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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)

2012/13 INTERIM RESULTS ANNOUNCEMENT AND CHANGE IN DIRECTORS

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 2012. The interim results have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu and the Company's Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	NOTES	**1.4.2012 to 30.9.2012** ***HK$'000*** **(unaudited)**	1.4.2011 to 30.9.2011 *HK$'000* (unaudited)
Continuing operation			
Turnover	3	**40,813**	41,627
Other income		**1,535**	889
Cost of inventories consumed		**(14,778)**	(15,425)
Staff costs		**(15,137)**	(15,437)
Operating lease rentals		**(7,106)**	(6,621)
Depreciation		**(1,331)**	(1,331)
Other operating expenses		**(9,025)**	(8,915)
Loss for the period from continuing operation	4	**(5,029)**	(5,213)
Discontinued operations			
Profit for the period from discontinued operations	5	**–**	2,003
Loss for the period		**(5,029)**	(3,210)
Other comprehensive income (expense):			
Change in fair value of available-for-sale investments		**198**	(2,664)
Exchange differences arising from translation of foreign operations		**–**	(333)
Total comprehensive expense for the period		**(4,831)**	(6,207)

* *for identification purpose only*

	NOTE	**1.4.2012 to 30.9.2012** *HK$'000* **(unaudited)**	1.4.2011 to 30.9.2011 *HK$'000* (unaudited)
(Loss) profit for the period attributable to owners of the Company:			
– from continuing operation		**(5,029)**	(5,213)
– from discontinued operations		**–**	1,411
Loss for the period attributable to owners of the Company:		**(5,029)**	(3,802)
Profit for the period attributable to non-controlling interests:			
– from discontinued operations		**–**	592
		(5,029)	(3,210)
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(4,831)**	(6,799)
Non-controlling interests		**–**	592
		(4,831)	(6,207)
Basic loss per share	7		
– From continuing and discontinued operations		**(HK0.26 cent)**	(HK0.20 cent)
– From continuing operation		**(HK0.26 cent)**	(HK0.27 cent)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2012

	NOTES	**30.9.2012** **HK$'000** **(unaudited)**	31.3.2012 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**7,381**	8,708
Available-for-sale investments		**8,089**	7,891
Property rental deposits		**1,497**	1,497
		16,967	18,096
Current assets			
Inventories		**1,900**	2,391
Trade and other receivables	8	**48,288**	52,881
Pledged bank deposits		**1,005**	1,004
Bank balances and cash		**70,504**	69,090
		121,697	125,366
Current liabilities			
Trade and other payables	9	**6,653**	6,620
Net current assets		**115,044**	118,746
Net assets		**132,011**	136,842
Capital and reserves			
Share capital		**193,941**	193,941
Reserves		**(61,930)**	(57,099)
Equity attributable to owners of the Company		**132,011**	136,842
Non-controlling interests		**–**	–
Total equity		**132,011**	136,842

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

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 ("Stock Exchange") (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and method of computation used in the condensed consolidated financial statements for the six months ended 30 September 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets; and
Amendments to HKAS 12	Deferred tax: Recovery of underlying assets

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance[1]
HKFRS 9	Financial instruments[2]
HKFRS 10	Consolidated financial statements[1]
HKFRS 11	Joint arrangements[1]
HKFRS 12	Disclosure of interests in other entities[1]
HKFRS 13	Fair value measurement[1]
Amendments to HKAS 1	Presentation of items of other comprehensive income[3]
HKAS 19 (Revised 2011)	Employee benefits[1]
HKAS 27 (Revised 2011)	Separate financial statements[1]
HKAS 28 (Revised 2011)	Investments in associates and joint ventures[1]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[4]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[1]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2015.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2014.

3. SEGMENT INFORMATION

The Group was previously organised into two reportable segments: restaurant operations and property investment. During the year ended 31 March 2012, the Group's chief operating decision makers, being the executive directors, had changed the structure of its internal organisation for resources allocation and performance assessment of the Group following the disposal of the Group's investment properties. Subsequent to such changes, financial information provided to the chief operating decision makers for performance assessment and resources allocation is based on the overall operating results and position of the Group which constitute the condensed consolidated statement of comprehensive income and the condensed consolidated statement of financial position. Financial information regarding the segment for the six months ended 30 September 2012 and 2011 can be made reference to the result of continuing operation as set out in the condensed consolidated statement of comprehensive income.

4. LOSS FOR THE PERIOD FROM CONTINUING OPERATION

	1.4.2012 to 30.9.2012	1.4.2011 to 30.9.2011
	HK$'000	*HK$'000*
Loss for the period from continuing operation has been arrived at after charging (crediting):		
Depreciation	**1,331**	1,331
Interest income	**(1,374)**	(374)

5. DISCONTINUED OPERATIONS

In prior period, the discontinued operations comprised of property investment and environmental friendly paper tableware operations. The results of the discontinued operations, as included in the condensed consolidated statement of comprehensive income, are analysed as follows:

	1.4.2011 to 30.9.2011 *HK$'000*
Other income	324
Increase in fair value of investment properties	1,707
Other operating expenses	(28)
Profit for the period from discontinued operations	2,003
Attributable to:	
Owners of the Company	1,411
Non-controlling interests	592
	2,003
Profit for the period from discontinued operations includes the following:	
Interest income	2
The net cash flows incurred are as follows:	
Net cash used in operating activities	(614)
Net cash from investing activities	2
Net cash outflows	(612)

6. TAXATION

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group did not have assessable profit for both periods from its continuing operation.

7. LOSS PER SHARE

From continuing and discontinued operations

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of HK$5,029,000 (six months ended 30 September 2011: HK$3,802,000) and on 1,939,414,108 shares (six months ended 30 September 2011: 1,939,414,108 shares) in issue during the period.

From continuing operation

The calculation of basic loss per share from continuing operation is based on the loss for the period attributable to owners of the Company of HK$5,029,000 (six months ended 30 September 2011: HK$5,213,000).

The denominators used are the same as those for calculation of basic loss per share from continuing and discontinued operations.

From discontinued operations

Basic earnings per share for the discontinued operations during the six months ended 30 September 2011 were HK0.07 cents per share, based on the profit for the period from the discontinued operations of HK$1,411,000 and the denominators detailed above for basic loss per share from continuing and discontinued operations.

No diluted loss per share is presented for both periods since the exercise of share options would result in a decrease in loss per share.

8. TRADE AND OTHER RECEIVABLES

Most of the restaurant customers settled 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 presented based on the invoice date at the end of the reporting period:

	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
0 – 60 days	**1,852**	1,068
More than 60 days	**2**	1
	1,854	1,069

Included in trade and other receivables is an amount of RMB35,152,000 (equivalent to approximately HK$42,868,000) (31 March 2012: RMB39,520,000 (equivalent to approximately HK$48,790,000)) resulting from disposal of investment properties located in the PRC. The amount is placed with a bank by a director according to the instruction of the Company. Pursuant to an arrangement between the director and the Group, the director is obliged to follow the instructions of the Company with respect to the disposition of such amount.

9. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
0 – 60 days	**2,700**	2,541
More than 60 days	**24**	30
	2,724	2,571

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the six months ended 30 September 2012, the Group recorded a consolidated turnover of approximately HK$40.8 million, a slight decrease of approximately HK$0.8 million or 2% compared to the last corresponding period.

The net loss for the period under review was approximately HK$5.0 million, representing an increase of HK$1.8 million as compared to the net loss of approximately HK$3.2 million in the last corresponding period. The reason for the increase in net loss was due to an upward revaluation of HK$1.7 million accounted for the investment properties in the last corresponding period whilst no such revaluation was made this year.

Review of Operations

Turnover from the restaurant operation amounted to approximately HK$40.8 million for the period under review. The slight decrease in turnover by 2% compared to previous year was mainly attributable to more intense and competitive market condition. The negative impact on segment loss due to the decrease in turnover of approximately HK$0.8 million and the increase in rental and other operating expenses of approximately HK$0.6 million were partially offset by the improvement in profit margin as well as HK$1.0 million increase in interest income. As a result, the segment loss improved slightly to approximately HK$5.0 million from approximately HK$5.2 million in the last corresponding period.

In August 2011, the Group entered into a sales agreement to dispose its investment properties located in Shenzhen, China for a consideration of RMB49.0 million (equivalent to approximately HK$59.5 million). The sales transaction was subsequently completed in November 2011 and the Group discontinued its investment properties operation since then. Accordingly, no more adjustment on the fair value of investment properties would be accounted for in the period under review as compared to an upward revaluation of HK$1.7 million recorded in the last corresponding period.

Liquidity and Financial Resources

The Group's cash and bank balances (including pledged bank deposits) amounted to approximately HK$71.5 million as at 30 September 2012. As the Group had no bank borrowings, the Group's gearing ratio was zero as at 30 September 2012 and 31 March 2012.

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

Foreign Exchange Exposure

Most of the Group's sales, purchases, cash and bank balances were denominated in Hong Kong dollars. The Group is exposed to foreign currency risk primarily through certain bank deposits and other receivables which were denominated in Renminbi. The management would closely monitor such risk and would consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policies

The Group had approximately 167 employees as at 30 September 2012. 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 2012 (for the six months ended 30 September 2011: Nil).

PROSPECTS

The performance of the restaurant business is expected to improve in the second half of the financial year owing to the upcoming festive season which is traditionally the high season for the food and beverage industry. However, the Group will continue to implement various measures to combat against the inflationary operating costs due to higher rentals, increasing food and staff costs. The Group reviews and revises its business strategies on a regular basis with the aim to better position itself to meet the challenges ahead and to capture any new opportunities as they arise.

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.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 (the "Code") to the Listing Rules throughout the six months ended 30 September 2012 except for Code provision A.2.1 in respect of the role separation of the chairman and the chief executive 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 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 of Directors 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 Mr. Leung Tai Chiu as the chairman, Mr. Law Toe Ming and Mr. Mark Yiu Tong, William, all are 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 2012.

REMUNERATION COMMITTEE

Pursuant to Rule 3.25, the Company has established a Remuneration Committee comprising the three INEDs, namely Mr. Law Toe Ming as the chairman, Mr. Leung Tai Chiu and Mr. Mark Yiu Tong, William as members. 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.

NOMINATION COMMITTEE

Pursuant to Code provision A.5.1, the Company has established a Nomination Committee comprising Mr. Cheng Hop Fai as the chairman and the two INEDs namely Mr. Law Toe Ming and Mr. Mark Yiu Tong, William as members. The terms of reference of the Nomination Committee are consistent with the Code provisions. New directors, being individuals who are suitably qualified and expected to make a positive contribution to the performance of the Board having regard to the individuals' skills, experience, professional knowledge and time commitments as well as the balance of skills and experience appropriate to the Company's business, are identified and submitted to the Board or shareholder for approval either to fill vacancies on the Board of Directors or to be appointed as additional directors.

SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by directors. Having made specific enquiry of all directors by the Company, the Company confirmed that all directors have complied with the required standards as set out in the Model Code during the six months ended 30 September 2012.

PUBLICATION OF INTERIM 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 2012/2013 will be dispatched to the shareholders and posted on the said websites in due course.

CHANGE IN DIRECTORS

Resignation of Non-Executive Directors

The Board of Directors announces that Mr. Dong Demao ("Mr. Dong") and Mr. Meng Lingku ("Mr. Meng") had tendered their resignation as non-executive directors of the Company with effect from 1 December 2012. Mr. Dong remains as technical advisor of the Company.

Mr. Dong and Mr. Meng have confirmed that they had no disagreement with the Board of Directors and there was no matter in relation to their resignation that needed to be brought to the attention of the shareholders of the Company.

The Board of Directors would like to express its appreciation for Mr. Dong's and Mr. Meng's valuable contribution to the Company.

By Order of the Board
Cheng Hop Fai
Chairman

Hong Kong, 26 November 2012

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