GR VIETNAM HOLDINGS LIMITED
越南控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2010

The board of directors (the "Board") of GR Vietnam Holdings Limited (the "Company") announces the annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2010 (the "Year") together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2010

		For the year ended 31 March	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
Revenue	*2,3*		
Electronic products		**16,401**	7,118
Treasury investments		**17,815**	20,056
Convenience stores and others		**5,479**	778
		39,695	27,952
Cost of electronic products sold		**(16,096)**	(7,096)
Brokerage and commission expenses		**(616)**	(888)
Cost of goods sold and others		**(4,179)**	(590)
		(20,891)	(8,574)
		18,804	19,378
Other income and gains	*3*	**1,068**	2,549
Selling and distribution costs		**(2,344)**	(123)
Administrative expenses		**(42,878)**	(30,944)
Other operating expenses		**(69)**	(9,587)
Impairment of available-for-sale equity investments		**–**	(14,272)
Fair value gains/(losses), net:			
Equity investments at fair value through profit or loss		**(14,386)**	(230,616)
Conversion option derivative		**(491)**	(1,097)
Finance costs	*4*	**(17,670)**	(16,017)
LOSS BEFORE TAX	*5*	**(57,966)**	(280,729)

	Notes	For the year ended 31 March	
		2010	2009
		HK$'000	*HK$'000*
Income tax expense	*6*	–	22
LOSS FOR THE YEAR		**(57,966)**	(280,707)
Attributable to:			
Owners of the parent		**(57,966)**	(280,707)
Minority interest		–	–
		(57,966)	(280,707)
DIVIDEND	*7*	–	–
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted		**HK(2.05) cents**	HK(9.94) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 March	
	2010	2009
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(57,966)**	(280,707)
OTHER COMPREHENSIVE INCOME		
Available-for-sale equity investments:		
Changes in fair value	**3,503**	(14,376)
Reclassification adjustments for the impairment loss included in the consolidated income statement	**–**	14,272
Income tax effect	**(578)**	–
	2,925	(104)
Exchange differences on translation of foreign operations	**(689)**	(475)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**2,236**	(579)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(55,730)**	(281,286)
Attributable to:		
Owners of the parent	**(55,730)**	(281,286)
Minority interest	**–**	–
	(55,730)	(281,286)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2010

		As at 31 March	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**2,844**	2,027
Prepaid land lease payment		**–**	–
Convertible notes-loan portion		**50,913**	46,663
Available-for-sale equity investments		**16,895**	13,392
Total non-current assets		**70,652**	62,082
CURRENT ASSETS			
Convertible notes-conversion option derivative		**–**	491
Equity investments at fair value through profit or loss	*9*	**147,526**	163,369
Inventories	*10*	**1,064**	437
Trade receivables	*11*	**1,407**	688
Prepayments, deposits and other receivables		**4,412**	6,123
Pledged time deposits		**7,330**	7,323
Cash and cash equivalents		**134,111**	153,724
Total current assets		**295,850**	332,155
CURRENT LIABILITIES			
Trade payables	*12*	**993**	77
Tax payable		**11**	11
Other payables and accruals		**8,255**	9,290
Convertible bonds		**187,991**	–
Total current liabilities		**197,250**	9,378
NET CURRENT ASSETS		**98,600**	322,777
TOTAL ASSETS LESS CURRENT LIABILITIES		**169,252**	384,859
NON-CURRENT LIABILITIES			
Convertible bonds		**–**	170,323
Deferred tax liabilities		**578**	–
Total non-current liabilities		**578**	170,323
Net assets		**168,674**	214,536
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*13*	**28,247**	28,247
Equity component of convertible bonds		**47,257**	47,257
Reserves		**93,170**	139,032
		168,674	214,536
Minority interest		**–**	–
Total equity		**168,674**	214,536

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments and a conversion option derivative, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2010. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income and expenses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Minority interest represents the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

Changes in accounting policy and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements-Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement-Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to HKFRSs (October 2008)**	Amendments to a number of HKFRSs

* *Included in Improvements to HKFRSs 2009* (as issued in May 2009)

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary* which are effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of HKAS 1 (Revised), HKFRS 2, HKFRS 7, HKFRS 8, HKAS 18 amendment and Improvements to HKFRSs, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

The principal effects of adopting these new interpretations and amendments to HKFRSs are as follows:

(a) HKAS 1 (Revised) *Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in the income statement, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

(b) Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*

The HKFRS 2 Amendments clarify that vesting conditions are service conditions and performance conditions only. Any other conditions are non-vesting conditions. Where an award does not vest as a result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this is accounted for as a cancellation. As the Group has not entered into share-based payment scheme with non-vesting condition attached, the amendments have had no impact on the financial position or result of operation of the Group.

(c) HKFRS 7 Amendments *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The HKFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

(d) HKFRS 8 *Operating Segments*

HKFRS 8, which replaces HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14.

(e) Amendment to Appendix to HKAS 18 Revenue – *Determining whether an entity is acting as a principal or as an agent*

Guidance has been added to the appendix (which accompanies the standard) to determine whether the Group is acting as a principal or as an agent. The features to consider are whether the Group (i) has the primary responsibility for providing the goods or services, (ii) has inventory risk, (iii) has the discretion to establish prices and (iv) bears credit risk. The Group has assessed its revenue arrangements against these criteria and concluded that it is acting as a principal in all arrangements. The amendment has had no impact on the financial position or results of operations of the Group.

2. Operating segment information

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the operating segments are as follows:

(a) the electronic products segment trades electronic products;

(b) the treasury investments segment comprises securities investment and trading; and

(c) the corporate and others segment comprises corporate income and expenses items, operation of convenience stores in Vietnam and research and development of information technology in Mainland China.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs relating to the Group's treasury function, head office and corporate expenses are excluded from such measurement.

Segment assets exclude pledged deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude convertible bonds, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

There are no intersegment sales and transfers between the segments.

The following tables present revenue, loss and certain asset, liability and capital expenditure information for the Group's business segments for the years ended 31 March 2010 and 2009.

Group

	Electronic products		Treasury investments		Corporate & others		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**16,401**	7,118	**–**	–	**5,479**	778	**21,880**	7,896
Gains from treasury investments	**–**	–	**17,815**	20,056	**–**	–	**17,815**	20,056
Total	**16,401**	7,118	**17,815**	20,056	**5,479**	778	**39,695**	27,952
Segment results	**(2,491)**	(9,320)	**(6,923)**	(239,752)	**(30,838)**	(17,503)	**(40,252)**	(266,575)
Reconciliation								
Interest income and unallocated gains							**79**	2,414
Unallocated expenses							**(123)**	(551)
Finance costs							**(17,670)**	(16,017)
Loss before tax							**(57,966)**	(280,729)
Income tax							**–**	22
Loss for the year							**(57,966)**	(280,707)
Assets and liabilities								
Segment assets	**2,268**	1,158	**215,362**	224,362	**6,574**	6,831	**224,204**	232,351
Reconciliation								
Unallocated assets							**142,298**	161,886
Total assets							**366,502**	394,237
Segment liabilities	**6,726**	5,596	**120**	120	**2,363**	3,577	**9,209**	9,293
Reconciliation								
Unallocated liabilities							**188,619**	170,408
Total liabilities							**197,828**	179,701
Other segment information:								
Depreciation	**10**	7	**–**	–	**871**	286	**881**	293
Capital expenditure	**27**	–	**–**	–	**1,786**	1,959	**1,813**	1,959
Impairment of available-for-sale equity investments	**–**	–	**–**	14,272	**–**	–	**–**	14,272
Equity-settled share option arrangements	**–**	–	**–**	–	**9,868**	–	**9,868**	–
Fair value losses on equity investments at fair value through profit or loss	**–**	–	**14,386**	230,616	**–**	–	**14,386**	230,616
Impairment of other receivable	**–**	6,258	**–**	–	**–**	–	**–**	6,258

Geographical information

The following table represents revenue and certain asset and capital expenditure information for the Group's geographical information for the years ended 31 March 2010 and 2009.

Group

	People's Republic of China (including Hong Kong)		Europe and South East Asia		Vietnam		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Electronic products	**15,865**	6,474	**536**	644	**–**	–	**16,401**	7,118
Treasury investments	**17,815**	20,056	**–**	–	**–**	–	**17,815**	20,056
Convenience stores and others	**–**	–	**–**	–	**5,479**	778	**5,479**	778
	33,680	26,530	**536**	644	**5,479**	778	**39,695**	27,952
Other segment information:								
Segment assets	**361,477**	383,202	**–**	–	**5,025**	11,035	**366,502**	394,237
Capital expenditure	**730**	–	**–**	–	**1,083**	1,959	**1,813**	1,959

3. Revenue, other income and gains

	For the year ended 31 March	
	2010	2009
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**16,401**	7,118
Gains/(losses) on disposal of equity investments at fair value through profit or loss	**(6,429)**	12,542
Dividend income from listed equity investments	**18,752**	2,894
Interest income from convertible notes	**5,492**	4,620
Convenience stores and others	**5,479**	778
	39,695	27,952
Other income and gains		
Bank interest income	**79**	2,402
Others	**989**	147
	1,068	2,549

4. Finance costs

	For the year ended 31 March	
	2010	2009
	HK$'000	*HK$'000*
Interest on bank overdrafts wholly repayable within five years	**2**	9
Imputed interest on convertible bonds	**17,668**	16,008
	17,670	16,017

5. Loss before tax

The Group's loss before tax is arrived at after charging:

	For the year ended 31 March	
	2010	2009
	HK$'000	*HK$'000*
Cost of inventories sold	**20,275**	7,686
Depreciation	**881**	293

6. Income tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the Year (2009: Nil). No provision for Mainland China and Vietnam corporate income tax have been made as the Group did not generate any assessable profits in Mainland China or Vietnam during the Year (2009: Nil).

7. Dividend

The Board has resolved not to pay any final dividend for the Year (2009: Nil). In addition, no interim dividend was paid for the Year (2009: Nil)

8. Loss per share attributable to owners of the parent

The calculation of basic loss per share amounts is based on the loss for the Year attributable to owners of the parent of HK$57,966,000 (2009: HK$280,707,000) and the weighted average number of 2,824,643,047 (2009: 2,824,643,047) ordinary shares in issue during the Year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2010 and 2009 in respect of a dilution as the share options and the convertible bonds outstanding during the years had an anti-duilutive effect on the basic loss per share amounts presented.

9. Equity investments at fair value through profit or loss

	As at 31 March	
	2010	2009
	HK$'000	*HK$'000*
Listed equity investments in Hong Kong, at fair value	**147,526**	163,369

10. Inventories

	As at 31 March	
	2010	2009
	HK$'000	*HK$'000*
Raw materials	**200**	–
Finished goods	**864**	437
	1,064	437

11. Trade receivables

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to two months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management. There is a significant concentration of credit risk for the Year as over 97% (2009: 99%) of the balances represented receivables from two major customers within the electronic products segment. Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values.

An aged analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 March	
	2010	2009
	HK$'000	*HK$'000*
Within 1 month	**1,389**	686
1 to 2 months	**18**	2
	1,407	688

12. Trade payables

An aged analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 March	
	2010	2009
	HK$'000	*HK$'000*
Within 1 to 2 months	**943**	29
Over 3 months	**50**	48
	993	77

13. Share capital

	As at 31 March	
	2010	2009
	HK$'000	*HK$'000*
Authorised		
– 60,000,000,000 ordinary shares of HK$0.01 each	**600,000**	600,000
Issued and fully paid		
– 2,824,643,047 ordinary shares of HK$0.01 each	**28,247**	28,247

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue for the year under review was HK$39.7 million, representing an increase of HK$11.7 million or 42.0% compared with last year. The net loss for the Year was HK$58.0 million, compared to the loss of HK$280.7 million last year. Loss per share for the Year decreased to HK2.05 cents (2009: HK9.94 cents). The Group's net loss for the Year was primarily attributable to unrealized loss on equity investments of HK$14.4 million in the treasury investments segment.

During the Year, the financial market in Vietnam gradually stabilized following a series of fiscal stimulus measures initiated by the Vietnamese Government. In the first quarter of 2010, the GDP growth rate was 5.8%, the prime interest rate was 8.0% and the foreign direct investment growth was 13.6%, reversing the previously negative trend. However, the inflation rate rose to 9.5%, led by the rapid growth of money supply. A more worrying phenomenon was that, in November 2009, due to the central bank's strong intervention in the overheating foreign currency market, the Vietnamese Dong became highly volatile and depreciated sharply. Currently, economic indicators demonstrate that the currency devaluation and high inflationary pressure still remain the main causes of the instability of the financial system and act as a drag on Vietnam's full economic recovery.

Due to the outbreak of the financial crisis in Vietnam two years ago, the Group had decided to put on hold aggressive development plans for convenience store openings and instead, to focus on maintaining a limited number of stores in high traffic locations in commercial and tourist areas of Ho Chi Minh City. During the Year, the Group continued to put considerable efforts in improving the sales performance of individual stores and maintaining a much leaner operation to achieve a breakeven position. Since the Group's convenience store operation was still at a start-up stage, it had not yet made positive profit contribution to the Group. For the Year, the Group recorded sales revenue of approximately HK$5.5 million from the operation and opened three new Circle K stores to make up a total of eight Circle K stores in operation in Vietnam.

The Group's electronic product trading business continued to be adversely impacted by the difficult operating environment in the wake of the global financial crisis. During the Year, this segment was faced with rising raw material and labour costs and long lead-times for electronic parts procurement in Mainland China. In response to the increasing costs, the Group made strong efforts in the Year to enhance profit margins and enrich our existing product range by developing and sourcing more new and high valued-added electronic products. During the Year, sales revenue from electronic product trading increased by HK$9.3 million or 130.4% to HK$16.4 million. This segment recorded an operating loss of HK$2.5 million, representing a decrease of HK$6.8 million or 73.3 % as compared with last year.

During the Year, the Group continued with its diversification strategy to look for potential investment opportunities with high earning and growth prospects. Taking advantage of new business opportunities created by new processor technology, the Group embarked on the research and development of a multi-media stream processor with a new processor architecture. The stream processor under development is small in size and cost efficient, has low power consumption, and is characterized by multi-threaded virtual pipeline with a scalable and programmable processor core.

During the Year, the Group worked diligently on the aforesaid project with a team of top experts from the US Silicon Valley. Much design and engineering effort was put into the project to meet project schedule and milestones. With the concerted efforts of the work team, this project is on schedule and making positive progress.

The Group continued to utilise its available funds in treasury investments. Global financial markets and economies stabilized during the Year as a result of the monetary and fiscal measures undertaken by governments. In Hong Kong, local stock market sentiment and investor confidence gradually improved. With the Hang Seng index surging up from its trough, the treasury investments segment for the Year made income and gains of HK$17.8 million and recorded a loss of HK$6.9 million, including an unrealized loss of HK$14.4 million on equity investments.

Prospects

Vietnam's economy appears to be gradually recovering following a series of fiscal stimulus measures initiated by the Vietnamese Government. However, macro economic conditions and the Vietnamese financial market still remain uncertain, and the challenges posed by currency devaluation and high inflationary pressure will continue for the year to come. Apart from the foregoing, the concept of convenience store business in Vietnam is relatively new and government control over foreign participation in the retail business remains strong. The Group, therefore, as a foreign retailer in Vietnam, anticipates that the road ahead in the retail business is full of challenges and uncertainties. In view of this, the Group has been actively considering restructuring of its investment strategies in Vietnam and reallocating its resources to other businesses with higher earning and growth prospects.

Looking ahead, as the repercussions of the global financial turmoil and economic uncertainties persist, the Group will continue to be on the alert and to pursue a prudent investment strategy in developing its existing and new businesses.

Financial Review

The Group's revenue for the Year was HK$39.7 million, representing an increase of HK$11.7 million or 42.0% compared with last year. The Group's revenue principally comprised the sales of electronic products of HK$16.4 million and the gains on disposal of listed equity investment of HK$17.8 million from treasury investments. During the Year, revenue from electronic products increased by HK$9.3 million or 130.4% to HK$16.4 million.

With the new HKFRS taking effect from 1 January 2009, fair value gain or loss on available-for-sale investments and exchange differences arising from translation of foreign operations which were previously recognized in a reserve account are taken into account to arrive at a total comprehensive loss attributable to owners of the parent. Fair value gain on available-for-sale investments and exchange differences arising from translation of foreign operations of the Group for the Year were HK$3.5 million and HK$0.7 million respectively. Therefore, the total comprehensive loss attributable to owners of the parent for the year ended 31 March 2010 was HK$55.7 million compared to the total comprehensive loss of HK$281.3 million last year. As at 31 March 2010, the Group's consolidated net asset value was HK$168.7 million (31 March 2009: HK$214.5 million).

Administrative expenses for the Year came to HK42.9 million, representing an increase of HK$11.9 million or 38.6% compared with last year. The increase was mainly due to the provision of HK$9.9 million for the equity-settled share option arrangement during the Year.

The loss for the Year was HK$58.0 million, compared to the loss of HK$280.7 million last year. As at 31 March 2010, the Group's net asset value decreased by HK$45.9 million or 21.4% to HK$168.7 million. This was mainly due to the loss attributable to shareholders of HK$58.0 million. The Group maintained a sound financial position in terms of strong liquidity.

Liquidity and Financial Resources

During the Year, the Group generally financed its operation with internally generated cash flow, cash reserve and banking facilities. The Group's bank and short-term deposits as at 31 March 2010 were HK$141.4 million (31 March 2009: HK$161.0 million).

As at 31 March 2010, the Group had no bank overdrafts, short and long term interest-bearing bank borrowings (31 March 2009: Nil).

As at 31 March 2010, the Group's current ratio was 1.5 times (31 March 2009: 35.4 times) based on current assets of HK$295.9 million (31 March 2009: HK$332.2 million) and current liabilities of HK$197.3 million (31 March 2009: HK$9.4 million).

As at 31 March 2010, the Group had capital commitments for capital contribution to a joint venture company of HK$15.3 million (31 March 2009: HK$15.3 million). Apart from that, the Group had no other contingent liabilities or material commitments.

Capital Structure

As at 31 March 2010, the Group's gearing ratio, being convertible notes payable to net worth and convertible bonds payable was 52.7% (31 March 2009: 44.3%).

The Group's bank deposits and borrowings are mainly denominated in Hong Kong dollars. Most of the Group's sales and purchases are made in United States dollars and Hong Kong dollars. Therefore, the exchange risks the Group is exposed to are minimal.

Significant Investments

As at 31 March 2010, the Group had convertible notes issued by a company listed on The Stock Exchange of Hong Kong Limited with fair value amount of the conversion option derivative of HK$Nil and the carrying amount of the loan portion of HK$50.9 million. The carrying amount of such loan portion is approximated to its fair value. The interest income for the Year was HK$5.5 million.

As at 31 March 2010, the Group maintained a portfolio of equity investments (including available-for-sale equity investments and equity investments at fair value through profit or loss) with total carrying amount of HK$164.4 million. The related dividend income for the Year was HK$18.8 million.

Details of Charges on Assets

As at 31 March 2010, a fixed deposit of HK$7.3 million (31 March 2009: HK$7.3 million) was pledged to secure banking facilities granted to the Group.

Material Acquisitions and Disposals

During the Year, the Company had no material acquisitions and disposals of subsidiaries and associates.

Employment, Training and Development

As at 31 March 2010, the Group had a total of 145 employees of which 28 were based in Hong Kong, 34 based in Mainland China and 83 based in Vietnam. The Group is committed to staff training and development and structured training programmes for all employees.

Remuneration packages are maintained at a competitive level and reviewed on a periodic basis. Bonuses and share options are awarded to certain employees according to individual performance and industry practice.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 25 August 2010 to Friday, 27 August 2010, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2010 annual general meeting of the Company, unregistered holders of shares of the Company should ensure that all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 August 2010.

CORPORATE GOVERNANCE

The Board is committed to maintaining good corporate governance, consistently enhancing transparency and effecting accountability to maximize shareholder's benefit. In the opinion of the Board, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the Year except that there is no separation of the roles of Chairman and Chief Executive Officer as specified in the code provision A.2.1 of the CG Code. Mr. Wong Howard currently assumes the roles of both the Chairman and the Chief Executive Officer of the Company. The Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies. As such, it is beneficial to the business prospects of the Company.

Detailed disclosure of the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the annual report of the Company for the Year.

AUDIT COMMITTEE

The Audit Committee meets at least twice a year to monitor and review the integrity and effectiveness of the Company's financial reporting. The Audit Committee has met with the external auditors of the Company, Messrs Ernst & Young, to review the accounting principles and practices adopted by the Group and the annual results of the Group for the year ended 31 March 2010. The Audit Committee has also discussed auditing, financial and internal control, and financial reporting matters of the Company. The Audit Committee comprises the three independent non-executive directors of the Company, namely, Mr. Tung Tat Chiu, Michael (Chairman of the Audit Committee), Mr. Li Chi Ming and Mr. Wan Ngar Yin, David.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

DIRECTORS OF THE COMPANY

As at the date hereof, the Board comprises 3 executive directors, namely, Mr. Wong Howard, Mr. Wong Yat Fai and Mr. Lam Sai Ho, Anthony; and 3 independent non-executive directors, namely, Mr. Tung Tat Chiu, Michael, Mr. Li Chi Ming and Mr. Wan Ngar Yin, David.

On behalf of the Board
GR Vietnam Holdings Limited
Wong Howard
Chairman of the Board

Hong Kong, 13 July 2010

* *for identification purposes only*