of Shares (including sale of treasury shares) by the Company or any of its subsidiaries during the six months ended 30 September 2024.

## **CORPORATE GOVERNANCE CODE**

The Company has adopted the Corporate Governance Code (the “**Code**”) contained in Part 2 of Appendix C1 to the Listing Rules as its own corporate governance code. The Company has complied with the code provisions set out in the Code throughout the six months ended 30 September 2024 except for code provision C.2.1 in respect of the role separation of the chairman and the chief executive and code provision C.3.3 in respect of the letters of appointment for Directors.

Code provision C.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. Mr. Cheng Hop Fai assumed the role of both the chairman and the managing Director (equivalent to the role of a chief executive) of the Company up to the conclusion of the annual general meeting held on 16 August 2024. The Board considered that such arrangement would not result in undue concentration of power and was, at that stage, conducive to the efficient formulation and implementation of the Group's strategies, thus allowing the Group to develop its business more effectively. Following Mr. Cheng Hop Fai's retirement as the chairman of the Board and Ms. Cheng Pak Man, Anita's succession as the chairperson of the Board and Ms. Cheng Pak Lai, Lily's succession as the managing Director, the Company has complied with code provision C.2.1.

Code provision C.3.3 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 the Directors 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. In the opinion of the Directors, this meets the objective of the code provision C.3.3.

#### **AUDIT COMMITTEE**

The Company has established an audit committee. As at the date of this announcement, the audit committee comprises the three independent non-executive Directors (the “INEDs”), namely Mr. Hung Chi Yuen, Andrew (as the chairman), Mr. Yuen Shiu Cheong, Johnny and Mr. Law Kwok Tai. The terms of reference of the audit committee are consistent with the code provisions set out in the Code. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the Board the internal control and financial reporting matters including the unaudited interim financial statements for the six months ended 30 September 2024.

#### **REMUNERATION COMMITTEE**

The Company has established a remuneration committee. As at the date of this announcement, the remuneration committee comprises the three INEDs, namely Mr. Yuen Shiu Cheong, Johnny (as the chairman), Mr. Hung Chi Yuen, Andrew and Mr. Law Kwok Tai. The terms of reference of the remuneration committee are consistent with the code provisions set out in the Code. The principal function of the remuneration committee is to make recommendation to the Board on the Group’s policy and structure for the remuneration of Directors and senior management.

#### **NOMINATION COMMITTEE**

The Company has established a nomination committee. As at the date of this announcement, the nomination committee comprises Ms. Cheng Pak Man Anita, an executive Director (as the chairperson) and Mr. Hung Chi Yuen, Andrew and Mr. Yuen Shiu Cheong, Johnny, both of whom are INEDs. The terms of reference of the nomination committee are consistent with the code provisions set out in the Code. The principal function of the nomination committee is to review the structure, size, composition and diversity of the Board at least annually with reference to the business needs and development of the Company and make recommendations to the Board on any proposed changes to the Board to complement the Group’s corporate strategy.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all the Directors confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 30 September 2024.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The interim results announcement will be published on the websites of the Company ([www.g-vision.com.hk](http://www.g-vision.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company's interim report for the six months ended 30 September 2024 will be posted on the said websites in due course and will be dispatched to shareholders of the Company only upon request.

By order of the Board  
**Cheng Pak Man Anita**  
*Chairperson*

Hong Kong, 22 November 2024

*As at the date of this announcement, the Board of the Company comprises Ms. Cheng Pak Man, Anita (Chairperson), Ms. Cheng Pak Lai, Lily and Ms. Cheng Pak Ming, Judy as executive Directors; and Mr. Hung Chi Yuen, Andrew, Mr. Yuen Shiu Cheong, Johnny and Mr. Law Kwok Tai as independent non-executive Directors.*