G-VISION INTERNATIONAL (HOLDINGS) LIMITED
環科國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 657)

2009/10 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors of G-Vision International (Holdings) Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2009. The interim results have been reviewed by Deloitte Touche Tohmatsu and the Company's Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

	NOTES	**1.4.2009 to 30.9.2009** ***HK$'000*** **(unaudited)**	1.4.2008 to 30.9.2008 *HK$'000* (unaudited)
Turnover	3	**33,315**	47,063
Other income		**880**	592
Change in fair value of investment properties		**2,760**	(4,850)
Cost of inventories consumed		**(12,115)**	(18,708)
Staff costs		**(13,614)**	(15,546)
Operating lease rentals		**(7,491)**	(7,760)
Depreciation		**–**	(88)
Other operating expenses		**(7,337)**	(9,451)
Finance costs		**(188)**	(212)
Loss for the period	4	**(3,790)**	(8,960)
Exchange differences arising from translation of foreign operations, representing other comprehensive expense for the period		**–**	(350)
Total comprehensive expense for the period		**(3,790)**	(9,310)
(Loss) profit for the period attributable to:			
Owners of the Company		**(4,753)**	(7,608)
Minority interests		**963**	(1,352)
		(3,790)	(8,960)
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(4,753)**	(7,958)
Minority interests		**963**	(1,352)
		(3,790)	(9,310)
Loss per share			
Basic	6	**(HK0.64 cent)**	(HK1.03 cent)

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009

	NOTES	**30.9.2009** **HK$'000** **(unaudited)**	31.3.2009 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**–**	–
Investment properties		**57,700**	54,940
		57,700	54,940
Current assets			
Inventories		**1,466**	1,756
Trade and other receivables	7	**6,372**	5,564
Pledged bank deposits		**1,000**	995
Bank balances and cash		**9,487**	15,813
		18,325	24,128
Current liabilities			
Trade and other payables	8	**8,494**	9,077
Amounts due to directors	9	**16,575**	147
Amounts due to minority shareholders		**310**	296
		25,379	9,520
Net current (liabilities) assets		**(7,054)**	14,608
Total assets less current liabilities		**50,646**	69,548
Non-current liabilities			
Loans from a related company		**22,152**	21,964
Amounts due to directors	9	**–**	15,300
		22,152	37,264
Net assets		**28,494**	32,284
Capital and reserves			
Share capital		**48,485**	48,485
Reserves		**(36,714)**	(31,961)
Equity attributable to owners of the Company		**11,771**	16,524
Minority interests		**16,723**	15,760
Total equity		**28,494**	32,284

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2009

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting".

The interim financial information has been prepared on a going concern basis as the directors of the Company have considered that after taking into account of the completion of the Company's open offer of shares in October 2009, the Group has sufficient funds for it to meet in full its financial obligations as they fall due in the foreseeable future.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except for as described below, the accounting policies adopted in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual audited financial statements for the year ended 31 March 2009. The adoption of these new standards has resulted in the following changes.

Presentation of financial statements

In the current period, the Group has adopted HKAS 1 (Revised 2007) "Presentation of financial statements" which has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. The adoption of HKAS 1 (Revised 2007), however, has no impact on the reported results or financial position of the Group.

The Group has not early applied the following new or revised HKAS, Hong Kong Financial Reporting Standards ("HKFRS"), amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008 [1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 [2]
HKAS 24 (Revised)	Related party disclosures [3]
HKAS 27 (Revised 2008)	Consolidated and separate financial statements [1]
HKAS 32 (Amendment)	Classification of rights issues [4]
HKAS 39 (Amendment)	Eligible hedged items [1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopter [5]
HKFRS 2 (Amendment)	Group cash-settled share based payments transactions [5]
HKFRS 3 (Revised 2008)	Business combinations [1]
HKFRS 9	Financial instruments [6]
HK(IFRIC*) – INT 17	Distributions of non-cash assets to owners [1]

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

[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

[3] Effective for annual periods beginning on or after 1 January 2011.

[4] Effective for annual periods beginning on or after 1 February 2010.

[5] Effective for annual periods beginning on or after 1 January 2010.

[6] Effective for annual periods beginning on or after 1 January 2013.

* IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. The directors of the Company anticipate that the application of other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating segments" with effect from 1 April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker of the Group has been identified as the managing director.

In the past, segment information reported externally was analysed by the nature of business. The Group determines its operating segments based on the internal reports reviewed by the managing director that are used to make strategic decisions. For the purpose of resources allocation and performance assessment, the managing director reviews operating results and financial information of restaurant operations on a store by store basis. Each store is identified as an operating segment in accordance with HKFRS 8. As each store is operating in similar business model, selling similar products and subject to a similar target group of customers, they are aggregated into a single reportable segment. On adoption of HKFRS 8, it has not resulted in a redesignation of the Group's reportable segments.

Segment results represent the turnover form each operating segment less its respective direct operating costs.

For management purposes, the Group has three reportable segments: restaurant operations, property investment and other. These operating divisions of the Group are the basis on which the Group reports its segment information.

	Restaurant operations *HK$'000*	**Property investment** *HK$'000*	**Other** *HK$'000*	**Total** *HK$'000*
Six months ended 30 September 2009				
TURNOVER				
External	**33,289**	**–**	**26**	**33,315**
SEGMENT RESULT	**(6,631)**	**2,747**	**302**	**(3,582)**
Unallocated corporate expenses				**(42)**
Interest income				**22**
Finance costs				**(188)**
Loss for the period				**(3,790)**

	Restaurant operations *HK$'000*	Property investment *HK$'000*	Other *HK$'000*	Total *HK$'000*
Six months ended 30 September 2008				
TURNOVER				
External	44,335	–	2,728	47,063
SEGMENT RESULT	(2,702)	(4,867)	(1,239)	(8,808)
Unallocated corporate expenses				(40)
Interest income				100
Finance costs				(212)
Loss for the period				(8,960)

4. LOSS FOR THE PERIOD

	1.4.2009 to 30.9.2009	1.4.2008 to 30.9.2008
	HK$'000	*HK$'000*
Loss for the period has been arrived at after (crediting) charging:		
Depreciation	**–**	88
Interest income	**(22)**	(100)

5. TAXATION

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as either the Company and its subsidiaries did not have assessable profit for the period or the assessable profit has been wholly absorbed by tax losses brought forward.

6. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the period of HK$4,753,000 (six months ended 30 September 2008: HK$7,608,000) and on the 739,776,515 shares (six months ended 30 September 2008: 739,776,515 shares) in issue during the period.

The number of shares for the purpose of calculating basic loss per share for six months ended 30 September 2008 and 30 September 2009 has been adjusted to reflect the open offer of shares completed in October 2009.

No diluted loss per share is presented for both periods because the assumed exercise of the Company's share options would result in a decrease in loss per share.

7. TRADE AND OTHER RECEIVABLES

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 at the reporting date:

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
0 – 60 days	**872**	928
More than 60 days	**1**	1
	873	929

8. **TRADE AND OTHER PAYABLES**

The following is an aged analysis of trade payables at the reporting date:

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
0 – 60 days	**2,423**	2,061
More than 60 days	**1,124**	1,042
	3,547	3,103

9. **AMOUNTS DUE TO DIRECTORS**

The amounts represent emoluments payable to executive directors. The amounts are unsecured, non-interest bearing and repayable on demand except for an amount of HK$15,300,000 which is repayable after 31 March 2010. Accordingly, this amount has been reclassified as current liabilities at 30 September 2009.

On completion of the open offer for shares in October 2009, the amounts due to directors were fully settled.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the six months ended 30 September 2009, the Group recorded a consolidated turnover of HK$33.3 million, a decrease of HK$13.7 million or 29% compared to the last corresponding period, primarily due to the contraction of the Group's restaurant business.

The net loss for the period under review was HK$3.8 million, representing an improvement of HK$5.2 million as compared to the net loss of HK$9 million in the last corresponding period. Such improvement was mainly attributable to an increase in the fair value of the Group's investment properties which rose by approximately HK$2.8 million and a decrease in operating loss resulting from the suspension of the Group's environmental paper tableware operation in China.

Review of Operations

The Group's restaurant operation in Hong Kong continues to be the largest turnover contributor for the period under review. However, both the tourist industry and local consumer spending had been hard hit by the global financial crisis and the human swine flu pandemic. Segment turnover was adversely affected and recorded a 25% drop to HK$33.3 million from last year's HK$44.3 million. Whilst the profit margin remained stable, segment loss escalated to HK$6.6 million.

Due to the recovery of the property market in China, the fair value of the Group's investment properties in China was adjusted upward by HK$2.8 million to HK$57.7 million, in contrast to a downward revaluation of HK$4.9 million in the last corresponding period.

In view of the persistent unsatisfactory performance and intense competition experienced by the Group's environmental friendly paper tableware operation in China, such operation was suspended during the period under review which led to a reduction of the operating loss for this segment.

Liquidity and Financial Resources

The Group's cash and bank balances (including pledged bank deposits) amounted to HK$10.5 million as at 30 September 2009. The Group had no bank borrowings and its gearing ratio was zero as at 30 September 2009 and 31 March 2009 respectively.

The Group has obtained loan facilities from Hover City Industrial Limited, a related company, which bear interest at 3% below the best lending rate quoted by a bank in Hong Kong. As at 30 September 2009, the sum drawn down by the Group was HK$18.8 million (31 March 2009: HK$18.8 million), with accrued interests of HK$3.3 million (31 March 2009: HK$3.2 million). The loans are repayable in one lump sum (including accrued interests) by 31 December 2010.

With the cash generated from the Group's operation in its ordinary course of business and the loan facilities, the Group has sufficient financial resources in meeting its operation needs.

In October 2009, the Company completed an open offer of 1,454,560,581 offer shares at a subscription price of HK$0.10 each per offer share with net proceeds of approximately HK$142.2 million received. Approximately HK$22.2 million has been used for repaying all of the Group's loans due to Hover City Industrial Limited. The open offer has enabled the Group to solidify its financial strength.

Foreign Exchange Exposure

As most of our sales, purchases, cash and bank balances were denominated in Hong Kong dollars during the period, the Group was not exposed to material foreign exchange risks.

Employees and Remuneration Policies

The Group had approximately 170 employees as at 30 September 2009. 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 Directors has resolved not to declare any interim dividend for the six months ended 30 September 2009 (for the six months ended 30 September 2008: Nil).

PROSPECTS

We expect the ramifications of the global financial crisis to be more lasting and far-reaching than already witnessed and hence our operating environment will remain challenging. However, given the growing confidence in the property and stock markets in both Hong Kong and China as well as the implementation of the government's relief measures, we are hopeful that greater corporate and consumer spending would be encouraged and the retail, food and property markets would return to growth. The Group will continue its cautious approach in committing further capital expenditure and will implement appropriate costs control programs where necessary. Through the open offer completed in October 2009, the Group has strengthened its financial capability to capture suitable business opportunities as they arise in the future.

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 period under review.

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 Listing Rules throughout the six months period ended 30 September 2009 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 independent non-executive directors ("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 members of the Audit Committee are Ms. Kan Lai Kuen, Alice (Chairman), Mr. Law Toe Ming and Mr. Mark Yiu Tong, William, the INEDs of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the Board of Directors the internal control and financial reporting matters including the unaudited interim financial statements for the six months ended 30 September 2009.

REMUNERATION COMMITTEE

Pursuant to Code provision B.1.1, the Company has established a Remuneration Committee comprising the three INEDs, namely Mr. Law Toe Ming (Chairman), Ms. Kan Lai Kuen, Alice and Mr. Mark Yiu Tong, William. The terms of reference of the Remuneration Committee are consistent with the Code provisions. The principal function of the Remuneration Committee is to make recommendation to the Board of Directors on the Group's policy and structure for the remuneration of directors and senior management.

SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by directors. Following specific enquiry by the Company, all the directors have confirmed that they have complied with the required standards as set out in the Model Code during the six months period ended 30 September 2009.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the Company (www.g-vision.com.hk) and the Stock Exchange (www.hkex.com.hk). The Company's Interim Report 2009/2010 will be dispatched to the shareholders and posted on the said websites in due course.

By Order of the Board
Cheng Hop Fai
Chairman

Hong Kong, 8 December 2009

As at the date of this announcement, the Board comprises Mr. Cheng Hop Fai (Chairman), Mrs. Cheng Kwok Kwan Yuk, Ms. Cheng Pak Ming, Judy, Miss Cheng Pak Man, Anita and Mr. Zhang Yunkun as executive directors, and Ms. Kan Lai Kuen, Alice, Mr. Law Toe Ming and Mr. Mark Yiu Tong, William as independent non-executive directors.