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G-Vision International (Holdings) Limited

環科國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 657)

CONTINUING CONNECTED TRANSACTION RENEWAL OF LEASE OF PROPERTY

On 5 May 2014, CCC Restaurant and Homley entered into the 2014 Tenancy Deed pursuant to which CCC Restaurant leased from Homley the Property for a period of three years commencing from 1 May 2014 as disclosed in the announcement of the Company dated 5 May 2014. The 2014 Tenancy Deed will expire on 30 April 2017.

The Directors announce that on 28 April 2017, CCC Restaurant and Homley entered into the Tenancy Deed pursuant to which CCC Restaurant will lease from Homley the Property at a monthly rental of HK\$360,000 (exclusive of rates and management and air-conditioning fees) for a period of three years commencing from 1 May 2017.

Homley is a wholly-owned subsidiary of Golden Toy. Golden Toy and Kong Fai hold approximately 8.88% and 65.62% of the issued share capital of the Company respectively. The entire issued share capital of each of Golden Toy and Kong Fai is beneficially owned by two discretionary trusts, the objects of which include members of the Cheng Family. As all members of the Cheng Family are executive directors of the Company, Homley, being a wholly-owned subsidiary of Golden Toy, is an associate of such persons and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Transaction constitutes a continuing connected transaction of the Company under the Listing Rules.

As each of the relevant percentage ratios for the Transaction is, on an annual basis, less than 5%, the Transaction is subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group, and that the terms of the Tenancy Deed have been negotiated on an arm's length basis and on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

1. BACKGROUND

On 5 May 2014, CCC Restaurant and Homley entered into the 2014 Tenancy Deed pursuant to which CCC Restaurant leased from Homley the Property for a period of three years commencing from 1 May 2014 as disclosed in the announcement of the Company dated 5 May 2014. The 2014 Tenancy Deed will expire on 30 April 2017.

2. THE TENANCY DEED DATED 28 APRIL 2017

Parties:

- (i) Homley as the landlord
- (ii) CCC Restaurant as the tenant

Principal Terms of the Tenancy Deed:

On 28 April 2017, CCC Restaurant and Homley entered into the Tenancy Deed pursuant to which CCC Restaurant will lease from Homley the Property for a term of three years commencing from 1 May 2017 to 30 April 2020 at a monthly rental of HK\$360,000 (exclusive of rates and management and air-conditioning fees). There is no provision in the Tenancy Deed that allows the variation of the monthly rental during the term of the tenancy. Upon signing of the Tenancy Deed, CCC Restaurant shall pay to Homley the sum of HK\$1,080,000 as rental deposit and security for the due observance and performance by CCC Restaurant of its obligations under the Tenancy Deed. The rental deposit of HK\$1,080,000 shall be returned to CCC Restaurant within 30 days after the expiration or early termination of the Tenancy Deed.

The aggregate annual rental in respect of the Property under the Tenancy Deed amounts to HK\$4,320,000. The maximum aggregate annual value of the Transaction for each of the financial years ending 31 March 2018, 31 March 2019 and 31 March 2020 amounts to HK\$3,960,000 (comprising the rental of HK\$360,000 for each of the months of May 2017 to March 2018), HK\$4,320,000 and HK\$4,320,000 respectively. The rental in respect of the Property shall be payable monthly in advance on the 1st day of each month and shall be financed from the internal resources of the Group.

The rental under the Tenancy Deed was negotiated on an arm's length basis and on normal commercial terms between CCC Restaurant and Homley and was determined with reference to the market rental value of the Property based on the Rental Valuation. According to the Rental Valuation Letter, the market rental value of the Property as at April 2017 was HK\$360,000 per calendar month, exclusive of rates, government rent, management fee and other outgoings.

3. REASONS FOR THE TENANCY DEED

The Group is principally engaged in the operation of a chain of Chinese restaurants in Hong Kong that specializes in Chiu Chow cuisine. The Property is currently used by the Group as one of its restaurant outlets. The principal business of CCC Restaurant is to operate the restaurant outlet located at the Property.

The principal business of Homley is property investment. As announced by the Company on 5 May 2014, CCC Restaurant entered into the 2014 Tenancy Deed with Homley on 5 May 2014 with respect to the lease of the Property for a term of three years commencing from 1 May 2014 at a monthly rental of HK\$350,000 (exclusive of rates and management and air-conditioning fees). The aggregate annual rental under the 2014 Tenancy Deed for each of the financial years ended 31 March 2015, 31 March 2016 and 31 March 2017 amounted to HK\$3,850,000 (comprising the rental of HK\$350,000 for each of the months of May 2014 to March 2015), HK\$4,200,000 and HK\$4,200,000 respectively. The 2014 Tenancy Deed will expire on 30 April 2017. As CCC Restaurant will continue its restaurant operation at the Property, CCC Restaurant has requested and Homley has agreed to a renewal of the lease of the Property and entered into the Tenancy Deed on 28 April 2017.

4. CONTINUING CONNECTED TRANSACTION

As at the date of this announcement, Golden Toy and Kong Fai hold approximately 8.88% and 65.62% of the issued share capital of the Company respectively. The entire issued share capital of each of Golden Toy and Kong Fai is beneficially owned by two discretionary trusts the objects of which include members of the Cheng Family. As all members of the Cheng Family are executive directors of the Company, Homley, being a wholly-owned subsidiary of Golden Toy, is an associate of such persons and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Transaction constitutes a continuing connected transaction of the Company. As each of the relevant percentage ratios for the Transaction is, on an annual basis, less than 5%, the Transaction is subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Tenancy Deed are in the ordinary and usual course of business of the Group, and that the terms of the Tenancy Deed have been negotiated on an arm's length basis and on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As the executive Directors, namely Mr. Cheng Hop Fai, Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily, have material interests in the transactions contemplated under the Tenancy Deed, each of them has abstained from voting on the relevant resolutions of the Board approving the Tenancy Deed and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Tenancy Deed or is required to abstain from voting on the relevant resolutions of the Board.

5. TERMS USED IN THIS ANNOUNCEMENT

"2014 Tenancy Deed"	the tenancy deed dated 5 May 2014 and entered into between Homley and CCC Restaurant in respect of the Property
"CCC Restaurant"	City Chiu Chow Restaurant Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Cheng Family"	Mr. Cheng Hop Fai, Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily, all of whom are executive Directors. Mr. Cheng Hop Fai is the chairman of the Company. Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily are daughters of Mr. Cheng Hop Fai
"Company"	G-Vision International (Holdings) Limited
"Directors"	directors of the Company
"Golden Toy"	Golden Toy Investments Limited, a company incorporated in the British Virgin Islands
"Group"	the Company and its subsidiaries
"Homley"	Homley Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Golden Toy
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Kong Fai"	Kong Fai International Limited, a company incorporated in the British Virgin Islands
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Property"	Units Nos. G17, 109 to 123, 135 and 136, East Ocean Centre, 98 Granville Road, Kowloon, Hong Kong
"Rental Valuation"	the market rental valuation of the Property as at 28 April 2017 conducted by RHL Appraisal Ltd., an independent professional valuer
"Rental Valuation Letter"	the letter on the Rental Valuation dated 28 April 2017 issued by RHL Appraisal Ltd., an independent professional valuer

“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Deed”	the tenancy deed dated 28 April 2017 and entered into between Homley and CCC Restaurant in respect of the Property
“Transaction”	the transaction contemplated under the Tenancy Deed
“HK\$”	Hong Kong dollars

By order of the Board
G-Vision International (Holdings) Limited
Cheng Hop Fai
Chairman

Hong Kong, 28 April 2017

As at the date of this announcement, the Board comprises Mr. Cheng Hop Fai (Chairman and Managing Director), Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily as executive directors and Mr. Leung Tai Chiu, Mr. Law Toe Ming and Mr. Mark Yiu Tong, William as independent non-executive directors.

** for identification purpose only*