G-VISION INTERNATIONAL (HOLDINGS) LIMITED

環科國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 657)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The Board of Directors of G-Vision International (Holdings) Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008 together with comparative figures for the corresponding previous year, as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	NOTES	**2008** *HK$'000*	2007 *HK$'000*
Turnover	2	**104,732**	104,591
Other income		**1,238**	1,734
Increase in fair value of investment properties		**3,580**	–
Cost of inventories consumed		**(41,089)**	(42,589)
Staff costs		**(33,149)**	(32,501)
Operating lease rentals		**(13,141)**	(11,381)
Depreciation		**(1,282)**	(1,605)
Other operating expenses		**(18,416)**	(19,402)
Impairment loss recognised in respect of property, plant and equipment		**–**	(1,879)
Finance costs	3	**(782)**	(921)
Profit (loss) before taxation	4	**1,691**	(3,953)
Taxation	5	**–**	–
Profit (loss) for the year		**1,691**	(3,953)
Attributable to:			
Equity holders of the Company		**633**	(3,938)
Minority interests		**1,058**	(15)
		1,691	(3,953)
Earnings (loss) per share			
– Basic	6	**HK0.13 cents**	HK(0.81) cents
– Diluted		**HK0.13 cents**	N/A

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2008

	NOTES	**2008**	2007
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**1,343**	2,411
Investment properties		**59,790**	56,210
		61,133	58,621
Current assets			
Inventories		**4,061**	4,266
Trade receivables, deposits and prepayments	7	**6,581**	7,054
Taxation recoverable		**67**	133
Pledged bank deposits		**979**	919
Bank balances and cash		**17,057**	14,128
		28,745	26,500
Current liabilities			
Trade and other payables	8	**9,697**	10,414
Amounts due to directors		**12,750**	10,200
Amounts due to minority shareholders		**290**	281
		22,737	20,895
Net current assets		**6,008**	5,605
Total assets less current liabilities		**67,141**	64,226
Non-current liabilities			
Loans from a related company		**21,559**	20,777
		45,582	43,449
Capital and reserves			
Share capital		**48,485**	48,485
Reserves		**(20,029)**	(21,104)
Equity attributable to equity holders of the Company		**28,456**	27,381
Minority interests		**17,126**	16,068
Total equity		**45,582**	43,449

NOTES:

1. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS"s)

In the current year, the Group has applied, for the first time, the following new standard, amendment of Hong Kong Accounting Standards ("HKAS"s) and interpretations ("INT"s) (hereinafter collectively referred to as "new HKFRS"s) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 April 2007.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) - Int 8	Scope of HKFRS 2
HK(IFRIC) - Int 9	Reassessment of embedded derivatives
HK(IFRIC) - Int 10	Interim financial reporting and impairment
HK(IFRIC) - Int 11	HKFRS 2: Group and treasury share transactions

The adoption of the new HKFRSs has no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and separate financial statements[2]
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 8	Operating segments[1]
HK(IFRIC) - INT 12	Service concession arrangements[3]
HK(IFRIC) - INT 13	Customer loyalty programmes[4]
HK(IFRIC) - INT 14	HKAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009.

[2] Effective for annual periods beginning on or after 1 July 2009.

[3] Effective for annual periods beginning on or after 1 January 2008.

[4] Effective for annual periods beginning on or after 1 July 2008.

Basis of preparation:

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into three main operating divisions - restaurant operations, environmental friendly paper tableware and property investment.

Segment information about these businesses is presented below.

Year ended 31 March 2008

Consolidated income statement

	Restaurant operations *HK$'000*	Environmental friendly paper tableware *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
TURNOVER	**98,093**	**6,639**	**–**	**104,732**
RESULT				
Segment result	**291**	**26**	**3,082**	**3,399**
Unallocated corporate expenses				**(1,303)**
Interest income				**377**
Finance costs				**(782)**
Profit for the year				**1,691**

At 31 March 2008

Consolidated balance sheet

	Restaurant operations *HK$'000*	Environmental friendly paper tableware *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	**8,926**	**3,099**	**59,790**	**71,815**
Unallocated corporate assets				**18,063**
Consolidated total assets				**89,878**
LIABILITIES				
Segment liabilities	**6,951**	**2,676**	**30**	**9,657**
Unallocated corporate liabilities				**40**
Amounts due to directors				**12,750**
Amounts due to minority shareholders				**290**
Loans from a related company				**21,559**
Consolidated total liabilities				**44,296**

Other information

	Restaurant operations *HK$'000*	Environmental friendly paper tableware *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Capital additions	**214**	**–**	**–**	**214**
Depreciation	**1,282**	**–**	**–**	**1,282**

Year ended 31 March 2007

Consolidated income statement

	Restaurant operations *HK$'000*	Environmental friendly paper tableware *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
TURNOVER	95,766	8,825	–	104,591
RESULT				
Segment result	1,369	(4,234)	(58)	(2,923)
Unallocated corporate expenses				(416)
Interest income				307
Finance costs				(921)
Loss for the year				(3,953)

At 31 March 2007

Consolidated balance sheet

	Restaurant operations *HK$'000*	Environmental friendly paper tableware *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	10,497	3,347	56,210	70,054
Unallocated corporate assets				15,067
Consolidated total assets				85,121
LIABILITIES				
Segment liabilities	7,435	2,830	–	10,265
Unallocated corporate liabilities				149
Amounts due to directors				10,200
Amounts due to minority shareholders				281
Loans from a related company				20,777
Consolidated total liabilities				41,672

Other information

	Restaurant operations HK$'000	Environmental friendly paper tableware HK$'000	Property investment HK$'000	Consolidated HK$'000
Capital additions	423	805	–	1,228
Depreciation	1,273	332	–	1,605
Allowance for doubtful debts	–	275	–	275
Impairment loss recognised in respect of property, plant and equipment	–	1,879	–	1,879

Geographical segments

The Group's operations are located in Hong Kong and other parts of the People's Republic of China (the "PRC"). The Group's restaurant operations are located in Hong Kong, while the property investment operations are located in the PRC. The environmental friendly paper tableware operations are located in both Hong Kong and the PRC.

An analysis of the Group's turnover by geographical market by location of customers, irrespective of the origin of the goods/services, is as follows:

	Turnover	
	2008	2007
	HK$'000	*HK$'000*
Hong Kong	**98,149**	98,795
Others	**6,583**	5,796
	104,732	104,591

An analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located is as follows:

	Carrying amount of segment assets		**Additions to property, plant and equipment**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**9,407**	10,786	**214**	423
The PRC	**62,408**	59,268	**–**	805
	71,815	70,054	**214**	1,228

3. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on loans from a related company wholly repayable within five years	**782**	921

4. PROFIT (LOSS) BEFORE TAXATION

	2008	2007
	HK$'000	*HK$'000*
Profit (loss) before taxation has been arrived at after charging:		
Directors' remuneration	**5,377**	3,934
Other staff costs, including retirement benefits costs	**27,772**	28,567
Total staff costs	**33,149**	32,501
Allowance for doubtful debts	**–**	275
Auditor's remuneration	**440**	408
Cost of inventories recognised as an expense	**41,089**	42,589
Depreciation	**1,282**	1,605
and after crediting:		
Gain on disposal of property, plant and equipment	**197**	422
Interest income	**377**	307

5. TAXATION

No provision for taxation has been made in the consolidated financial statements as the Company and certain subsidiaries have no assessable profit for the year. No tax is payable for the remaining subsidiaries since the estimated assessable profit is wholly absorbed by tax losses brought forward.

6. EARNING (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share is based on the following data:

	2008	2007
	HK$'000	*HK$'000*
Profit (loss) attributable to equity holders of the Company	**633**	(3,938)

	Number of shares	
	2008	2007
Weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share	**484,853,527**	484,853,527
Effect of dilutive potential ordinary shares – options	**19,038,844**	
Weighted average number of shares for the purpose of calculating diluted earnings per share	**503,892,371**	

No diluted loss per share is presented in the prior year since the exercise of share options would result in a decrease in the loss per share.

7. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in trade receivables, deposits and prepayments are trade receivables of HK$1,619,000 (2007: HK$1,950,000). Most of the restaurant customers settle in cash and credit cards. The Group allows an average credit period of 60 days to other trade customers.

The following is an aged analysis of trade receivables, net of allowances, at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
0 – 60 days	**1,573**	1,911
61 – 90 days	**20**	13
More than 90 days	**26**	26
	1,619	1,950

Management closely monitors the credit quality of trade receivables and considers trade receivables that are neither past due nor impaired to be of a good quality. The directors consider that trade receivables at the respective balance sheet date, which have been past due and the Group has not provided impairment loss for to be insignificant.

8. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$3,782,000 (2007: HK$4,616,000). The following is an aged analysis of trade payables at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
0 – 60 days	**2,697**	3,480
More than 60 days	**1,085**	1,136
	3,782	4,616

DIVIDEND

The Board has resolved not to declare any final dividend for the year ended 31 March 2008 (2007: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 August 2008 to Thursday, 28 August 2008 (both days inclusive) for the purpose of establishing entitlement of shareholders to attend and vote at the forthcoming Annual General Meeting of the Company. During this period no transfers of shares will be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 25 August 2008.

RESULTS

The audited consolidated profit attributable to shareholders of the Group for the year ended 31 March 2008 was approximately HK$633,000 Earnings per share based on 484,853,527 shares amounted to HK0.13 cents.

REVIEW OF OPERATIONS

For the year ended 31 March 2008, the Group recorded a consolidated turnover of approximately HK$104.7 million, representing a slight improvement over last year's consolidated turnover of approximately HK$104.6 million. The net profit for the year was approximately HK$1.7 million compared to last year's net loss of approximately HK$4 million.

The Group's restaurant business continues to provide a stable source of revenue and remains the largest contributor to the turnover, accounting for approximately 94% of the Group's turnover for the year under review. Benefiting from the generally favorable economic environment and the increasing number of tourists from Mainland China and South East Asia, total turnover increased to approximately HK$98.1 million, an increase of approximately HK$2.3 million or 2.4% over the previous year's turnover of approximately HK$95.8 million. However the net profit for this segment dropped by approximately HK$1.1 million mainly due to the increase in rental expenditures which amounted to approximately HK$13.1 million (2007: HK$10.8 million).

Despite a lower turnover recorded for the Group's environmental friendly tableware business, the operating result for this segment improved as a result of the implementation of stringent costs control measures. In addition, the subcontracting of certain production processes to our strategic partners has streamlined the entire production in the plant which helps to effectively reduce the Group's administrative costs in the PRC.

As a result of the substantial appreciation of Renminbi, the fair value of the Group's investment properties in the PRC was adjusted upward to approximately HK$59.8 million as at 31 March 2008, an increase of 6.4% over last year, based on the valuation carried out by professional valuers, RHL Appraisal Limited.

PROSPECTS

The Group's restaurant operation is expected to continue its positive contribution to the Group. However, the downturn in the stock market, coupled with soaring food and energy prices as well as increasing rental and labor costs, will certainly pose more challenges to the food and beverage industry. For the environmental friendly tableware business, the Group will strive to maintain a low operating cost base for the plant and will continue to actively look for new business opportunities for this segment.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank balances (including pledged bank deposits) amounted to approximately HK$18 million as at 31 March 2008. As the Group had no bank borrowings, the Group's gearing ratio was zero as at 31 March 2008 and 31 March 2007.

The Group has obtained loan facilities from a related company, Hover City Industrial Limited, which bear interest at 3% below the best lending rate quoted by a bank in Hong Kong. As at 31 March 2008, the sum drawn down by the Group was approximately HK$18.8 million (31 March 2007: HK$18.8 million), with accrued interests of approximately HK$2.8 million (31 March 2007: HK$2 million). The loans are repayable in one lump sum (including accrued interests) by 31 December 2010.

With the cash generated from the Group's operations in its ordinary course of business and the existing unutilised banking and credit facilities, the Board considers that the Group has sufficient working capital for its operations.

EXCHANGE EXPOSURE

As most of the Group's sales, purchases, cash and bank balances were denominated in Hong Kong dollars and United States dollars, the Group was not exposed to material foreign exchange risks.

EMPLOYEES

At 31 March 2008, the Group had approximately 230 staff. Total staff costs including directors' remuneration amounted to approximately HK$33.1 million (31 March 2007: HK$32.5 million) for the year under review.

Review of the employees' remuneration packages is normally conducted annually and as required from time to time. The salary and benefit levels of the Group's employees are competitive and individual performance is rewarded through the Group's bonus scheme. Other benefits including medical coverage and Mandatory Provident Fund Scheme are also provided to employees.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year.

CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2008 except for Code provision A.2.1 in respect of the role separation of the chairman and the chief executive officer and Code provision A.4.1 in respect of the service term of non-executive directors.

Code provision A.2.1 sets out that the roles of the chairman and the chief executive officer 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 of the Company. The Board considers that such arrangement will not result in undue concentration of power and is, at this stage, conducive to the efficient formulation and implementation of the Group's strategies thus allowing the Group to develop its business more effectively.

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The INEDs of the Company are not appointed for a specific term. This constitutes a deviation from Code provision A.4.1. However, as all the INEDs of the Company are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Company's Bye-laws, in the opinion of the directors, this meets the objective of the Code.

AUDIT COMMITTEE

The audit committee which comprises the three independent non-executive directors of the Company has reviewed with management and approved the consolidated accounts for the year ended 31 March 2008.

ANNUAL REPORT

The Annual Report 2007-8 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange.

ACKNOWLEDGEMENTS

I would like to express my gratitude to the management and staff members of the Group for their dedication and invaluable efforts and contributions to the Group during the year.

By Order of the Board
Cheng Hop Fai
Chairman

Hong Kong, 18 July 2008

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Cheng Hop Fai, Mrs. Cheng Kwok Kwan Yuk, Ms. Cheng Pak Ming, Judy, Miss Cheng Pak Man, Anita and Mr. Zhang Yunkun as Executive Directors, Mr. Mark Yiu Tong, William, Mr. Law Toe Ming and Ms. Kan Lai Kuen, Alice as Independent Non-Executive Directors.

* *For identification purpose only*