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

(Incorporated in Bermuda with limited liability)
(Stock code: 657)

2013/14 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 2013. The interim results have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu and the Company's Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	Note	**1.4.2013 to 30.9.2013** ***HK$'000*** **(unaudited)**	1.4.2012 to 30.9.2012 *HK$'000* (unaudited)
Turnover		**40,207**	40,813
Other income and other gains		**2,918**	1,535
Cost of inventories consumed		**(14,683)**	(14,778)
Staff costs		**(15,107)**	(15,137)
Operating lease rentals		**(7,731)**	(7,106)
Depreciation		**(746)**	(1,331)
Other operating expenses		**(8,787)**	(9,025)
Loss for the period	4	**(3,929)**	(5,029)
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investments		**133**	198
Reclassification to profit or loss upon disposal of available-for-sale investments		**(32)**	–
Total comprehensive expense for the period		**(3,828)**	(4,831)

* *for identification purpose only*

	Note	1.4.2013 to 30.9.2013 HK$'000 (unaudited)	1.4.2012 to 30.9.2012 HK$'000 (unaudited)
Loss for the period attributable to:			
Owners of the Company		**(3,929)**	(5,029)
Non-controlling interests		**–**	–
		(3,929)	(5,029)
Total comprehensive expense attributable to:			
Owners of the Company		**(3,828)**	(4,831)
Non-controlling interests		**–**	–
		(3,828)	(4,831)
Basic loss per share	6	**(HK0.20 cent)**	(HK0.26 cent)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2013

	Notes	**30.9.2013** ***HK$'000*** **(unaudited)**	31.3.2013 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**2,868**	3,608
Available-for-sale investments		**6,696**	5,342
Property rental deposits		**3,557**	4,607
		13,121	13,557
Current assets			
Inventories		**1,597**	1,974
Trade and other receivables	7	**34,460**	34,491
Available-for-sale investments		**2,586**	2,573
Pledged bank deposits		**1,007**	1,006
Short-term bank deposits			
– with original maturity over three months		**50,642**	50,000
– with original maturity within three months		**16,001**	8,010
Bank balances and cash		**12,516**	24,096
		118,809	122,150
Current liabilities			
Trade and other payables	8	**6,438**	6,387
Net current assets		**112,371**	115,763
Net assets		**125,492**	129,320
Capital and reserves			
Share capital		**193,941**	193,941
Reserves		**(68,449)**	(64,621)
Equity attributable to owners of the Company		**125,492**	129,320
Non-controlling interests		**–**	–
Total equity		**125,492**	129,320

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2013

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 available-for-sale investments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

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

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

HKFRS 13 "Fair value measurement"

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. The application of this HKFRS in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements.

Amendments to HKAS 1 "Presentation of items of other comprehensive income"

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Financial information provided to the chief operating decision makers, being the executive directors, 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 profit or loss and other comprehensive income and the condensed consolidated statement of financial position. Financial information regarding the segment for the six months ended 30 September 2013 and 2012 can be made reference to the results as set out in the condensed consolidated statement of profit or loss and other comprehensive income.

4. LOSS FOR THE PERIOD

	1.4.2013 to 30.9.2013	1.4.2012 to 30.9.2012
	HK$'000	*HK$'000*

Loss for the period has been arrived at after charging (crediting):

Depreciation	**746**	1,331
Interest income from:		
– Available-for-sale investments	**(250)**	(188)
– Others	**(1,573)**	(1,186)
Net exchange (gain) loss	**(1,064)**	757

5. 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.

6. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of HK$3,929,000 (six months ended 30 September 2012: HK$5,029,000) and on 1,939,414,108 shares (six months ended 30 September 2012: 1,939,414,108 shares) in issue during the period.

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.

7. 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:

	30.9.2013	31.3.2013
	HK$'000	*HK$'000*
0 – 60 days	**1,058**	955

Included in trade and other receivables is an amount of RMB25,344,000 (equivalent to HK$32,081,000) (31 March 2013: RMB25,741,000; equivalent to HK$32,176,000) resulting from the disposal of investment properties located in the People's Republic of China during the year ended 31 March 2012. The amount is placed with a bank by a director under an arrangement that the director is obliged to follow the instructions of the Company with respect to the disposition of such amount.

8. 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:

	30.9.2013	31.3.2013
	HK$'000	*HK$'000*
0 – 60 days	**2,869**	2,415
More than 60 days	**24**	17
	2,893	2,432

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the six months ended 30 September 2013, the Group recorded a consolidated turnover of approximately HK$40.2 million, a slight decrease of approximately HK$0.6 million or 1.5% compared to the last corresponding period.

The net loss for the period under review was approximately HK$3.9 million, representing a decrease of HK$1.1 million as compared to the net loss of approximately HK$5.0 million in the last corresponding period.

Review of Operations

Turnover from the restaurant operation amounted to approximately HK$40.2 million for the period under review. The slight decrease in turnover by approximately HK$0.6 million compared to previous year was mainly attributable to more intense and competitive market condition. Profit margin and staff costs for the restaurant business remained stable. The increment in rental costs by approximately HK$0.6 million was offset by the decrease in depreciation of approximately HK$0.6 million and other operating expenses.

The net loss for the Group, however, had improved by approximately HK$1.1 million owing to the appreciation in value of the Group's Renminbi denominated bank deposits as well as the increase in interest income received during the period under review.

Liquidity and Financial Resources

The Group's cash and bank balances (including pledged bank deposits) amounted to approximately HK$80.2 million as at 30 September 2013. As the Group had no bank borrowings, the Group's gearing ratio was zero as at 30 September 2013 and 31 March 2013.

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 150 employees as at 30 September 2013. 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 2013 (for the six months ended 30 September 2012: Nil).

PROSPECTS

The performance of the restaurant business is expected to improve in the second half of the financial year as the upcoming festive season has always been the traditional high season for the food and beverage industry. The Group will continue to monitor its operating costs cautiously given the 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 adopted the Corporate Governance Code contained in Appendix 14 (the "Code") to the Listing Rules as its own corporate governance code. The Company has complied with the Code provisions set out in the Code throughout the period ended 30 September 2013 except for Code provision A.2.1 in respect of the role separation of the chairman and the chief executive; Code provision A.4.1 in respect of the service term of non-executive directors ("NEDs"); Code provision A.5.6 in respect of a policy on board diversity and Code provision D.1.4 in respect of the letters of appointment for 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 (equivalent to the role of a chief-executive) 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 NEDs 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 the 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 at least once every three years in accordance with the Company's Bye-laws, in the opinion of the directors, this meets the objective of the Code provision A.4.1.

Code provision A.5.6 stipulates that the Nomination Committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. Although the Code provision came into effect on 1 September 2013, a policy on board diversity was only formally adopted by the Board of Directors on 27 November 2013 as the Board of Directors has taken more time to discuss and formulate the policy for the Company.

Code provision D.1.4 sets out that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for certain directors. All of the directors of the Company are, however, required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" published by the Hong Kong Institute of Directors in performing their duties and responsibilities as directors of the Company. In the opinion of the directors, this meets the objective of the Code provision D.1.4.

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 2013.

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 of Directors 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 2013.

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 2013/2014 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, 27 November 2013

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. Leung Tai Chiu, Mr. Law Toe Ming and Mr. Mark Yiu Tong, William as independent non-executive directors.