



2023
FIRST QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of SV Vision Limited (the “Company”, and together with its subsidiaries, the “Group”, “SV Vision”, “we” or “our”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Ms. Woo Chan Tak Chi Bonnie
(*Chairperson and Chief Executive Officer*)

Non-executive Director

Mr. Chow Sai Yiu Evan

Independent non-executive Directors

Mr. Ip Arnold Tin Chee
Mr. Hung Alan Hing Lun
Mr. Man Ka Ho Donald

COMPLIANCE OFFICER

Ms. Woo Chan Tak Chi Bonnie

COMPANY SECRETARY

Ms. Tsui Sum Yi

AUTHORISED REPRESENTATIVES

Ms. Woo Chan Tak Chi Bonnie
Ms. Tsui Sum Yi

AUDIT COMMITTEE

Mr. Ip Arnold Tin Chee (*Chairman*)
Mr. Hung Alan Hing Lun
Mr. Man Ka Ho Donald

REMUNERATION COMMITTEE

Mr. Hung Alan Hing Lun (*Chairman*)
Mr. Ip Arnold Tin Chee
Mr. Man Ka Ho Donald
Ms. Woo Chan Tak Chi Bonnie

NOMINATION COMMITTEE

Mr. Man Ka Ho Donald (*Chairman*)
Mr. Ip Arnold Tin Chee
Mr. Hung Alan Hing Lun
Ms. Woo Chan Tak Chi Bonnie
Mr. Chow Sai Yiu Evan

AUDITOR

Mazars CPA Limited
Certified Public Accountants, Hong Kong
42/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

CORPORATE INFORMATION (CONTINUED)

REGISTERED OFFICE

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 9th Floor
Safety Godown Industrial Building
56 Ka Yip Street
Chai Wan
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

East West Bank
9300 Flair Drive, 4th Fl.
El Monte, CA 91731
The United States

STOCK CODE

8429

COMPANY WEBSITE

www.swvision.io

UNAUDITED FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 31 March 2023 (the “Unaudited Condensed Consolidated Financial Statements”), together with the unaudited comparative figures for the corresponding period in 2022 as follows:

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

For the three months ended 31 March 2023

	Notes	For the three months ended	
		31 March	
		2023	2022
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	12,350	10,381
Other income and gains	3	107	1,054
Outsourced project costs		(4,357)	(2,874)
Materials and consumables		(873)	(858)
Depreciation and amortisation expenses		(1,184)	(939)
Employee benefits expenses		(4,544)	(3,803)
Rental expenses		(593)	(504)
Transportation fee		(1,919)	(1,365)
Other operating expenses		(1,581)	(1,361)
Finance cost		(41)	(72)
Loss before income tax		(2,635)	(341)
Income tax expense	4	(70)	(30)
Loss for the period		(2,705)	(371)

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

For the three months ended 31 March 2023

	Notes	For the three months ended 31 March	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Loss for the period		(2,705)	(371)
Other comprehensive income (loss) <i>Item that may be reclassified subsequently to profit or loss:</i>			
— Exchange differences arising on translation of foreign operations		56	(85)
Other comprehensive income (loss) for the period		56	(85)
Total comprehensive loss for the period		(2,649)	(456)
(Loss)/profit for the period attributable to:			
Owners of the Company		(2,690)	(559)
Non-controlling interests		(15)	188
Loss for the period		(2,705)	(371)
Total comprehensive (loss) income for the period attributable to:			
Owners of the Company		(2,629)	(630)
Non-controlling interests		(20)	174
Total comprehensive loss for the period		(2,649)	(456)
Loss per share attributable to the owners of the Company	6		
Basic and diluted (HK cents)		(0.56)	(0.12)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Equity attributable to owners of the Company									
	Share capital	Share premium	Capital reserve	Translation reserve	Other reserve	Fair value reserve (non-recycling)	Retained earnings (Accumulated losses)	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2023 (audited)	4,800	53,131	11,993	(761)	193	(366)	(4,231)	64,759	(5,099)	59,660
Loss for the period	—	—	—	—	—	—	(2,690)	(2,690)	(15)	(2,705)
Other comprehensive income (loss):										
Exchange differences arising on translation of foreign operations	—	—	—	61	—	—	—	61	(5)	56
Total comprehensive income (loss) for the period	—	—	—	61	—	—	(2,690)	(2,629)	(20)	(2,649)
As at 31 March 2023 (unaudited)	4,800	53,131	11,993	(700)	193	(366)	(6,921)	62,130	(5,119)	57,011
As at 1 January 2022 (audited)	4,800	53,131	11,993	(648)	182	—	225	69,683	(6,605)	63,078
(Loss)/profit for the period	—	—	—	—	—	—	(559)	(559)	188	(371)
Other comprehensive loss:										
Exchange differences arising on translation of foreign operations	—	—	—	(71)	—	—	—	(71)	(14)	(85)
Total comprehensive (loss) income for the period	—	—	—	(71)	—	—	(559)	(630)	174	(456)
As at 31 March 2022 (unaudited)	4,800	53,131	11,993	(719)	182	—	(334)	69,053	(6,431)	62,622

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act of the Cayman Islands on 20 January 2017. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The shares of the Company (the "Shares") are listed on GEM of the Stock Exchange since 8 December 2017 (the "Listing Date") by way of share offer of 120,000,000 new Shares ("Share Offer") offered by the Company at an offer price of HK\$0.55 per Share. The Company's principal place of business is located at Unit B, 9th Floor, Safety Godown Industrial Building, 56 Ka Yip Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of marketing production services, e-commerce and content media business.

2. BASIS OF PREPARATION AND PRESENTATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022.

The accounting policies adopted in the preparation of the Unaudited Condensed Consolidated Financial Statements are same as those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except for the new and revised HKFRSs and interpretations issued by HKICPA that are first effective for the current accounting period of the Group. There has been no significant change to the accounting policy applied in these Unaudited Condensed Consolidated Financial Statements for the period presented as a result of adoption of these amendments.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months ended 31 March 2023

2. BASIS OF PREPARATION AND PRESENTATION (Continued)

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgements in the process of applying the Group's accounting policies. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2022.

The Unaudited Condensed Consolidated Financial Statements have been prepared on historical cost basis, except for financial asset designated at fair value through other comprehensive income that are measured at fair value at the end of each reporting period. The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The Unaudited Condensed Consolidated Financial Statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's Audit Committee (the "Audit Committee").

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months ended 31 March 2023

3. REVENUE AND OTHER INCOME AND GAINS

An analysis of the Group's revenue, and other income and gains for the periods is as follows:

	For the three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue		
Marketing production	10,742	7,591
Content media business	1,608	2,781
E-commerce	—	9
	12,350	10,381
Other income and gains		
Gain on termination of lease	—	829
Interest income	59	124
Government subsidies	—	50
Sundry income	48	51
	107	1,054

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months ended 31 March 2023

4. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax under these jurisdictions during the period (2022: Nil).

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% (2022: 8.25%) during the period, and profits above HK\$2,000,000 will be taxed at 16.5% (2022: 16.5%). The profits of group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5% (2022: 16.5%) during the periods.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% of the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated profits above HK\$2,000,000, taking into account the tax concession granted by the Hong Kong Special Administrative Region Government during the periods.

No provision for Enterprise Income Tax (“EIT”) Law has been made for the subsidiary established in the People’s Republic of China (the “PRC”) as the subsidiary did not have any assessable profits subject to EIT in the PRC during the three months ended 31 March 2023.

Under the EIT Law and the Implementation Regulation of the EIT Law, the subsidiary in the PRC was subject to the tax rate of 25% on the estimated assessable profits during the three months ended 31 March 2022.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months ended 31 March 2023

4. INCOME TAX EXPENSE (Continued)

Pursuant to 《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, a subsidiary in the PRC qualifying as Small and Micro Enterprises whose annual taxable income is less than RMB1.00 million, 25% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%; for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 50% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%. In addition, pursuant to 《關於實施小微企業和個體工商戶所得稅優惠政策的公告》(Caishui [2021] No. 12) issued in 2021 and 《關於進一步實施小微企業所得稅優惠政策的公告》(Caishui [2022] No. 13) issued in 2022, for the portion of annual taxable income less than RMB1.00 million and for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million for Small and Micro Enterprises, on the basis of the preferential policies stipulated in Article 2 of 《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, the PRC Enterprise Income Tax will be reduced by half respectively.

Pursuant to the EIT Law, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. As at 31 March 2023, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$3,377,000 (2022: HK\$3,334,000). Deferred tax liabilities of approximately HK\$169,000 (2022: HK\$167,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company is in a position to control the dividend policy of the PRC subsidiary and it has been determined that it is probable that undistributed profits of the PRC subsidiary will not be distributed in the foreseeable future.

5. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 31 March 2023 (2022: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months ended 31 March 2023

6. LOSS PER SHARE

The calculations of basic loss per Share are based on the loss of approximately HK\$2,690,000 (2022: HK\$559,000) for the period attributable to the owners of the Company and the weighted average number of 480,000,000 (2022: 480,000,000) Shares in issue during the period.

Diluted loss per Share were same as the basic loss per Share as there were no dilutive potential ordinary Shares in existence during the periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Following the Hong Kong and Mainland China border reopening, Hong Kong has seen a meaningful rebound in economic activities across different industries. The reopening contributed to a revival in travel-related services spending such as catering, retail, hospitality, transport, financial and insurance. Our key clients of marketing production business from retail and insurance sectors are amongst some of the major beneficiaries. Revenue from marketing production services for the three months ended 31 March 2023 was HK\$10.7 million, a 42% increase compared with the same period last year.

The Group's expanded media business in the youth market segment, through a licensing agreement with a leading youth culture brand based in the United States, aims to bridge Chinese and US cultures via brand-integrated content and entertainment production and distribution, continues to grow riding on the meaningful development in 2022. Our contents have amassed over 230,000,000 cumulative plays across social media channels and streaming platforms in Mainland China and Hong Kong. Revenue from content media business for the three months ended 31 March 2023 was HK\$1.6 million, a 42% decrease compared with the same period last year.

The Group's revenue for the three months ended 31 March 2023 increased by approximately 19% as compared with the same period last year. The increase was mainly attributable to marketing production services benefited from Hong Kong's economic recovery. The Group's loss for the three months ended 31 March 2023 increased by 629% as compared with the same period last year. The increase was due to the cost of maintaining an expanded China team where its economic recovery remains weak.

Looking ahead, we believe the boost from the economic reopening will continue to benefit our key clients of marketing production business from the retail, luxury brands, hospitality and insurance sectors in Hong Kong. However, the long-term growth prospect in Mainland China is still uncertain. While we continue to invest in Greater China, we are also actively looking to diversify to other markets in APAC as well as tangential businesses — licensing and talent management. We remain well capitalized and well positioned to take advantage of emerging opportunities in an uncertain macro environment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

The Group's revenue is principally generated from the provision of marketing production services, e-commerce and content media business which are categorised into (i) marketing production; (ii) content media and (iii) e-commerce. During the three months ended 31 March 2023, the Group's revenue increased by approximately HK\$2.0 million, representing 19.0%, to approximately HK\$12.4 million (2022: HK\$10.4 million).

The following table sets forth the breakdown of the revenue by service category during the period:

	For the three months ended 31 March			
	2023		2022	
	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%
Marketing production	10,742	87.0	7,591	73.1
Content media business	1,608	13.0	2,781	26.8
E-commerce	—	—	9	0.1
Total	12,350	100.0	10,381	100.0

During the three months ended 31 March 2023, the revenue from marketing production increased by approximately 41.5% to approximately HK\$10.7 million (2022: HK\$7.6 million). The increase in revenue from marketing production was mainly due to increase in number of projects during the period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the period, the revenue from content media decreased by approximately 42.2% to approximately HK\$1.6 million (2022: HK\$2.8 million) which mainly represented brand income on our original content. The decrease in revenue of this business was mainly due to lesser deals were secured.

Outsourced project costs

Outsourced project costs consist of printing costs and other outsourced project costs and costs for content media business. During the three months ended 31 March 2023, the Group's outsourced project costs increased by approximately HK\$1.5 million, representing 51.6%, to approximately HK\$4.4 million (2022: HK\$2.9 million). The increase was in line with the increase in revenue from marketing production services.

Materials and consumables

Materials and consumables are costs on papers and other materials sourced by the Group for the marketing production and the cost of goods for e-commerce sales. During the three months ended 31 March 2023, the Group's materials and consumables increased by approximately HK\$15,000, representing 1.7%, to approximately HK\$0.9 million (2022: HK\$0.9 million). No major increase due to increase in revenue from marketing production services as those increase in projects were produced by vendors.

Employee benefits expenses

Employee benefits expenses primarily consist of salaries, allowances and benefits in kind, discretionary bonus and retirement benefit scheme contributions. During the three months ended 31 March 2023, the Group's employee benefits expenses increased by approximately HK\$0.7 million, representing 19.5%, to approximately HK\$4.5 million (2022: HK\$3.8 million). The increase was directly attributable to the expansion of content media business.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Rental expenses

Rental expenses primarily represent the rental expenses for short-term leases for office premises and staff quarter and the variable lease payment for the printing machines for confidential data printing services. During the three months ended 31 March 2023, the Group's rental expenses increased by approximately HK\$90,000, representing 17.6%, to approximately HK\$0.6 million (2022: HK\$0.5 million). The increase was primarily attributable to the renewed short term lease for an expanded office premise in the PRC for the content media business.

Transportation fee

Transportation fee consists of fees paid to logistic service providers for (i) delivery of products from merchants and to clients; and (ii) postage incurred in respect of the direct mailing services. During the three months ended 31 March 2023, the Group's transportation fee increased by approximately HK\$0.6 million, representing 40.1%, to approximately HK\$1.9 million (2022: HK\$1.4 million). The increase was directly attributable to the increase in revenue from marketing production services.

Other operating expenses

Other operating expenses primarily consist of consultancy fee, professional fee, rates and building management fee, utilities and office expenses. During the three months ended 31 March 2023, the Group's other operating expenses increased by approximately HK\$0.2 million, representing 16.2%, to approximately HK\$1.6 million (2022: HK\$1.4 million). The increase was primarily attributable to the expansion of content media business.

Finance cost

Finance cost primarily represents the interest on lease liabilities. During the three months ended 31 March 2023, the Group's finance cost decreased by approximately HK\$31,000, representing 43.1%, to approximately HK\$41,000 (2022: HK\$72,000). The decrease was mainly due to the repayment on lease liabilities during the period.

Loss for the period

During the three months ended 31 March 2023, the Group recorded loss of approximately HK\$2.7 million (2022: HK\$0.4 million). The increase was mainly attributable to costs incurred from the expansion of content media business.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 31 March 2023, the Group had net current assets of approximately HK\$16.0 million (31 December 2022: HK\$18.9 million), including time deposits and cash and bank balances of approximately HK\$20.6 million (31 December 2022: cash and bank balances of HK\$17.0 million) mainly denominated in Hong Kong dollars, with approximately HK\$9.6 million (31 December 2022: HK\$5.3 million) denominated in renminbi (“RMB”) which is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

The gearing ratio of the Group as at 31 March 2023 was 5.3% (31 December 2022: 5.5%). The gearing ratio is calculated as total debt divided by total equity as at the respective period end.

There has been no change in the capital structure of the Company during the three months ended 31 March 2023. The equity attributable to owners of the Company amounted to approximately HK\$62.1 million as at 31 March 2023 (31 December 2022: HK\$64.8 million).

FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICY

The Group has substantial operations in the PRC with transactions originally denominated and settled in RMB. The Group is exposed to foreign exchange risk from various currencies primarily with respect to Hong Kong dollars. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures and may enter into certain forward foreign exchange contracts, when necessary, to manage its exposure against HK\$ and to mitigate the impact on exchange rate fluctuations. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the period. The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

PLEDGE OF ASSETS

As at 31 March 2023, the Group did not have any pledged assets (31 December 2022: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no significant capital commitments as at 31 March 2023 (31 December 2022: Nil).

As at 31 March 2023, the Group did not have any material contingent liability (31 December 2022: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2023, the Group had 45 (31 December 2022: 42) full-time (including executive Director) employees. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. The Group has adopted a share option scheme and approved by the then shareholders of the Company (the “Shareholders”) on 16 November 2017 (the “Share Option Scheme”) for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group’s operations. The Group has also adopted other employee benefits including a mandatory provident fund retirement benefit scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in central pension scheme organised and governed by the relevant local governments for its employees in the PRC. In addition, discretionary bonus is offered to eligible employees by reference to the Group’s results and individual performance. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans for material investments and capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the three months ended 31 March 2023, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and affiliated companies.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the three months ended 31 March 2023 and up to the date of this report, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

The Group has no significant events after the reporting period.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2023, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

(i) Interests in the Shares of the Company

Name of Director	Nature of interest	Number of Shares held ⁽¹⁾	Shareholding percentage
Ms. Woo Chan Tak Chi	Interest in a controlled corporation	283,920,000 (L) ⁽²⁾	59.15%
Bonnie ("Ms. Bonnie Chan Woo")	Interest held jointly with another person	34,850,000 (L) ⁽³⁾	7.26%
	Interest of spouse	5,280,000 (L) ⁽⁴⁾	1.1%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Explorer Vantage Limited ("Explorer Vantage") was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Explorer Vantage.
3. Mirousky Limited ("Mirousky") holds 34,850,000 shares. Mirousky is wholly-owned by Gain Smart Asia Limited ("Gain Smart") and Gain Smart is beneficially owned as to 50% by Ms. Bonnie Chan Woo and 50% by her spouse, Mr Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the shares held by Mirousky.
4. Ms. Bonnie Chan Woo is the spouse of Mr. Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares which are interested by Mr. Darrin Woo.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

(ii) Interests in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of Share(s) held ⁽¹⁾	Shareholding percentage
Ms. Bonnie Chan Woo	Explorer Vantage ⁽²⁾	Beneficial owner	1 (L)	100%
	Papercom Limited ("Papercom") ⁽³⁾	Interest in a controlled corporation	10,000 (L)	100%

Notes:

1. The letter "L" denotes the person's long position in the shares.
2. Explorer Vantage is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
3. Papercom is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.

Save as disclosed above, as at 31 March 2023, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2023, to the knowledge of the Directors, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Interests in the Shares of the Company

Name	Type of interest	Number of Shares held ⁽¹⁾	Percentage of shareholding in the Company
Explorer Vantage	Beneficial owner	283,920,000 (L) ⁽²⁾	59.15%
Mr. Darrin Woo	Interest of spouse	283,920,000 (L) ⁽³⁾	59.15%
	Interests held jointly with another person	34,850,000 (L) ⁽⁴⁾	7.26%
	Beneficial owner	5,280,000 (L)	1.1%
Mirousky	Beneficial owner	34,850,000 (L) ⁽⁵⁾	7.26%
Gain Smart	Interest in a controlled corporation	34,850,000 (L) ⁽⁵⁾	7.26%
Ms. Chow Jacqueline Wai Ying	Beneficial owner	35,950,000 (L)	7.49%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
3. Mr. Darrin Woo is the spouse of Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares which are interested by Ms. Bonnie Chan Woo.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

4. Mirousky is wholly-owned by Gain Smart and Gain Smart is beneficially owned as to 50% by Mr. Darrin Woo and 50% by his spouse, Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares held by Mirousky.
5. Mirousky is wholly-owned by Gain Smart. Such 34,850,000 Shares belong to the same batch of Shares.

Save as disclosed above, as at 31 March 2023, to the knowledge of the Directors, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

Share Option Scheme was adopted and approved by the then Shareholders on 16 November 2017. Details of the Share Option Scheme are set out in Appendix IV to the Prospectus. No share option has been granted pursuant to the Share Option Scheme since its adoption.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the three months ended 31 March 2023 and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for Shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above in the section "Share Option Scheme", at no time during the three months ended 31 March 2023 and up to the date of this report was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the Shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the three months ended 31 March 2023 and up to the date of this report, none of the Directors, nor the substantial Shareholders nor their respective close associates (as defined under the GEM Listing Rules) had any interests (other than their interest in the Company or its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DEED OF NON-COMPETITION

The Deed of Non-Competition dated 16 November 2017 (as defined in the Prospectus) was entered into by Explorer Vantage and Ms. Bonnie Chan Woo in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with our Controlling Shareholders — Deed of Non-competition" and the non-competition undertaking has become effective from the Listing Date.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the "Model Code") by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code during the three months ended 31 March 2023.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound internal control, transparency and accountability with a view to safeguard the interests of all the Shareholders. The Board has adopted the principles and the code provisions of Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established the Audit Committee, a nomination committee and a remuneration committee with specific written terms of reference. During the three months ended 31 March 2023 and up to the date of this report, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules except for the deviation from code provision C.2.1 as detailed below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current structure of the Company, Ms. Bonnie Chan Woo is the Chairperson and the chief executive officer of the Company (“CEO”). In view that Ms. Bonnie Chan Woo has been managing the Group’s business and overall strategic planning since August 2002, the Board believes that the vesting of the roles of the Chairperson of the Board and CEO in Ms. Bonnie Chan Woo is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group, and the current management has been effective in the development of the Group and implementation of business strategies under the leadership of Ms. Bonnie Chan Woo. In allowing the two roles to be vested in the same person, the Board believes both positions require in-depth knowledge and considerable experience in the Group’s business, and Ms. Bonnie Chan Woo is the most suitable person to take up both positions for effective management of the Group.

Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Audit Committee and Review of Unaudited Condensed Consolidated Financial Statements

The Audit Committee was established with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald and Mr. Ip Arnold Tin Chee is the chairman of the Audit Committee. The primary duties of the Audit Committee include reviewing and supervising the Group's financial reporting system, monitoring the internal control procedures and risk management, reviewing the Group's financial information and the relationship with the external auditor of the Company, ensuring compliance with the relevant laws and regulations. In addition, the Audit Committee is responsible for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group's management.

The Unaudited Condensed Consolidated Financial Statements have not been audited. The Audit Committee has reviewed with the management of the Group the Unaudited Condensed Consolidated Financial Statements, this quarterly report, the accounting principles and policies adopted by the Group, and other financial reporting matters. The Audit Committee is satisfied that the Unaudited Condensed Consolidated Financial Statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

SV Vision Limited

Woo Chan Tak Chi Bonnie

Chairperson and Chief Executive Officer

Hong Kong, 3 May 2023

As at the date of this report, the Board comprises Ms. Woo Chan Tak Chi Bonnie as executive Director, Mr. Chow Sai Yiu Evan as non-executive Director and Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald as independent non-executive Directors.