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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 2018

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 2018 (the "**Period**") together with the comparative figures for the corresponding period in 2017.

* *For identification purposes only*

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2018

		For the six months ended	
		30 September 2018	30 September 2017
	NOTE	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
NET LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**(511)**	–
OTHER INCOME	*4*	**43**	15
IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENT		**–**	(1,355)
GENERAL AND ADMINISTRATIVE EXPENSES		**(5,003)**	(4,525)
LOSS BEFORE TAXATION	*5*	**(5,471)**	(5,865)
INCOME TAX	*6*	**–**	–
LOSS FOR THE PERIOD		**(5,471)**	(5,865)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(5,471)**	(5,865)
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**(5,471)**	(5,865)
LOSS PER SHARE (HK Cents)			
– Basic	*7*	**(3.17)**	(3.39)
– Diluted	*7*	**(3.17)**	(3.39)

The notes on pages 4 to 14 from part of these unaudited condensed interim financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 September 2018

	NOTE	30 September 2018 HK$'000 (Unaudited)	31 March 2018 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**51**	60
TOTAL NON-CURRENT ASSETS		**51**	60
CURRENT ASSETS			
Financial assets at fair value through profit or loss	*9*	**2,269**	–
Available-for-sale investments	*10*	**–**	13,679
Deposits, prepayments and other receivables	*11*	**449**	1,396
Cash and cash equivalents	*12*	**17,331**	12,639
TOTAL CURRENT ASSETS		**20,049**	27,714
CURRENT LIABILITIES			
Other payables and accruals	*13*	**782**	524
Deposit received		**–**	7,500
TOTAL CURRENT LIABILITIES		**782**	8,024
NET CURRENT ASSETS		**19,267**	19,690
NET ASSETS		**19,318**	19,750
CAPITAL AND RESERVES			
Share capital	*14*	**17,280**	17,280
Reserves		**2,038**	2,470
TOTAL EQUITY		**19,318**	19,750
NET ASSET VALUE PER SHARE		**HK$0.11**	HK$0.11

The notes on pages 4 to 14 from part of these unaudited condensed interim financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2018

1. BASIS OF PREPARATION

These unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 29 November 2018.

The unaudited condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2017/18 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2018/19 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an unaudited condensed interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These unaudited condensed interim financial statements contain condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the 2017/2018 annual financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The unaudited condensed interim financial statements are unaudited, but have been reviewed by Crowe (HK) CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 March 2018 that is included in the unaudited condensed interim financial statements as comparative information does not constitute the Company's statutory annual financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2018 are available from the Company's registered office. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

2. CHANGES IN ACCOUNTING POLICIES

(a) Overview

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Company. Of these, the following developments are relevant to the Company's financial statements:

- HKFRS 9 "Financial Instruments"
- HKFRS 15 "Revenue from Contracts with Customers"

The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period, except for the amendments to HKFRS 9, *Prepayment features with negative compensation*, which have been adopted at the same time as HKFRS 9.

The Company has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses. Details of the changes in accounting policies are discussed in note 2(b) for HKFRS 9.

Under the transition methods chosen, the Company recognises cumulative effect of the initial application of HKFRS 9 as an adjustment to the opening balance of equity at 1 April 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the statement of financial position that has been impacted by HKFRS 9:

	At 31 March 2018	**Impact on initial application of HKFRS 9**	**At 1 April 2018**
	HK$'000	*HK$'000*	*HK$'000*
Property, plant and equipment	60	–	60
Total non-current assets	60	–	60
Financial assets at fair value through profit or loss	–	18,718	18,718
Available-for-sale investments	13,679	(13,679)	–
Deposits, prepayments and other receivables	1,396	–	1,396
Cash and cash equivalents	12,639	–	12,639
Total current assets	27,714	5,039	32,753
Other payables and accruals	(524)	–	(524)
Deposit received	(7,500)	–	(7,500)
Total current liabilities	(8,024)	–	(8,024)
Net current assets	19,690	5,039	24,729
Net assets	19,750	5,039	24,789
Share capital	17,280	–	17,280
Reserves	2,470	5,039	7,509
Total equity	19,750	5,039	24,789

Further details of these changes are set out in sub-sections (b) of this note.

(b) HKFRS 9, *Financial instruments*, including the amendments to HKFRS 9, *Prepayment features with negative compensation*

HKFRS 9 replaces HKAS 39 "*Financial Instruments: Recognition and Measurement*". It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Company has applied HKFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. The Company has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 April 2018. Therefore, comparative information continues to be reported under HKAS 39.

The following table summarises the impact of transition to HKFRS 9 on accumulated losses at 1 April 2018:

	HK$'000
Accumulated losses	
Remeasurement of unlisted equity securities measured at fair value through profit or loss at 1 April 2018	5,039
Net decrease in accumulated losses at 1 April 2018	5,039

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("**FVOCI**") and at fair value through profit or loss ("**FVPL**"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Non-equity investments held by the Company are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

– FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

– FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Company makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The following table shows the original measurement categories for each class of the Company's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

	HKAS 39 carrying amount at 31 March 2018	**Reclassification**	**Remeasurement**	**HKFRS 9 carrying amount at 1 April 2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets carried at amortised cost				
Cash and cash equivalents	12,639	–	–	12,639
Deposits and other receivables	186	–	–	186
	12,825	–	–	12,825
Financial assets carried at FVPL				
Unlisted equity securities	–	13,679	5,039	18,718
Financial assets classified as available-for-sale under HKAS 39	13,679	(13,679)	–	–

The measurement categories for all financial liabilities remain the same.

The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

The Company did not designate or de-designate any financial asset or financial liability at FVPL at 1 April 2018.

(ii) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the expected credit loss ("**ECL**") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Company applies the new ECL model to the following items:

– financial assets measured at amortised cost (including cash and cash equivalents, deposits and other receivables).

Financial assets measured at fair value, including equity securities measured at FVPL, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

In measuring ECLs, the Company takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

For all deposits and other receivables, the Company recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Company considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or (ii) the financial asset is 90 days past due. The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Company recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income on credit-impaired financial assets

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Company assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;

- a breach of contract, such as a default or delinquency in interest or principal payments;

- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

ECL Impact on the Company's financial statements

The adoption of HKFRS 9 has not had a significant impact on the Company's financial statements in this regard.

(iii) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in accumulated losses as at 1 April 2018. Accordingly, the information presented for the year ended 31 March 2018 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

- the determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at 1 April 2018 (the date of initial application of HKFRS 9 by the Company):

- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The Company had no revenue earned for the six months ended 30 September 2018 and 2017.

(b) Segment Reporting

The Company is principally engaged in investments in listed and unlisted enterprises established in Hong Kong and the People's Republic of China (the "**PRC**").

No segment information is presented in respect of the Company's business and geographical segments. Throughout the six months ended 30 September 2018 (the "**Period**"), the Company has been operating principally in a single business and geographical segment.

4. OTHER INCOME

	For the six months ended	
	30 September 2018	30 September 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income	**43**	12
Net exchange gain	**–**	3
	43	15

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following:

	For the six months ended	
	30 September 2018	30 September 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Provision for auditors' remuneration	**140**	75
Depreciation	**10**	3
Investment manager fee	**286**	173
Legal and professional fees	**1,035**	1,482
Operating lease payments	**300**	421
Directors' remuneration	**1,364**	623
Staff costs (excluding directors' emoluments)		
– Salaries, bonus and allowances	**1,122**	640
– Mandatory provident fund contributions	**17**	12

6. 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 2017: 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 2017: Nil).

7. LOSS PER SHARE

The calculation of loss per ordinary share is based on the unaudited loss attributable to shareholders of approximately HK$5,471,000 for the Period (period ended 30 September 2017: loss of approximately HK$5,865,000) and the weighted average of 172,800,000 ordinary shares (period ended 30 September 2017: 172,800,000 ordinary shares) in issue during the Period.

There were no dilutive potential ordinary shares during the six months ended 30 September 2018 and 2017, and therefore, diluted earnings per share are the same as the basic earnings per share.

8. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (period ended 30 September 2017: Nil).

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2018	31 March 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unlisted equity securities (trading and investment securities) – at fair value		
Unlisted equity investments	**405**	–
Unlisted partnership investment	**1,864**	–
	2,269	–

10. AVAILABLE-FOR-SALE INVESTMENTS

	30 September 2018	31 March 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unlisted equity investments, at cost less impairment	**–**	9,678
Unlisted partnership investment, at cost less impairment	**–**	4,001
	–	13,679

Upon application of HKFRS 9 on 1 April 2018, the Company's unlisted partnership investment and unlisted equity investments were reclassified from available-for-sale investments to financial assets at FVTPL – trading and investment securities.

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2018 HK$'000 (Unaudited)	31 March 2018 HK$'000 (Audited)
Deposits and other receivables	**195**	186
Prepayments	**254**	1,210
	449	1,396

12. CASH AND CASH EQUIVALENTS

	30 September 2018 HK$'000 (Unaudited)	31 March 2018 HK$'000 (Audited)
Cash and bank balances	**6,681**	4,742
Short-term bank deposits	**10,650**	7,897
	17,331	12,639

13. OTHER PAYABLES AND ACCRUALS

	30 September 2018 HK$'000 (Unaudited)	31 March 2018 HK$'000 (Audited)
Other payables and accruals	**782**	524

14. SHARE CAPITAL

	30 September 2018 HK$'000 (Unaudited)	31 March 2018 HK$'000 (Audited)
Authorised:		
1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
Issued and fully paid:		
172,800,000 ordinary shares of HK$0.10 each	**17,280**	17,280

15. RELATED PARTY TRANSACTIONS

During the Period, Evergrande Securities (Hong Kong) Limited ("**Evergrande**") (formerly known as Grand Investment (Securities) Limited), in which its director, Mr. Lee Tak Lun, is close family member of Ms. Lee Wai Tsang, Rosa, the former director of the Company, is the investment manager of the Company and was entitled to a monthly fee of HK$28,750 (period ended 30 September 2017: a monthly fee of HK$28,750) for the provision of investment management services to the Company. During the Period, the Company has reimbursed Grand Finance Company Limited ("**GFG**") on administrative expenses shared by the Company on a cost basis. Ms. Lee Wai Tsang, Rosa, the former director of the Company, is also a director of GFG.

Details of related party transactions for the six months ended 30 September 2018 are as below:

	30 September 2018	31 March 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Investment manager fee paid to Evergrande	**86**	173
Rental expenses paid to Evergrande	**–**	233
Sharing of administration expenses paid to GFG	**32**	88

16. OPERATING LEASE COMMITMENT

At 30 September 2018, the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 September 2018	31 March 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Not later than one year	**389**	600
In second to fifth year inclusive	**–**	89
	389	689

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

During the six months ended 30 September 2018 (the "**Period**"), the Company recorded a loss of approximately HK$5,471,000 (period ended 30 September 2017: loss of approximately HK$5,865,000). The loss was attributed mostly to the administrative expenses of approximately HK$5,003,000 for the interim period of this year.

The net asset value per ordinary share of HK$0.10 of the Company was HK$0.11 as at 30 September 2018 (31 March 2018: HK$0.11).

BUSINESS OVERVIEW AND PROSPECTS

In the past six months, the Company continued to integrate and carry on investment management and monitoring of existing portfolio companies. As an investment company, we seek to optimize investment and divestment opportunities, especially when holding equities of private companies. The illiquid nature of private equities presents challenges for disposal. Identifying the right acquirer or divesting our investment is often not guaranteed. The private equity market in China is changing rapidly. Healthy Chinese economic activities are leading to a 6.8% growth in GDP for the first half of 2018, which reflects strong potential of the economy of China. In this reporting period, the Company has appointed a new executive Director with more experience and knowledge in Mainland China investment. Thus, in the future, the Company will focus on investment opportunities in Mainland China and pay attention to those in other areas. We will continue to seek the balance between investment and divestment with the aim to capture the optimal risks and rewards within our portfolio companies for the interests of the shareholders of the Company ("**Shareholders**").

SIGNIFICANT INVESTMENTS HELD

A brief description of the significant investments held by the Company as at 30 September 2018 are summarized as follows:

Joyport Holdings Limited ("Joyport")

Joyport is a limited liability company registered in the British Virgin Islands. It is engaged in the business of online game development, distribution and operation, and other related business directly or indirectly through its subsidiaries, affiliates and associated companies in the PRC. Joyport focuses on game development including but not limited to massive multiplayer online role-playing games and mobile games.

CMHJ Technology Fund II, L.P ("CMHJ")

CMHJ is a limited partnership registered pursuant to the Exempted Limited Partnership Law of the Cayman Islands on 28 September 2005. The principal activity of CMHJ is to make venture capital investments, principally by investing in and holding equity and equity-oriented securities of privately held early stage to Pre-IPO companies in the technology-enabled services and products industries with markets and/or operations in the PRC.

Save for above investments, the Company has not held any investment, the value of which was over 5% of the Company's net assets value as at 30 September 2018.

SIGNIFICANT EVENTS DURING THE PERIOD

Completion of the TJYS Disposal

On 1 December 2017, the Company entered into a conditional share transfer agreement (the "**TJYS Share Transfer Agreement**") with an independent third party (the "**Purchaser**") to dispose of 8,711,964 shares, representing approximately 3.955% of the entire equity interest in 天津一商友誼股份有限公司 (Tianjin Yishang Friendship Holdings Company Ltd.*) ("**Tianjin Yishang**") held by the Company (the "**Sale Interest**") at a cash consideration of HK$15,000,000. The disposal of the Sale Interest (the "**TJYS Disposal**") constituted a very substantial disposal for the Company under the Listing Rules. A special general meeting of the Company was held on 15 February 2018 in which the TJYS Disposal was approved by the Shareholders. On 29 March 2018, the Company and the purchaser mutually agreed to extend the long stop date of the TJYS Share Transfer Agreement from 31 March 2018 to 31 May 2018 as additional time was required for the fulfilment of the conditions precedent to completion of the TJYS Disposal. The completion of the TJYS Disposal took place on 28 May 2018, and no gain or loss arising from this disposal was accounted for during the Period. Immediately upon completion of the TJYS Disposal, the Company ceased to have any equity interest in Tianjin Yishang. Details of the TJYS Disposal were disclosed in the announcements of the Company dated 4 December 2017, 30 January 2018, 15 February 2018, 3 April 2018 and 28 May 2018.

CONTINUING CONNECTED TRANSACTIONS – CHANGE OF INVESTMENT MANAGER

The Company entered into the new investment management agreement (the "**Investment Management Agreement**") with the new investment manager (the "**Investment Manager**") on 29 June 2018, pursuant to which the Investment Manager has agreed to provide non-discretionary investment management services to the Company for a period of three years starting from 1 July 2018. The Investment Manager is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules when the Investment Management Agreement became effective. Accordingly, the provision of non-discretionary investment management services by the Investment Manager to the Company under the Investment Management Agreement constitutes continuing connected transactions of the Company. The maximum aggregate fee payable by the Company to the Investment Manager under the Investment Management Agreement will not exceed HK$800,000 per annum. As the relevant percentage ratios for the transactions contemplated under the Investment Management Agreement on an annual basis are less than 25%, and that each of the Annual Caps is less than HK$10,000,000, the transactions contemplated under the Investment Management Agreement are subject to reporting and announcement requirements but are exempted from independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

Appointment of Executive Director

Mr. Wang Kaizhen ("**Mr. Wang**") has been appointed as an executive Director of the Company with effect from 1 October 2018 to fill the vacancy following the resignation of Ms. Lee Wai Tsang Rosa ("**Ms. Lee**") with effect from 1 October 2018. Mr. Wang also serves as the chairman of the investment committee of the Board with effect from the date of his directorship with the Company following Ms. Lee's cessation to be the chairman of the investment committee.

Reference is made to the announcement of the Company dated 24 August 2018 in relation to the resignation of executive Director and the announcement of the Company dated 1 October 2018 in relation to the appointment of executive Director.

APPOINTMENT OF AUDITORS

With the recommendation of the audit committee of the Company, Crowe (HK) CPA Limited has been appointed as the auditors of the Company with effect from 18 October 2018 to fill the casual vacancy following the retirement of East Asia Sentinel Limited and to hold office until the conclusion of the next annual general meeting of the Company.

Reference is made to the announcement of the Company dated 9 July 2018 in relation to the retirement of the auditors of the Company and the announcement of the Company dated 18 October 2018 in relation to the appointment of the auditors of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2018, the Company had bank balances of approximately HK$17,331,000 (31 March 2018: HK$12,639,000). The Board believes that the Company has sufficient financial resources to meet its immediate investment and working capital requirements. There was no long term borrowing and calculation of gearing ratio was not applicable.

As at 30 September 2018, the Company had net assets of approximately HK$19,318,000 (31 March 2018: HK$19,750,000).

CHARGES ON COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2018, there were no charges on the Company's assets or any significant contingent liabilities (31 March 2018: Nil).

CAPITAL EXPENDITURES

The Company did not make any significant capital expenditure during the Period (period ended 30 September 2017: Nil).

COMMITMENTS

The Company had no capital commitments as at 30 September 2018 (31 March 2018: Nil).

CAPITAL STRUCTURE

As at 30 September 2018, the total number of ordinary shares of HK$0.10 each in the Company in issue was 172,800,000 (31 March 2018: 172,800,000).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (period ended 30 September 2017: Nil).

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, the Company had not purchased, sold or redeemed any of its securities (period ended 30 September 2017: Nil).

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Company did not execute any agreement in respect of material investment or capital asset during the Period and did not have any other plans relating to material investment or capital asset as at 30 September 2018. Nonetheless, if any potential investment opportunity arises in the future, the Company will perform feasibility studies and prepare implementation plans to consider whether it will be beneficial to the Company and the Shareholders as a whole to make such investment.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company held assets and liabilities denominated in HKD, RMB and USD. The Company's cash and cash equivalents were denominated in HKD and USD. Accordingly, it is subject to limited exposure of foreign exchange fluctuation. As it is the Company's policy to maintain relatively minimal exposure to foreign exchange risks, the Company had not used any derivatives and other instruments for currency exchange hedging purposes.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018, the Company had 5 (31 March 2018: 4) employees, including the executive Director.

Total staff cost for the Period amounted to HK$2,503,000 (period ended 30 September 2017: HK$1,275,000). 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.

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and the Shareholders. The Company has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company's code of corporate governance practices. During the Period, the Company has complied with the code provisions under the CG Code.

AUDIT COMMITTEE

The Audit Committee, comprising of the non-executive Director and three independent non-executive Directors, has reviewed with the management of the Company the accounting principles and practices adopted by the Company and discussed the auditing, internal control, risk management and financial reporting matters.

REVIEW OF UNAUDITED FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited interim financial report for the Period. In addition, the condensed interim financial statements for the Period have been reviewed by our auditors, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA and an unqualified review report is issued.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.irasia.com/listco/hk/grandinvestment). The 2018 interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Grand Investment International Ltd.
He Luling
Chairman

Hong Kong, 29 November 2018

As at the date of this announcement, the executive director of the Company is Mr. Wang Kaizhen; the non-executive director of the Company is Mr. He Luling (Chairman); and the independent non-executive directors of the Company are Ms. Ma Yin Fan, Ms. Yan Yan and Mr. Xu Yanfa.