



**G-Vision International (Holdings) Limited**  
**環科國際集團有限公司**

Stock Code : 657

INTERIM REPORT  
**2022/23**

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## **CORPORATE INFORMATION**

### **DIRECTORS**

#### **Executive Directors**

Cheng Hop Fai

*(Chairman and Managing Director)*

Cheng Pak Ming, Judy

Cheng Pak Man, Anita

Cheng Pak Lai, Lily

#### **Independent Non-Executive Directors**

Law Toe Ming

Hung Chi Yuen, Andrew

Yuen Shiu Cheong, Johnny

### **COMPANY SECRETARY**

Cheng Pak Ming, Judy

### **PRINCIPAL BANKERS**

The Hongkong and Shanghai Banking  
Corporation Limited

Hang Seng Bank Limited

Fubon Bank (Hong Kong) Limited

Industrial and Commercial Bank of  
China (Asia) Limited

### **AUDITOR**

PKF Hong Kong

### **HONG KONG LEGAL ADVISERS**

MinterEllison LLP

### **BERMUDA LEGAL ADVISERS**

Conyers Dill & Pearman

### **REGISTERED OFFICE**

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

### **PRINCIPAL PLACE OF BUSINESS**

Unit 108, 1<sup>st</sup> Floor

East Ocean Centre

98 Granville Road

Tsimshatsui East

Kowloon

Hong Kong

### **PRINCIPAL SHARE REGISTRAR**

MUFG Fund Services (Bermuda) Limited

4<sup>th</sup> floor North

Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

### **BRANCH SHARE REGISTRAR**

Computershare Hong Kong Investor  
Services Limited

Shops 1712-1716, 17<sup>th</sup> Floor

Hopewell Centre

183 Queen's Road East

Hong Kong

### **CORPORATE WEBSITE**

[www.g-vision.com.hk](http://www.g-vision.com.hk)

### **STOCK CODE**

00657

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 2022, together with the comparative results. The condensed consolidated interim results have not been audited, but have been reviewed by the Company’s audit committee.

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

For the six months ended 30 September 2022

		<b>Six months ended 30 September</b>	
	Note	<b>2022 HK\$’000 (Unaudited)</b>	2021 HK\$’000 (Unaudited)
<b>Revenue</b>	5	<b>20,623</b>	29,814
Cost of inventories consumed		<b>(6,624)</b>	(9,231)
<b>Gross profit</b>		<b>13,999</b>	20,583
Other income and other gains and losses		<b>1,374</b>	(4,290)
Staff costs		<b>(10,635)</b>	(12,440)
Lease rentals		<b>(2,183)</b>	(4,096)
Depreciation		<b>(1,780)</b>	(2,437)
Building management fees and rates		<b>(1,916)</b>	(2,581)
Utilities and cleaning expenses		<b>(1,821)</b>	(2,259)
Other operating expenses		<b>(2,210)</b>	(3,580)
<b>Loss from operations</b>		<b>(5,172)</b>	(11,100)
Finance costs		<b>(361)</b>	(915)
<b>Loss before tax</b>		<b>(5,533)</b>	(12,015)
Income tax expense	6	<b>–</b>	(245)
<b>Loss for the period attributable to owners of the Company</b>	7	<b>(5,533)</b>	(12,260)

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

For the six months ended 30 September 2022

		<b>Six months ended 30 September</b>	
		<b>2022</b>	2021
		<b>HK\$'000</b>	HK\$'000
Note		<b>(Unaudited)</b>	(Unaudited)
<b>Other comprehensive income/(loss):</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>(259)</b>	(184)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising on translating foreign operations	<b>(40)</b>	164
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>(299)</b>	(20)
<b>Total comprehensive loss for the period attributable to owners of the Company</b>		<b>(5,832)</b>	(12,280)
<b>Loss per share</b>			
	– Basic (HK\$ cents)	<b>(0.28)</b>	(0.63)
	– Diluted (HK\$ cents)	<b>N/A</b>	N/A

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	5,326	6,000
Right-of-use assets	11	8,612	9,711
Property rental deposits		1,344	1,330
<b>Total non-current assets</b>		<b>15,282</b>	<b>17,041</b>
<b>Current assets</b>			
Inventories		620	768
Trade and other receivables	12	2,142	1,319
Property rental deposits		1,481	1,481
Equity instruments as at FVTOCI	13	872	1,131
Bank and cash balances		28,299	31,730
<b>Total current assets</b>		<b>33,414</b>	<b>36,429</b>
<b>TOTAL ASSETS</b>		<b>48,696</b>	<b>53,470</b>
<b>EQUITY</b>			
Share capital	14	194,631	194,631
Reserves		(166,086)	(160,254)
<b>Total equity</b>		<b>28,545</b>	<b>34,377</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 September 2022

	Note	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		9,441	10,820
<b>Total non-current liabilities</b>		<b>9,441</b>	<b>10,820</b>
<b>Current liabilities</b>			
Trade and other payables	15	7,994	5,830
Lease liabilities		2,716	2,443
<b>Total current liabilities</b>		<b>10,710</b>	<b>8,273</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>48,696</b>	<b>53,470</b>
<b>Net current assets</b>		<b>22,704</b>	<b>28,156</b>
<b>Total assets less current liabilities</b>		<b>37,986</b>	<b>45,197</b>

Approved by the Board of Directors on 28 November 2022:

**Cheng Hop Fai**  
 Director

**Cheng Pak Man, Anita**  
 Director

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Unaudited Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Investment revaluation reserve HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2021 (Audited)	194,631	88,794	84,123	(42)	2,906	(89)	(321,857)	48,466
Total comprehensive loss for the period	-	-	-	-	-	-	(12,260)	(12,260)
Change in fair value of equity instruments at FVTOCI	-	-	-	(184)	-	-	-	(184)
Foreign exchange differences arising on translation	-	-	-	-	-	164	-	164
Transfer upon lapse of share options	-	-	-	-	(186)	-	186	-
Changes in equity for the period	-	-	-	(184)	(186)	164	(12,074)	(12,280)
At 30 September 2021 (Unaudited)	194,631	88,794	84,123	(226)	2,720	75	(333,931)	36,186
At 1 April 2022 (Audited)	194,631	88,794	84,123	(167)	2,720	27	(335,751)	34,377
Total comprehensive loss for the period	-	-	-	-	-	-	(5,533)	(5,533)
Change in fair value of equity instruments at FVTOCI	-	-	-	(259)	-	-	-	(259)
Foreign exchange differences arising on translation	-	-	-	-	-	(40)	-	(40)
Changes in equity for the period	-	-	-	(259)	-	(40)	(5,533)	(5,832)
At 30 September 2022 (Unaudited)	194,631	88,794	84,123	(426)	2,720	(13)	(341,284)	28,545

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	<b>Six months ended 30 September</b>	
	<b>2022 HK\$'000 (Unaudited)</b>	<b>2021 HK\$'000 (Unaudited)</b>
<b>Net cash used in operating activities</b>	<b>(2,324)</b>	<b>(32,323)</b>
Purchases of property, plant and equipment	(7)	–
Placement of pledged bank deposits	–	(1)
Interest and dividend received	<b>142</b>	<b>68</b>
<b>Net cash generated from investing activities</b>	<b>135</b>	<b>67</b>
Loan raised from the ultimate parent	–	23,000
Principal elements of lease payment	<b>(1,106)</b>	<b>(565)</b>
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,106)</b>	<b>22,435</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,295)</b>	<b>(9,821)</b>
Effect of foreign exchange rate changes	<b>(136)</b>	<b>164</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>31,730</b>	<b>21,467</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>28,299</b>	<b>11,810</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	<b>28,299</b>	<b>11,810</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 1. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2021/22 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2022.

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

The accounting policies applied in these financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 March 2022. In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022 but they do not have a material effect on the Group’s financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

### 3. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group’s financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

### 3. FAIR VALUE MEASUREMENTS *(Continued)*

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer. During the six months ended 30 September 2022 and 2021, there was no transfer between Level 1, Level 2 and Level 3.

The following table shows the carrying amounts and fair value of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, for the current period the fair value disclosure of lease liabilities is also not required.

#### Disclosures of level in fair value hierarchy at 30 September 2022:

Description	Fair value measurements as at 30 September 2022 (Unaudited) Level I HK\$'000
<b>Recurring fair value measurements:</b>	
Equity instruments at FVTOCI	
– Listed equity securities	872
	<hr/> <hr/>
	Fair value measurements as at 31 March 2022 (Audited) Level I HK\$'000
<b>Recurring fair value measurements:</b>	
Equity instruments at FVTOCI	
– Listed equity securities	1,131
	<hr/> <hr/>

#### 4. SEGMENT INFORMATION

The Group has two operating segments for the six months ended 30 September 2022 as follows:

Restaurant operation – Operation of Chinese restaurants in Hong Kong

Property development – Property development in Australia

#### Information about reportable segment profit or loss:

	<b>Restaurant operation in Hong Kong</b> <i>HK\$'000</i> (Unaudited)	<b>Property development in Australia</b> <i>HK\$'000</i> (Unaudited)	<b>Total</b> <i>HK\$'000</i> (Unaudited)
<b>Six months ended 30 September 2022</b>			
Revenue from external customers	20,623	–	20,623
Segment loss	<u>(1,814)</u>	<u>(14)</u>	<u>(1,828)</u>

<b>Six months ended 30 September 2021</b>			
Revenue from external customers	29,814	–	29,814
Segment loss	<u>(7,618)</u>	<u>(3,881)</u>	<u>(11,499)</u>

#### Six months ended 30 September

	<b>2022</b> <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
<b>Reconciliations of segment profit or loss:</b>		
Total profit or loss of reportable segments	(1,828)	(11,499)
Interest income	15	132
Finance costs	(361)	(915)
Unallocated corporate income	251	68
Unallocated corporate expenses	<u>(3,610)</u>	<u>(46)</u>
Consolidated loss for the period	<u>(5,533)</u>	<u>(12,260)</u>

**4. SEGMENT INFORMATION** *(Continued)*

**Information about reportable segment assets and liabilities:**

**As at 30 September 2022**

	<b>Restaurant operation in Hong Kong HK\$'000 (Unaudited)</b>	<b>Property development in Australia HK\$'000 (Unaudited)</b>	<b>Total HK\$'000 (Unaudited)</b>
Segment assets	18,598	1,210	19,808
Unallocated assets			<u>28,888</u>
Consolidated total			<u><u>48,696</u></u>
Segment liabilities	19,470	-	19,470
Unallocated liabilities			<u>681</u>
Consolidated total			<u><u>20,151</u></u>

**As at 31 March 2022**

	<b>Restaurant operation in Hong Kong HK\$'000 (Audited)</b>	<b>Property development in Australia HK\$'000 (Audited)</b>	<b>Total HK\$'000 (Audited)</b>
Segment assets	21,739	1	21,740
Unallocated assets			<u>31,730</u>
Consolidated total			<u><u>53,470</u></u>
Segment liabilities	18,713	305	19,018
Unallocated liabilities			<u>75</u>
Consolidated total			<u><u>19,093</u></u>

## 5. REVENUE

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

### (i) Operation of Chinese restaurants

Revenue of the Group arising from the operation of Chinese restaurants is generally recognised at a point in time when food and beverages are served to the customers.

### (ii) 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. The costs of fulfilling the contract with the customer are capitalised only if all of the following criteria are met:

- (a) the costs related directly to the contract;
- (b) the costs generate or enhance resources that will be used in satisfying the Group's performance obligation under the contract; and
- (c) the costs are expected to be recovered.

In the following table, revenue is disaggregated by primary geographical market and timing of revenue recognition.

	Six months ended 30 September (Unaudited)					
	Restaurant operation		Property development		Total	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>By geographical market</b>						
Hong Kong	20,623	29,814	-	-	20,623	29,814
Australia	-	-	-	-	-	-
	<u>20,623</u>	<u>29,814</u>	<u>-</u>	<u>-</u>	<u>20,623</u>	<u>29,814</u>
<b>By timing of recognition</b>						
Transferred at a point in time	<u>20,623</u>	<u>29,814</u>	<u>-</u>	<u>-</u>	<u>20,623</u>	<u>29,814</u>

## 5. REVENUE *(Continued)*

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

	<b>30 September 2022 HK\$'000 (Unaudited)</b>	31 March 2022 HK\$'000 (Audited)
Receivables, which included in “trade and other receivables”	<b>65</b>	–

## 6. INCOME TAX EXPENSE

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

The Group’s subsidiary incorporated in Australia is subject to Australian income tax rate of 25% (six months ended 30 September 2021: 25%).

## 7. LOSS FOR THE PERIOD

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

	<b>Six months ended 30 September</b>	
	<b>2022 HK\$'000 (Unaudited)</b>	2021 HK\$'000 (Unaudited)
Cost of inventories consumed	<b>6,624</b>	9,231
Depreciation		
– property, plant and equipment	<b>681</b>	415
– right-of-use assets	<b>1,099</b>	2,022
	<b>1,780</b>	2,437
Lease rentals	<b>1,447</b>	4,096
Finance costs		
– interest on lease liabilities	<b>313</b>	138
– imputed interest expense	<b>48</b>	–
– interest on loan from the ultimate parent	<b>–</b>	777
	<b>361</b>	915
Net exchange losses	<b>1,194</b>	3,585
Loss on disposal of property, plant and equipment	<b>–</b>	2,005
Government subsidies	<b>(1,672)</b>	(1,100)
COVID-19-related rent concessions	<b>(736)</b>	–

## 8. DIVIDENDS

The directors do not recommend the payment of an interim dividend (six months ended 30 September 2021: HK\$Nil).

## 9. LOSS PER SHARE

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

	<b>Six months ended 30 September</b>	
	<b>2022 HK\$'000 (Unaudited)</b>	<b>2021 HK\$'000 (Unaudited)</b>
<b>Loss</b>		
Loss attributable to owners of the Company	<u>5,533</u>	<u>12,260</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (Note)	<u>1,946,314,108</u>	<u>1,946,314,108</u>

Note:

There was no dilutive potential ordinary share for the Company's share option for the six months ended 30 September 2021 and 2022.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group did not make any disposal (six months ended 30 September 2021: disposed fittings, furniture and equipment for the restaurant operation with net book value approximately HK\$2,005,000).

## 11. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2022, the Group did not enter into any new lease agreement (six months ended 30 September 2021: one new lease agreement for leasing properties for a fixed period of 5 years with approximately HK\$12,570,000 of right-of-use asset and lease liability).

## 12. TRADE AND OTHER RECEIVABLES

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

	<b>30 September 2022 HK\$'000 (Unaudited)</b>	<b>31 March 2022 HK\$'000 (Audited)</b>
0 to 60 days	<u>65</u>	<u>–</u>

### 13. EQUITY INSTRUMENTS AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>30 September 2022 HK\$'000 (Unaudited)</b>	31 March 2022 HK\$'000 (Audited)
Listed equity securities in Hong Kong	<b>872</b>	1,131

All of the equity instruments as at FVTOCI are denominated in HK\$.

### 14. SHARE CAPITAL

	<b>30 September 2022 HK\$'000 (Unaudited)</b>	31 March 2022 HK\$'000 (Audited)
Authorised:		
5,000,000,000 ordinary shares of HK\$0.1 each	<b>500,000</b>	500,000
Issued and fully paid:		
1,946,314,108 ordinary shares of HK\$0.1 each	<b>194,631</b>	194,631

### 15. TRADE AND OTHER PAYABLES

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

	<b>30 September 2022 HK\$'000 (Unaudited)</b>	31 March 2022 HK\$'000 (Audited)
0 to 60 days	<b>2,548</b>	167
More than 60 days	<b>42</b>	846
	<b>2,590</b>	1,013

## 16. SHARE OPTION SCHEMES

The Company adopted a share option scheme on 10 May 2010 (the “**2010 Scheme**”) which expired on 8 May 2020. By shareholders’ resolutions passed at the annual general meeting held on 3 August 2020, the Company adopted a new share option scheme (the “**2020 Scheme**”, and, together with the 2010 Scheme, the “**Schemes**”). No further share options may be offered under the 2010 Scheme. However, any outstanding share options granted under the 2010 Scheme shall continue to be exercisable subject to the rules of the 2010 Scheme and the provisions of Chapter 17 of the Listing Rules. Unless terminated earlier in accordance with the rules of the 2020 Scheme, the 2020 Scheme shall be valid and effective until 3 August 2030.

Details of movements in the share options granted under the Schemes during the current interim period are set out below:

Participants	Date of grant	Exercisable period	Exercise price per share HK\$	Outstanding as at 1 April 2021	Lapsed/ expired during the year	Outstanding as at 1 April 2022	Lapsed/ expired during the period	Outstanding as at 30 September 2022
Directors	23 October 2017	23 October 2017 to 22 October 2025	0.177	28,000,000	(2,000,000)	26,000,000	-	26,000,000
Director/Consultant	23 October 2017	23 October 2017 to 22 October 2025	0.177	2,000,000	-	2,000,000	-	2,000,000
Exercisable at the end of the year/period				<u>30,000,000</u>		<u>28,000,000</u>		<u>28,000,000</u>

No share options were granted to, or exercised during the current interim period (six months ended 30 September 2021: Nil).

No share options were lapsed during the six months ended 30 September 2022 (six months ended 30 September 2021: 2,000,000).

*Note:* The total estimated fair value at the date of grant of the share options on 23 October 2017 was HK\$2,906,000. 30% of total number of the share options were vested immediately on the date of grant, 23 October 2017. 30% of total number of the share options were vested on 23 October 2018 and the remaining 40% were vested on 23 October 2019. The closing price of the Company’s share immediately before the date of grant was HK\$0.177.

## 17. RELATED PARTY TRANSACTIONS

- (a) The Group leased certain properties for its restaurant operations from Homley Development Limited (“**Homley**”). Rentals charged by Homley during the current interim period amounted to HK\$1,560,000 (six months ended 30 September 2021: HK\$1,440,000). At 30 September 2022, rental deposit paid to Homley of HK\$1,080,000 was included in current property rental deposits (31 March 2022: HK\$1,080,000). At 30 September 2022, no accrued rental was payable to Homley (31 March 2022: HK\$Nil). The monthly rental was determined by both parties with reference to market rent.

Certain directors who are also the key management personnel of the Company and beneficial owners of the ultimate holding company of the Group are beneficially interested in Homley.

- (b) The Group leased a unit of residential building from Hover City Industrial Limited (“**Hover City**”). Rental charged by Hover City during the current interim period amounted to HK\$450,000 (six months ended 30 September 2021: HK\$450,000). At 30 September 2022, rental deposit paid to Hover City of HK\$150,000 was included in current property rental deposits (at 31 March 2022: HK\$150,000). At 30 September 2022, no accrued rental was payable to Hover City (31 March 2022: HK\$Nil). The monthly rental was determined by both parties with reference to market rent.

Certain directors who are also the key management personnel of the Company and beneficial owners of the ultimate holding company of the Group are beneficially interested in Hover City.

- (c) The Group leased an office from Sky Global Investments Limited (“**Sky Global**”). Rentals charged by Sky Global during the current interim period amounted to HK\$600,000 (six months ended 30 September 2021: HK\$600,000). At 30 September 2022, rental deposit paid to Sky Global of approximately HK\$240,854 was included in current property rental deposits (at 31 March 2022: HK\$240,854). At 30 September 2022, no accrued rental was payable to Sky Global (31 March 2022: HK\$Nil). The monthly rental was determined by both parties with reference to market rent.

Certain directors who are also the key management personnel of the Company and beneficial owners of the ultimate holding company of the Group are beneficially interested in Sky Global.

## 17. RELATED PARTY TRANSACTIONS (Continued)

- (d) During the current interim period, the Group has entered into transactions with Hung Yick Metal Company Limited (“**Hung Yick**”). Sales to Hung Yick during the period amounted to approximately HK\$155,000 (six months ended 30 September 2021: HK\$247,000). At 30 September 2022, approximately HK\$19,000 were receivables from Hung Yick (31 March 2022: HK\$Nil).

Certain directors who are also the key management personnel of the Company and beneficial owners of the ultimate holding company of the Group are beneficially interested in Hung Yick.

- (e) On 1 February 2021, the Group entered into a loan agreement with Kong Fai International Limited (“**Kong Fai**”), for a loan facility to the extent of HK\$40,000,000 offered to the Group by Kong Fai and further extent to HK\$50,000,000 on 1 September 2021. The sum drawn down by the Group will bear interest at 5% per annum. Interest charged by Kong Fai during the current interim period amounted to approximately HK\$Nil (six months ended 30 September 2021: HK\$777,000). The loans and accrued interest were fully repaid in October 2021. As at 30 September 2022 and 31 March 2022, no outstanding payables to Kong Fai.
- (f) The remuneration of directors, which are key management personnel during the period was as follows:

	<b>30 September 2022 HK\$'000 (Unaudited)</b>	30 September 2021 HK\$'000 (Unaudited)
Salaries and other benefits	<b>1,350</b>	1,350
Retirement benefits cost	<b>27</b>	27
	<b>1,377</b>	1,377

## 18. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 September 2022 (As at 31 March 2022: HK\$Nil).

## 19. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 28 November 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Results

For the six months ended 30 September 2022, the Group recorded a consolidated revenue of approximately HK\$20.6 million, a decrease of 30.8% compared to the last corresponding period's revenue of approximately HK\$29.8 million. The net loss for the period under review amounted to approximately HK\$5.5 million compared to the net loss of approximately HK\$12.3 million in the last corresponding period.

### Other Income and Other Gains and Losses

The other income and other gains and losses of approximately HK\$1.4 million for the period under review mainly consists of approximately HK\$1.7 million (2021: HK\$1.1 million) subsidies granted by the Hong Kong Government (“**HK Govt**”) under the various Anti-epidemic Fund relief schemes; foreign exchange losses of approximately HK\$1.2 million (2021: HK\$3.6 million losses) due to the revaluation of the bank balances which are denominated in AUD as well as approximately HK\$0.7 million (2021: HK\$Nil) COVID-19-related rent concessions. In the last corresponding period, there was an additional loss of approximately HK\$2.0 due to the disposal of fixed assets following the closure of Hover City Chiu Chow Restaurant.

### Staff Costs

Total staff costs amounted to approximately HK\$10.6 million for the period under review, a period-on-period costs-saving of approximately HK\$1.8 million was mainly in line with the reduction in headcount and the increase in no pay leave when the Group's restaurants suspended operations in April 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Financial Results (Continued)

#### Lease Rentals and Related Expenses

The adoption of HKFRS 16 on the Group's lease agreements resulted in the booking of related lease rentals of approximately HK\$2.2 million (2021: HK\$4.1 million); depreciation of right-of-use assets of approximately HK\$1.1 million (2021: HK\$2.0 million) and finance costs of approximately HK\$0.4 million (2021: HK\$0.9 million) for the period under review. The period-on-period decrease in these line items was mainly due to the closure of Hover City Chiu Chow Restaurant which resulted in a decrease in lease rentals of approximately HK\$2.0 million and a decrease in depreciation of right-of-use assets of approximately HK\$2.0 million. For the period under review, the Group has recorded depreciation of right-of-use assets of approximately HK\$1.1 million and finance costs of approximately HK\$0.4 million in relation to the new restaurant lease in Kwun Tong. COVID-19-related rent concessions of approximately HK\$0.7 million received for the new lease were included in other income and other gains and losses.

#### Other Expenses

The decrease in net losses was also attributable to the period-on-period decrease in repair & maintenance costs of approximately HK\$0.7 million; the decrease in building management fees and rates of approximately HK\$0.7 million and the decrease in utilities and cleaning expenses of approximately HK\$0.4 million.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### Review of Operations

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

The Group is mainly engaged in the operation of Chinese restaurants in Hong Kong which specialise in Chiu Chow cuisine. Revenue from the restaurant operation amounted to approximately HK\$20.6 million for the period under review, a significant decrease of approximately HK\$9.2 million from the last corresponding period. Hover City Chiu Chow Restaurant with floor area of 1,683 sq. m. at Cheung Sha Wan Plaza ceased operation following the expiration of its lease on 30 September 2021. The Group opened a new restaurant, Kwun Tong City Chiu Chow Restaurant with floor area of 509 sq. m. at Yue Man Square on 7 December 2021. As a result of the above, the operating floor areas were largely reduced by approximately 1,174 sq. m., hence limiting the revenue growth for the period under review but resulting in costs saving in rental related expenses, staff costs and other operating expenses. The Group is currently seeking for another suitable site to reopen Hover City Chiu Chow Restaurant.

#### ***Impact of COVID-19***

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 prolonged period of the pandemic continued to have an adverse impact on the operations and financial results of the Group's restaurants during the period under review:

#### ***Fifth Wave of COVID-19 Outbreak – January 2022 to April 2022***

From 7 January 2022, catering businesses had to cease dine-in services from 6 p.m. to 4:59 a.m. of the subsequent day. The maximum number of persons per table was two for the rest of the business hours. 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 application and presenting their vaccination record.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### **Review of Operations** *(Continued)*

#### **Restaurant Operation in Hong Kong** *(Continued)*

##### ***Fifth Wave of COVID-19 Outbreak – January 2022 to April 2022*** *(Continued)*

In light of the downward trend of COVID-19 cases at the time in Hong Kong, from 21 April 2022, the HK Govt planned to relax most of the social distancing measures in three phases. During phase one, effective from 21 April 2022, dine-in services at catering businesses from 6 p.m. to 10 p.m. resumed, with the maximum number of persons per table increased to four. All staff had to undergo a rapid antigen test (“**RAT**”) once every three days before entering the premises.

##### ***May 2022 to September 2022***

During phase two, effective from 5 May 2022, the restrictions on dine-in service hours at catering businesses were further relaxed to extend to midnight, with the maximum number of persons per table increased to eight. The third stage of the Vaccine Pass, which required citizens to get the third dose of COVID-19 vaccines before entering specified premises, was also implemented on 31 May 2022.

Since the beginning of June 2022, the daily number of COVID-19 cases in Hong Kong began to show an upward trend and a number of cluster infections emerged. In order to contain the risk of virus transmission, the HK Govt reiterated that there was no room to relax any social distancing measure. However, considering the needs for social and economic activities, the HK Govt maintained the then social distancing measures without any further tightening. All catering premises and scheduled premises were allowed to continue operating subject to strict compliance with the requirements including the Vaccine Pass, the “LeaveHomeSafe” mobile application as well as virus testing. In addition, every person participating in a banquet must produce to the persons-in-charge of the catering premises a photo of the negative result of RAT conducted within the preceding 24 hours before entering the premises. A negative nucleic acid test result obtained within 48 hours before entering the premises could also be used to fulfil the above RAT requirement. From 30 September 2022, the vaccine pass arrangements were extended to apply to children aged 5 to 11. Such children were required to have received at least one dose of a COVID-19 vaccine for entering premises subject to the vaccine pass arrangements.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### **Review of Operations** *(Continued)*

#### **Restaurant Operation in Hong Kong** *(Continued)*

##### **May 2022 to September 2022** *(Continued)*

As a result of the surge in the number of COVID-19 cases in February 2022 and for the safety of our patrons and staff, the operations of the Tsim Sha Tsui branch suspended from 14 February 2022 to 9 April 2022, while the operations of the Kwun Tong branch was also suspended from 8 February 2022 to 12 April 2022.

The imposition of strict social distancing measures on elderlies and children continued to deter our patrons from dining out and had a direct adverse impact on the turnover for our restaurants during the Mid-Autumn Festival. There was also an increase in ad-hoc cancellation in booking amid the surge in confirmed cases since June 2022. As a result, the turnover for the period under review was still 40% below the pre-COVID-19 level.

As compensation and financial support for various business sectors in light of the impact of the tightened social distancing measures, the HK Govt launched further rounds of the Anti-epidemic Fund in 2022. The Group received a total of approximately HK\$1.3 million under the Employment Support Scheme and approximately HK\$0.4 under the sixth round of the Catering Business (Social Distancing) Subsidy Scheme during the period under review.

#### **Property Development in Australia**

On 18 October 2019, GV Australia Pty Ltd (a wholly-owned subsidiary of the Company) entered into an agreement with a connected party in relation to the development and construction of a low-rise apartment block on the land comprising 26 apartments and certain communal facilities situated in Camden, Sydney, New South Wales, Australia. The transaction was approved by the shareholders of the Company at the special general meeting held on 29 November 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Review of Operations (Continued)

#### Property Development in Australia (Continued)

The construction commenced following the appointment of HT Building Pty Ltd as the main contractor in March 2020. Rider Lovett Bucknall RLB Sydney, a reputable quantity surveyor firm, had been appointed as the certified quantity surveyor for the project. A project team was set up to oversee and monitor the construction progress. As of 30 September 2021, the Group had capitalised contract costs for the project amounted to approximately A\$11.5 million (HK\$66.4 million equivalent). Following the issue of the occupation certificate for the apartment block in October 2021, the Group received and recognised development management fees of approximately A\$12.9 million (HK\$74.1 million equivalent) accordingly.

### Liquidity and Financial Resources

The Group's bank and cash balances amounted to approximately HK\$28.3 million as at 30 September 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 30 September 2022 and 31 March 2022.

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 of the Company (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 would closely monitor such risk and would consider hedging significant foreign currency exposure should the need arise.

### Contingent Liabilities

As at 30 September 2022, the Group did not have any significant contingent liabilities.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### **Employees and Remuneration Policies**

As at 30 September 2022, the Group had approximately 90 staff. Review of the employees' remuneration packages is normally conducted annually and as required from time to time. The salary and benefit levels of the Group's employees are competitive and individual performance is rewarded through the Group's bonus scheme. Other benefits including medical coverage and mandatory provident fund scheme are also provided to employees.

### **Interim Dividend**

The Board of the Company has resolved not to declare any interim dividend for the six months ended 30 September 2022 (for the six months ended 30 September 2021: Nil).

## **PROSPECTS**

The restaurant business will continue to serve as our core operation. However, the operating environment for the Group's restaurant operation still remains challenging. The Group has to monitor the dynamic COVID-19 situation closely and adapt to the ever-changing health, social, political and economic climate. The Group concurrently has to review and revise its business strategies on a timely 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. 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 diversification into the property development industry in Australia will provide the Group ample opportunities to acquire additional source of income and a positive return to the Group and its shareholders.

## **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the reporting period ended 30 September 2022 and up to the date of this announcement, there was no other significant event affecting the Company or any of its subsidiaries.

## OTHER INFORMATION

### SHARE OPTIONS

The Company adopted a share option scheme on 10 May 2010 (the “**2010 Scheme**”) which expired on 8 May 2020. By shareholders’ resolution passed at the annual general meeting held on 3 August 2020, the Company adopted a new share option scheme (the “**2020 Scheme**”, and, together with the 2010 Scheme, the “**Schemes**”). No further share options may be offered under the 2010 Scheme. However, any outstanding share options granted under the 2010 Scheme shall continue to be exercisable subject to the rules of the 2010 Scheme and the provisions of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”). Unless terminated earlier in accordance with the rules of the 2020 Scheme, the 2020 Scheme shall be valid and effective until 3 August 2030.

The Board of the Company may offer an option to any eligible participant whom the Board of the Company may in its absolute discretion select and subject to such conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before an option can be exercised) as it may think fit. An eligible participant means any full-time or part-time employees, chief executives, officers or Directors (including independent non-executive Directors) of the Group, substantial shareholders (the “**Substantial Shareholders**”) and any professional advisers, consultants, suppliers, customers and distributors who, in the sole opinion of the Board of the Company, will contribute or have contributed to the business affairs, development and growth of Group.

**SHARE OPTIONS** (Continued)

The Board of the Company considers that, in addition to the employees, chief executives, officers and Directors of the Group, it is appropriate for the eligibility for participation in the 2020 Scheme to also be extended to persons who will contribute or have contributed to the business affairs, development and growth of the Group. This is consistent with the purpose of the 2020 Scheme, given that the long-term growth and development of the Group requires the collaborative contribution of and depends on the development of sustainable relationships with the employees and directors of the Group as well as persons who play a vital role in the business of the Group, including Substantial Shareholders, professional advisers, consultants, suppliers, customers and distributors of the Group.

As at 30 September 2022, the Company had 28,000,000 (2021: 28,000,000) share options outstanding under the Schemes, which represented approximately 1.4% of the shares of the Company in issue at that date. A summary of the share options movement is set out below:

Option holders	Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options		
				Outstanding as at 1.4.2022	Lapsed during the period	Outstanding as at 30.9.2022
Cheng Hop Fai	23.10.2017	23.10.2017 – 22.10.2025	0.177 <sup>(1)</sup>	6,000,000	–	6,000,000
Cheng Pak Ming, Judy	23.10.2017	23.10.2017 – 22.10.2025	0.177 <sup>(1)</sup>	6,000,000	–	6,000,000
Cheng Pak Man, Anita	23.10.2017	23.10.2017 – 22.10.2025	0.177 <sup>(1)</sup>	6,000,000	–	6,000,000
Cheng Pak Lai, Lily	23.10.2017	23.10.2017 – 22.10.2025	0.177 <sup>(1)</sup>	6,000,000	–	6,000,000
Law Toe Ming	23.10.2017	23.10.2017 – 22.10.2025	0.177 <sup>(1)</sup>	2,000,000	–	2,000,000
Mark Yiu Tong, William	23.10.2017	23.10.2017 – 22.10.2025	0.177 <sup>(1)</sup>	2,000,000	–	2,000,000
				28,000,000	–	28,000,000

**Note:**

- <sup>(1)</sup> The total estimated fair value at the date of grant of the share options on 23 October 2017 was HK\$2,906,000. 30% of total number of the share options were vested immediately on the date of grant, 23 October 2017. 30% of total number of the share options were vested on 23 October 2018 and the remaining 40% were vested on 23 October 2019. The closing price of the Company's share immediately before the date of grant was HK\$0.177.

## CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

During the six months ended 30 September 2022 and up to the date of this report, there were changes in the Directors' information as follows:

1. Ms. Cheng Pak Man Anita & Ms. Cheng Pak Lai Lily were appointed as directors of CCC Overseas Management (BVI) Limited; City Chiu Chow Management & Consultants Company Limited and City Chiu Chow Restaurant Limited, the subsidiaries of the Company with effect from 15 July 2022.
2. Ms. Cheng Pak Lai Lily was appointed as a director of Honcert Development Limited, a subsidiary of the Company with effect from 15 July 2022.

Other than the above disclosures, there is no other information required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2022, the interests of the Directors and the chief executive and their associates in the shares, underlying shares or debentures of the Company or any associated corporations which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the “SFO”); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of director	Capacity and nature of interest		Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
Cheng Hop Fai	Beneficial owner		6,900,000	0.35%
	Beneficiary of trusts	(note 1)	1,450,037,841	74.50%
Cheng Pak Ming, Judy	Beneficiary of trusts	(note 1)	1,450,037,841	74.50%
Cheng Pak Man, Anita	Beneficiary of trusts	(note 1)	1,450,037,841	74.50%
Cheng Pak Lai, Lily	Beneficiary of trusts	(note 1)	1,450,037,841	74.50%
Law Toe Ming	Interest of controlled corporation	(note 2)	2,000,000	0.10%

Notes:

- (1) Golden Toy Investments Limited (“Golden Toy”) and Kong Fai International Limited (“Kong Fai”) held 172,869,780 shares (or 8.88% interest) and 1,277,168,061 shares (or 65.62% interest) of the Company, respectively. Golden Toy and Kong Fai are wholly-owned by two discretionary trusts of which family members of Mr. Cheng Hop Fai, including Mr. Cheng Hop Fai, Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily are discretionary objects.
- (2) Mr. Law Toe Ming is deemed to be interested in the 2,000,000 shares held by Jubilee Trade Holdings Limited (“Jubilee”) by virtue of his interest in Jubilee.

**DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES** *(Continued)*

Save as disclosed above and in the section titled "Share Options", as at 30 September 2022, none of the Directors and the chief executive of the Company was, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations which (a) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or (b) which were required to be entered into the register referred to therein pursuant to Section 352 of the SFO, or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**SUBSTANTIAL SHAREHOLDERS**

Other than the interests disclosed above, as at 30 September 2022, the register of Substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO indicated that the following persons had notified the Company of interests or short positions in the issued share capital of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

<b>Name</b>	<b>Capacity and nature of interest</b>	<b>Number of issued ordinary shares held</b>	<b>Approximate percentage of the issued share capital of the Company</b>
Golden Toy	Beneficial owner	172,869,780 <sup>(a)</sup>	8.88%
Kong Fai	Beneficial owner	1,277,168,061 <sup>(a)</sup>	65.62%
Alpadis Trust (HK) Limited	Trustee of trusts	1,450,037,841 <sup>(a)</sup>	74.50%
Alpadis Group Holding AG	Interest of controlled corporation	1,450,037,841 <sup>(b)</sup>	74.50%
Alain Esseiva	Interest of controlled corporation	1,450,037,841 <sup>(c)</sup>	74.50%
Dominik Philipp Heer	Interest of controlled corporation	1,450,037,841 <sup>(c)</sup>	74.50%

## SUBSTANTIAL SHAREHOLDERS (Continued)

Notes:

- (a) Alpadis Trust (HK) Limited is deemed under the SFO to have an interest in the same 1,450,037,841 shares, in aggregate, beneficially owned by Golden Toy and Kong Fai by virtue of it being the trustee of the two discretionary trusts which own 100% of the shares of Golden Toy and Kong Fai.
- (b) The corporate substantial shareholder notice filed by Alpadis Group Holding SA (now known as Alpadis Group Holding AG) indicated that it is deemed to be interested in 1,450,037,841 shares under the SFO by virtue of its interest held in Alpadis Trust (HK) Limited.
- (c) The individual substantial shareholder notice filed by Alain Esseiva and Dominik Philipp Heer indicated that they are deemed to be interested in 1,450,037,841 shares under the SFO by virtue of his interests held in Alpadis Group Holding AG.

Save as disclosed above, the Directors are not aware of any other persons who, as at 30 September 2022, had any interests or short positions in the shares or underlying shares of the Company that were required to be entered into the register kept by the Company pursuant to Section 336 of the SFO.

## 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 six months ended 30 September 2022.

## CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “**Code**”) contained in Appendix 14 to the Listing Rules as its own corporate governance code. The Company has complied with the code provisions set out in the Code throughout the six months ended 30 September 2022 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.

## **CORPORATE GOVERNANCE CODE** *(Continued)*

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. 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 the Company 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 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 of 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 audit committee comprises the three INEDs, namely, Mr. Hung Chi Yuen, Andrew as the chairman, Mr. Law Toe Ming and Mr. Yuen Shiu Cheong, Johnny as members. The terms of reference of the audit committee are consistent with the code provisions set out in the Code. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the Board of the Company the internal control and financial reporting matters including the unaudited interim financial statements for the six months ended 30 September 2022.

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

Pursuant to rule 3.27A of the Listing Rules, the Company has established a nomination committee comprising Mr. Cheng Hop Fai as the chairman and two INEDs, namely, Mr. Law Toe Ming and Mr. Hung Chi Yuen, Andrew as members. The terms of reference of the nomination committee are consistent with the code provisions set out in the Code. The principal function of the nomination committee is to review the structure, size, composition and diversity of the Board of the Company at least annually with reference to the business needs and development of the Company and make recommendations to the Board of the Company on any proposed changes to the Board of the Company to complement the Group's corporate strategy.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all the Directors confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 30 September 2022.

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

Hong Kong, 28 November 2022