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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)

2010/11 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 2010. 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 2010

	Notes	**1.4.2010 to 30.9.2010** ***HK$'000*** **(unaudited)**	1.4.2009 to 30.9.2009 *HK$'000* (unaudited)
Turnover	3	**33,683**	33,315
Other income		**2,103**	880
Change in fair value of investment properties		**300**	2,760
Cost of inventories consumed		**(12,473)**	(12,115)
Staff costs		**(16,591)**	(13,614)
Operating lease rentals		**(6,293)**	(7,491)
Depreciation		**(605)**	–
Other operating expenses		**(7,926)**	(7,337)
Finance costs		**–**	(188)
Loss for the period	4	**(7,802)**	(3,790)

* *For identification purpose only*

	Notes	1.4.2010 to 30.9.2010 HK$'000 (unaudited)	1.4.2009 to 30.9.2009 HK$'000 (unaudited)
Other comprehensive income:			
Change in fair value of available-for-sale investments		**86**	–
Exchange differences arising from translation of foreign operations		**40**	–
		126	–
Total comprehensive expense for the period		**(7,676)**	(3,790)
(Loss) profit for the period attributable to:			
Owners of the Company		**(7,904)**	(4,753)
Non-controlling interests		**102**	963
		(7,802)	(3,790)
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(7,778)**	(4,753)
Non-controlling interests		**102**	963
		(7,676)	(3,790)
Loss per share			
Basic	6	**(HK0.41 cent)**	(HK0.64 cent)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2010

	Notes	**30.9.2010** **HK$'000** **(unaudited)**	31.3.2010 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**12,547**	–
Investment properties		**50,000**	49,700
Available-for-sale investments		**4,755**	–
Property rental deposits		**4,269**	3,609
Deposits paid for acquisition of property, plant and equipment		**–**	3,191
		71,571	56,500
Current assets			
Inventories		**1,434**	1,257
Trade and other receivables	7	**1,110**	1,228
Pledged bank deposits		**1,002**	1,002
Bank balances and cash		**95,348**	114,005
		98,894	117,492
Current liabilities			
Trade and other payables	8	**9,145**	7,724
Amounts due to a director		**–**	241
Amounts due to minority shareholders		**315**	312
		9,460	8,277
Net current assets		**89,434**	109,215
Net assets		**161,005**	165,715
Capital and reserves			
Share capital		**193,941**	193,941
Reserves		**(50,095)**	(45,283)
Equity attributable to owners of the Company		**143,846**	148,658
Non-controlling interests		**17,159**	17,057
Total equity		**161,005**	165,715

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

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".

2. PRINCIPAL ACCOUNTING POLICIES

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

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 2010 except for the application of the following accounting policy for available-for-sale financial assets and a number of new and revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as stated below.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

For an impairment of available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

HKFRS 3 (Revised 2008) "Business Combinations" and HKAS 27 (Revised) "Consolidated and Separate Financial Statements"

The Group applies HKFRS 3 (Revised 2008) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1 April 2010. The requirements in HKAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 April 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised 2008) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised 2008), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised 2008), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2010 [1]
HKAS 24 (Revised)	Related party disclosures [3]
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters [2]
HKFRS 7 (Amendment)	Disclosures – transfer of financial assets [4]
HKFRS 9	Financial instruments [5]
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a minimum funding requirement [3]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments [2]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.

2 Effective for annual periods beginning on or after 1 July 2010.

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

4 Effective for annual periods beginning on or after 1 July 2011.

5 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 April 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and result by operating segment for the period under review:

	Restaurant operations *HK$'000*	Property investment *HK$'000*	Other *HK$'000*	Total *HK$'000*
Six months ended 30 September 2010				
TURNOVER				
External	**33,607**	**–**	**76**	**33,683**
SEGMENT RESULT	**(5,220)**	**291**	**(51)**	**(4,980)**
Unallocated corporate expenses				**(3,126)**
Interest income				**304**
Loss for the period				**(7,802)**

	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)

Segment result represents the profit (loss) earned by each segment without allocation of corporate expenses, share-based payments, interest income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. LOSS FOR THE PERIOD

	1.4.2010 to 30.9.2010	1.4.2009 to 30.9.2009
	HK$'000	*HK$'000*
Loss for the period has been arrived at after (crediting) charging:		
Depreciation	**605**	–
Interest income	**(304)**	(22)

5. TAXATION

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Company and its subsidiaries either did not have assessable profit for the period or have the assessable profit 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$7,904,000 (six months ended 30 September 2009: HK$4,753,000) and on the weighted average number of ordinary shares of 1,939,414,108 shares (six months ended 30 September 2009: 739,776,515 shares) in issue during the period.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for six months ended 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 end of the reporting period:

	30.9.2010	31.3.2010
	HK$'000	*HK$'000*
0 – 60 days	**850**	790
More than 60 days	**3**	1
	853	791

8. **TRADE AND OTHER PAYABLES**

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

	30.9.2010	31.3.2010
	HK$'000	*HK$'000*
0 – 60 days	**2,946**	1,938
More than 60 days	**116**	1,039
	3,062	2,977

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the six months ended 30 September 2010, the Group recorded a consolidated turnover of approximately HK$33.7 million, an increase of approximately HK$0.4 million or 1% compared to the last corresponding period.

The net loss for the period under review was approximately HK$7.8 million, as compared to the net loss of approximately HK$3.8 million in the last corresponding period. The operating results for the current period were adversely affected by the temporary suspension of operations due to the refurbishment works carried out at the Group's two restaurant outlets. The share options granted on 19 May 2010 also resulted in approximately HK$8 million share-based payment expenses to be recognised and amortized over a twelve-month period from the date of grant, of which approximately HK$3 million had been amortised for the six months ended 30 September 2010.

Review of Operations

Turnover from the restaurant operation in Hong Kong was the major contributor to the Group's turnover and amounted to approximately HK$33.6 million for the period under review. The Group's committed to increase the competiveness of our restaurant business. To this end, the Group has invested approximately $13 million to refurbish our restaurant outlets. In order to carry out the renovation works at the restaurants, the operation of the two restaurants had been temporarily suspended for a period of 4 to 6 weeks which resulted in a turnover loss of approximately HK$4.5 million. The operating loss for this segment was however offset by HK$1 million gain from other payables write-off with the result that a net loss of approximately HK$5.2 million was recorded as compared to a net loss of approximately HK$6.6 million in the last corresponding period.

In view of the stable property market in China and the continued appreciation of Renminbi, the fair value of the Group's investment properties in China was adjusted upward by HK$0.3 million to HK$50 million. An upward revaluation of HK$2.8 million was recorded for the properties in the last corresponding period.

Liquidity and Financial Resources

The Group's cash and bank balances (including pledged bank deposits) amounted to HK$96.3 million as at 30 September 2010. The Group had no bank borrowings and its gearing ratio was zero as at 30 September 2010 and 31 March 2010 respectively. With the cash generated from the Group's operation in its ordinary course of business and the existing unutilised banking facilities, the Group has sufficient financial resources in meeting its operation needs.

Foreign Exchange Exposure

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

Employees and Remuneration Policies

The Group had approximately 174 employees as at 30 September 2010. 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 2010 (for the six months ended 30 September 2009: Nil).

PROSPECTS

The performance of the restaurant business is expected to improve in the second half of the financial year owing to a more favorable operating environment and the upcoming festive season which is traditionally the high season for the food and beverage industry. We trust the facelifting of our two restaurant outlets will bring in more corporate and tourist business towards the end of the year for the Group.

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 ended 30 September 2010 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 2010.

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 ended 30 September 2010.

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 2010/2011 will be despatched to the shareholders and posted on the said websites in due course.

By Order of the Board
Cheng Hop Fai
Chairman

Hong Kong, 26 November 2010

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, Mr. Dong Demao and Dr. Mao Jingwen as non-executive directors, and Ms. Kan Lai Kuen, Alice, Mr. Law Toe Ming and Mr. Mark Yiu Tong, William as independent non-executive directors.