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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)

RESULTS ANNOUNCEMENT FOR THE FOUR-MONTH PERIOD ENDED 31 JULY 2013

The Board (the “Board”) of Directors (the “Directors”) of Grand Investment International Ltd. (the “Company”) is pleased to announce that the audited results of the Company for the four-month period ended 31 July 2013 together with the comparative figures are as follows:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	For the four-month periods ended 31 July	
		2013	2012
		HK\$'000	HK\$'000
			(unaudited)
(LOSS)/GAIN ON INVESTMENTS	2	(310)	831
OTHER REVENUES	2	1	1
ADMINISTRATIVE EXPENSES		(1,035)	(1,156)
LOSS BEFORE TAXATION	3	(1,344)	(324)
TAXATION	4(a)	—	—
LOSS FOR THE PERIOD		(1,344)	(324)
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(1,344)</u>	<u>(324)</u>
LOSS PER SHARE	5		
Basic:			
For loss for the period		<u>(HK\$0.01)</u>	<u>(HK\$0.01)</u>
Diluted:			
For loss for the period		<u>N/A</u>	<u>N/A</u>

* *For identification purposes only*

STATEMENT OF FINANCIAL POSITION

	As at 31 July 2013 <i>HK\$'000</i>	As at 31 March 2013 <i>HK\$'000</i>
NON-CURRENT ASSETS		
Available-for-sale investments	46,078	46,078
CURRENT ASSETS		
Investments at fair value through profit or loss	2,241	2,988
Deposits, other receivables and prepayments	1,137	380
Cash and cash equivalents	99	1,570
TOTAL CURRENT ASSETS	3,477	4,938
CURRENT LIABILITIES		
Other payables and accruals	67	184
	67	184
NET CURRENT ASSETS	3,410	4,754
NET ASSETS	49,488	50,832
EQUITY		
Share capital	17,280	17,280
Reserves	32,208	33,552
TOTAL EQUITY	49,488	50,832
NET ASSET VALUE PER SHARE	HK\$0.29	HK\$0.29

NOTES:

1. BASIS OF PREPARATION

These financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”), which is a collective term that includes all applicable individual HKFRS, Hong Kong Accounting Standards (“HKAS”), and Interpretations (“Ints”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong. These financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities (“the Listing Rules”) on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention, except that available-for-sale investments and investments at fair value through profit or loss are stated at fair value as explained in the accounting policies set out below.

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

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies.

(a) Amendments and interpretations to existing standards effective for the Company’s annual financial period beginning on 1 April 2013 and relevant to the Company

In the current period, a number of new and revised HKFRS issued by HKICPA that are mandatorily effective for current reporting period.

HKAS 1 (Revised) “Presentation of financial statements”

The Company has applied the amendments to HKAS 1 (Revised) “Presentation of financial statements” for the first time in the current period. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the “statement of comprehensive income” is renamed as the “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 items of other comprehensive income to be grouped into two categories in the other comprehensive income sections: (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 are required to be allocated on the same basis – the amendments do not change the 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. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

HKFRS 13 “Fair value measurement”

The Company has applied HKFRS13 for the first time in the current period. HKFRS 13 established a single source of guidance for fair value measurements and disclosures about the fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instruments items for which other HKFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (eg. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 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.

HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the standard. The application of HKFRS 13 has not had any material impact on the amounts recognised in the financial statements.

(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 2013, 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**

HKFRS 9 “Financial instruments”

1 January 2015

The Company is 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 concluded that the adoption of them is unlikely to have a significant impact on the Company’s results of operations and financial position.

HKFRS 9, “Financial instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the statement of profit or not, unless this creates an accounting mismatch. The Company has yet to assess HKFRS 9’s full impact and intends to adopt HKFRS 9 from 1 April 2015.

2. (LOSS)/GAIN ON INVESTMENTS AND OTHER REVENUES

The Company's (loss)/gain on investments and other revenues recognised during the period are as follows:

	For the four-month periods ended 31 July	
	2013 HK\$'000	2012 HK\$'000 (unaudited)
(LOSS)/GAIN ON INVESTMENTS		
Net unrealised loss on investments		
at fair value through profit or loss	(413)	(424)
Net realised gain on disposal of investment		
at fair value through profit or loss	72	194
Dividend income	31	1,061
	<u>(310)</u>	<u>831</u>
OTHER REVENUES		
Sundry income	1	1
	<u>1</u>	<u>1</u>
Total (loss)/gain on investments and other revenues	<u>(309)</u>	<u>832</u>

3. LOSS BEFORE TAXATION

The Company's loss before taxation is stated after charging:

	For the four-month periods ended 31 July	
	2013 HK\$'000	2012 HK\$'000 (unaudited)
Auditors' remuneration		
– current period	40	40
Investment manager fee	96	96
Exchange loss, net	8	–
Legal and professional fee	64	103
Operating lease payments	227	226
Staff costs (excluding directors' emoluments)	86	104
	<u>86</u>	<u>104</u>

There is no exceptional items identified for the four-month period ended 31 July 2013.

4. TAXATION

- (a) No provision for Hong Kong Profits Tax has been made in the financial statements as the Company has no assessable profits derived from its operation in Hong Kong for the four-month periods ended 31 July 2012 and 2013.
- (b) No provision for overseas tax has been made in the financial statements as the Company has no profit derived from overseas.
- (c) The Company had an unrecognised deferred tax asset as follows:

	As at 31 July 2013 <i>HK\$'000</i>	As at 31 March 2013 <i>HK\$'000</i>
Unrecognised deferred tax asset	<u>3,812</u>	<u>3,580</u>

The deferred tax asset mainly represents the full tax effect of timing differences arising from cumulative tax losses carried forward. This deferred tax asset has not been recognised in the financial statements as, in the opinion of directors, it is not probable to determine that this deferred tax asset can be utilised in the foreseeable future. These unused tax losses have no expiry date.

- (d) Reconciliation between tax expenses and accounting loss at applicable tax rate is as follows:

	For the four-month periods ended 31 July	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (unaudited)
Loss before taxation	<u>(1,344)</u>	<u>(324)</u>
Tax at the applicable rate of 16.5%	(222)	(53)
Tax effect of non-taxable income	(5)	(175)
Tax effect of tax loss not recognised	<u>227</u>	<u>228</u>
Total income tax	<u>-</u>	<u>-</u>

5. LOSS PER SHARE

The calculation of loss per share is based on the following information:

	For the four-month period ended 31 July 2013 HK\$'000	For the year ended 31 March 2013 HK\$'000
Net loss attributable to shareholders	<u><u>1,344</u></u>	<u><u>2,289</u></u>
	As at 31 July 2013 '000	During the year ended 31 March 2013 '000
Number of weighted average of ordinary shares in issue	<u><u>172,800</u></u>	<u><u>172,800</u></u>

The Company has no potential dilutive ordinary shares that were outstanding during the period/year.

MANAGEMENT DISCUSSION AND ANALYSIS

During the four-month period ended 31 July 2013 (“Period”), the Company recorded a loss of approximately HK\$1,344,000 (2012: loss of HK\$324,000). For the four-month period ended 31 July 2013, the Company recorded approximately HK\$310,000 (2012: gain of HK\$831,000) in total loss on investments, comprising realized gain of approximately HK\$72,000 (2012: HK\$194,000), dividend income of approximately HK\$31,000 (2012: HK\$1,061,000) and net unrealized loss of listed securities and investments portfolio of approximately HK\$413,000 (2012: HK\$424,000). The total assets of the Company mainly composed of investment in equities securities and limited partnerships. The loss during the period is attributed to administrative expenses being higher than the gain on investments and other revenue of the Company. The Company will continue to seek return on its existing portfolio.

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 July 2013, the Company had bank balances of approximately HK\$99,000 (31 March 2013: HK\$1,570,000). The Board concluded that the Company has sufficient financial resources to satisfy its immediate investment and working capital requirements. There was no long term borrowing and calculation of gearing ratio was not applicable (31 March 2013: N/A). The Company had net assets of approximately HK\$49,488,000 (31 March 2013: HK\$50,832,000).

CAPITAL COMMITMENTS

The Company had no capital commitments as at 31 July 2013 (31 March 2013: Nil).

CAPITAL STRUCTURE

As at 31 July 2013, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 172,800,000.

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

The Company did not purchase, sell or redeem any of its shares during the Period.

DIVIDENDS

The Board does not recommend the payment of a dividend for the Period (2012: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 July 2013, the Company had 7 employees (31 March 2013: 8), including the executive and independent non-executive Directors. Total staff cost for the period was HK\$355,100 (2012: HK\$348,500). The Company's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of the individual. The size of the Company's work force is expected to remain more or less the same in the coming year.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules 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 have complied with the required standard set out in the Model Code regarding Directors' securities transactions.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Grand Investment International Ltd.
Lee Wai Tsang Rosa
Chairman and Executive Director

Hong Kong, 22 October 2013

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