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大唐投資國際有限公司*

GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

The board (the “**Board**”) of directors (the “**Directors**”) of Grand Investment International Ltd. (the “**Company**”) is pleased to announce the unaudited interim results of the Company for the six months ended 30 September 2015 (the “**Period**”) together with the comparative figures for the corresponding period in 2014.

These interim financial statements have not been audited, but have been reviewed by the Company’s Audit Committee and independent auditors.

* *For identification purposes only*

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

		For the six months ended	
		30 September	30 September
		2015	2014
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
REVENUES	5	(1,452)	(14)
OTHER REVENUES	6	18	50
ADMINISTRATIVE EXPENSES		<u>(1,658)</u>	<u>(1,495)</u>
LOSS BEFORE TAXATION	8	(3,092)	(1,459)
TAXATION	9	<u>–</u>	<u>–</u>
LOSS FOR THE PERIOD		(3,092)	(1,459)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		<u>–</u>	<u>–</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(3,092)</u>	<u>(1,459)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Owners of the Company		<u>(3,092)</u>	<u>(1,459)</u>
INTERIM DIVIDEND	10	<u>–</u>	<u>–</u>
LOSS PER SHARE (Cents)			
– Basic	11	<u>(1.79)</u>	<u>(0.84)</u>
– Diluted	11	<u>N/A</u>	<u>N/A</u>

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

		30 September 2015	31 March 2015
	<i>NOTE</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Available-for-sale investments	<i>12</i>	32,732	26,580
CURRENT ASSETS			
Investments at fair value through profit or loss	<i>13</i>	3,588	517
Deposits, prepayments and other receivables	<i>14</i>	488	13,562
Cash and cash equivalents	<i>15</i>	8,316	7,591
TOTAL CURRENT ASSETS		12,392	21,670
CURRENT LIABILITIES			
Other payables and accruals	<i>16</i>	129	163
TOTAL CURRENT LIABILITIES		129	163
NET CURRENT ASSETS		12,263	21,507
TOTAL ASSETS LESS CURRENT LIABILITIES		44,995	48,087
NET ASSETS		44,995	48,087
CAPITAL AND RESERVES			
Share capital	<i>17</i>	17,280	17,280
Reserves		27,715	30,807
TOTAL EQUITY		44,995	48,087
NET ASSET VALUE PER SHARE		HK\$0.26	HK\$0.28

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2015

1. GENERAL INFORMATION

Grand Investment International Ltd. (“**the Company**”) is a limited liability company incorporated in Bermuda on 15 April 2003 as an exempted company. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) since 2 April 2004.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is Unit A301, 32/F., United Centre, 95 Queensway, Hong Kong.

The Company is principally engaged in investing in listed and unlisted enterprises established in Hong Kong, the People’s Republic of China and the United States of America.

2. BASIS OF PREPARATION

The unaudited condensed interim financial statements are prepared in accordance with the Hong Kong Accounting Standard (“**HKAS**”) 34 “**Interim Financial Reporting**” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements as set out in Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The unaudited condensed interim financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values, as appropriate.

The unaudited condensed interim financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed financial statements have not been audited, but have been reviewed by the Company’s Audit Committee and the independent auditors.

3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Annual Report of the Company for the year ended 31 March 2015.

The accounting policies used in the unaudited condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2015 except for the adoption of new and revised standard and interpretation with effect from 1 April 2015.

4. CHANGES IN ACCOUNTING POLICIES

- (a) Amendments and interpretations to existing standards effective for the Company's annual financial period beginning on 1 April 2015 and relevant to the Company

In the current period, a number of new and revised Hong Kong Financial Reporting Standards ("HKFRS") issued by HKICPA that are mandatorily effective for current reporting period.

Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in the interim financial information and/or disclosures set out in the interim financial information.

- (b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

Up to the date of issue of these financial statements, the HKICPA has issued a number of new standards, amendments to standards and interpretations which are effective for periods beginning after 1 April 2015, and which have not been early adopted in preparing these financial statements. These include the followings which may be relevant to the Company.

	Effective for accounting periods beginning on or after
HKAS 1 (Amendments), Disclosure Initiative	1 January 2016
HKAS 12 Income taxes and HKAS 28 Investments in associates	1 January 2016
Annual Improvements Project, Annual Improvements 2012-2014 Cycle	1 January 2016
HKFRS 14 Regulatory deferral accounts	1 January 2016
HKFRS 15 Revenue from contracts with customers	1 January 2018
HKFRS 9 (2014), Financial instruments	1 January 2018

The directors of the Company are in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has been concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

5. REVENUES

The Company's revenue for the Period are as follows:

	For the six months ended	
	30 September 2015 <i>HK\$'000</i> (Unaudited)	30 September 2014 <i>HK\$'000</i> (Unaudited)
Net realised gain on disposal of investments at fair value through profit or loss	(314)	1
Net unrealised holding loss on investments at fair value through profit or loss	(1,170)	(15)
Dividend income from listed securities	32	–
	<u>(1,452)</u>	<u>(14)</u>

6. OTHER REVENUES

	For the six months ended	
	30 September 2015 <i>HK\$'000</i> (Unaudited)	30 September 2014 <i>HK\$'000</i> (Unaudited)
Interest income	<u>18</u>	<u>50</u>

7. SEGMENT INFORMATION

No segment information is presented in respect of the Company's business and geographical segments. Throughout the year, the Company has been operating principally in a single business and geographical segment.

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following:

	For the six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Provision for auditors' remuneration	65	60
Directors' remuneration	471	461
Exchange loss	137	–
Mandatory provident fund	4	7
Investment manager fee	144	144
Staff cost (excluding directors' emoluments)	103	152
Operating lease payments	194	193

9. TAXATION

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimate average annual tax rate used is 16.5% for the period (period ended 30 September 2014: 16.5%). No provision has been made for Hong Kong Profits Tax as there were no estimated Hong Kong assessable profits for the Period (period ended 30 September 2014: Nil).

10. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the period ended 30 September 2015 (period ended 30 September 2014: Nil).

11. LOSS PER SHARE

The calculation of loss per ordinary share is based on the unaudited loss of approximately HK\$3,092,000 for the Period (period ended 30 September 2014: loss of approximately HK\$1,459,000) attributable to shareholders and the weighted average of 172,800,000 ordinary shares (period ended 30 September 2014: 172,800,000 ordinary shares) in issue during the Period.

The Company has no potential dilutive ordinary shares that were outstanding during the two periods ended 30 September 2015 and 30 September 2014; therefore, no diluted loss per share has been presented.

12. AVAILABLE FOR SALE INVESTMENTS

	30 September 2015 <i>HK\$'000</i> (Unaudited)	31 March 2015 <i>HK\$'000</i> (Audited)
Investment securities, at cost		
Equity securities, unlisted shares	17,186	10,985
Investments in limited partnerships	<u>15,546</u>	<u>15,595</u>
	<u>32,732</u>	<u>26,580</u>

13. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2015 <i>HK\$'000</i> (Unaudited)	31 March 2015 <i>HK\$'000</i> (Audited)
Equity securities, at fair value		
Listed in Hong Kong	<u>3,588</u>	<u>517</u>

The fair values of listed equity securities are determined based on the quoted bid prices available on the relevant stock exchanges at closing price.

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2015 <i>HK\$'000</i> (Unaudited)	31 March 2015 <i>HK\$'000</i> (Audited)
Deposits and other receivables	395	13,385
Prepayments	<u>93</u>	<u>177</u>
	<u>488</u>	<u>13,562</u>

15. CASH AND CASH EQUIVALENTS

	30 September 2015 <i>HK\$'000</i> (Unaudited)	31 March 2015 <i>HK\$'000</i> (Audited)
Cash and bank balances	3,952	235
Short-term bank deposits	4,364	7,356
	<u>8,316</u>	<u>7,591</u>

16. OTHER PAYABLE AND ACCRUALS

	30 September 2015 <i>HK\$'000</i> (Unaudited)	31 March 2015 <i>HK\$'000</i> (Audited)
Accrued expenses	<u>129</u>	<u>163</u>

17. SHARE CAPITAL

	30 September 2015 <i>HK\$'000</i> (Unaudited)	31 March 2015 <i>HK\$'000</i> (Audited)
Authorised: 1,000,000,000 ordinary shares of HK\$0.1 each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid: 172,800,000 ordinary shares of HK\$0.1 each	<u>17,280</u>	<u>17,280</u>

18. RELATED PARTY TRANSACTIONS

During the Period, the Company paid rental expenses to and traded listed securities through a securities account maintained with a related company, Grand Investment (Securities) Limited (“GIS”), in which its director, Mr. Lee Tak Lun is a close family member of Mr. Lee Wai Wang, Robert and Ms. Lee Wai Tsang, Rosa, the directors of the Company. GIS was also the investment manager of the Company and was entitled to a monthly fee of HK\$24,000 (period ended 30 September 2014: HK\$24,000) for the provision of investment management services to the Company.

Details of related party transactions for the six months ended 30 September 2015 are as below:

	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Investment manager fee paid to a related company	144	144
Rental expenses paid to a related company	<u>194</u>	<u>186</u>

19. OPERATING LEASE COMMITMENTS

At 30 September 2015, the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Not later than one year	50	236
In second to fifth year inclusive	<u>–</u>	<u>–</u>
	<u>50</u>	<u>236</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

During the Period, the Company recorded a loss of approximately HK\$3,092,000 (period ended 30 September 2014: loss of approximately HK\$1,459,000).

The net asset value per ordinary share of HK\$0.10 (“**Share**”) of the Company was HK\$0.26 as at 30 September 2015 (31 March 2015: HK\$0.28).

BUSINESS OVERVIEW AND PROSPECTS

The past six months had been a roller coaster ride. Starting from April, A-H share investors experienced euphoria leading to significant rallies and increased trading volume in the market. As turnover grew and as more investors entered the market, some cracks ranging from overextended margin financing to overvaluation of companies started to show. The valuation of the market was slowly becoming overpriced and economic data from China did not support the strong forward Price-to-Earning ratio (PE_x) of some of the stocks trading at their all-time high’s. The rally came fast and left fast; the long awaited bull market was over before investors realised. The early summer Eurozone crisis triggered by near default of Greece, a series of policies implemented initially by the Chinese government to cool the market, and a sudden depreciation of the Renminbi (“RMB”) led both A-H stock markets to correct from August onwards.

The significant drop of Chinese market had triggered a global sell-off in risky assets which spilt over to all major developed markets. The deteriorating economic data from China also caused a near collapse in commodities including oil, gold and copper etc., which brought even more volatility to the market. As a result, the long awaited interest hike by the Federal Reserve System of the United States of America (“US”) had been postponed. Debate continues currently whether a hike will occur within this year. The US is also concerned with the near term strong United States Dollars (“USD”) that can add further pressure to topline growth of corporate earnings, hindering the overall economic recovery of the country.

During the past six months of our financial year, our equities portfolio had suffered from the dramatic volatility of the market. We had cut losses on some of our more vulnerable position and kept the ones that can better weather this financial environment. As a result, the loss reflected are both realised loss and loss from opened positions that could potentially recover in the future. As of the end of the Period, equities portfolio consists approximately 8% of our entire portfolio. We will continue to monitor the existing positions closely to maximize the return prospect for our investment.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Company was in a sound liquidity position. As at 30 September 2015, the Company had bank balances of approximately HK\$8,316,000 (31 March 2015: HK\$7,591,000). There was no borrowing or funding requirements by the Company for investment and capital expenditures. The Board believes that the Company has sufficient financial resources to meet its investment or working capital requirements.

As at 30 September 2015, the Company had net assets of approximately HK\$44,995,000 (31 March 2015: HK\$48,087,000) with no long term liabilities.

CHARGE ON COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2015, there were no charges on the Company's assets or any significant contingent liabilities (31 March 2015: Nil).

The calculation of debt to equity ratio (expressed as a percentage of bank and other borrowings over total net assets of the Company) is not applicable.

CAPITAL EXPENDITURES

The Company did not make any significant capital expenditure during the Period (30 September 2014: Nil).

COMMITMENTS

As at 30 September 2015, the Company had irrevocable operational leases of approximately HK\$50,000 (31 March 2015: HK\$236,000) which was to be repaid within one year.

The Company did not have any capital commitments as at 30 September 2015 (31 March 2015: Nil).

CAPITAL STRUCTURE

As at 30 September 2015, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 172,800,000 (31 March 2015: 172,800,000).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the period ended 30 September 2015 (30 September 2014: Nil).

PURCHASE, SALE AND REDEMPTION

During the Period, the Company had not purchased, sold or redeemed any of its securities (30 September 2014: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2015, the Company had 7 (31 March 2015: 8) employees, including the executive and independent non-executive Directors of the Company.

Total staff cost for the Period amounted to HK\$574,000 (period ended 30 September 2014: HK\$613,000). The Company's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of the individual employees.

FOREIGN CURRENCY EXPOSURE

The Company's investments may be denominated in currencies other than Hong Kong dollars ("HKD"), and is to a certain extent exposed to fluctuation of the exchange rate. The Board believes that foreign exchange risks are minimal as the other currencies used (mostly in RMB and an insignificant portion in USD) are relatively stable against HKD.

CORPORATE GOVERNANCE

The Company had complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted codes of conduct regarding securities transactions by Directors set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Listing Rules. On specific enquiries made, all Directors have confirmed that, in respect of the Period, they had complied with the required standard set out in the Model Code regarding Directors’ securities transactions.

AUDIT COMMITTEE

The Company’s audit committee, comprising of three independent non-executive Directors, had reviewed with the management of the Company the accounting principles and practices adopted by the Company and discussed the auditing, internal control and financial reporting matters including a review of the Company’s unaudited interim financial statements for the six months ended 30 September 2015.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE COMPANY AND OF THE STOCK EXCHANGE

This interim results announcement is published on the websites of the Stock Exchange and the Company. The interim report for the Period containing all the information required by the Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

By order of the Board
Grand Investment International Ltd.
Lee Wai Tsang, Rosa
Chairman

Hong Kong, 6 November 2015

As at the date of this announcement, the Board comprises six directors of the Company, of which three are executive Directors, namely Ms. Lee Wai Tsang, Rosa, Dr. Huang Zhijian and Mr. Lee Wai Wang, Robert, and three are independent non-executive Directors, namely Mr. Lu Fan, Dr. Chow Yunxia, Carol, and Mr. Lam Chi Wai.