

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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 YEAR ENDED 31 MARCH 2015**

The Board (the “Board”) of Directors (the “Directors”) of Grand Investment International Ltd. (the “Company”) is pleased to announce the audited results of the Company for the year ended 31 March 2015 (the “Year”) together with the comparative figures for the year ended 31 March 2014 as follows:

### **STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 March 2015*

	<i>NOTE</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
GAIN ON INVESTMENTS	2	117	155
OTHER REVENUES	2	11,976	2,002
IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENTS		(7,802)	(2,349)
ADMINISTRATIVE EXPENSES		(3,160)	(3,684)
PROFIT/(LOSS) BEFORE TAXATION	3	1,131	(3,876)
TAXATION	4(d)	—	—
PROFIT/(LOSS) FOR THE YEAR		1,131	(3,876)
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>1,131</u>	<u>(3,876)</u>
DIVIDEND	5	—	—
PROFIT/(LOSS) PER SHARE	6		
Basic:			
For profit/(loss) for the year		<u>HK\$0.01</u>	<u>(HK\$0.02)</u>
Diluted:			
For profit/(loss) for the year		<u>N/A</u>	<u>N/A</u>

\* *For identification purposes only*

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>		
Available-for-sale investments	<u>26,580</u>	<u>43,729</u>
<b>CURRENT ASSETS</b>		
Investments at fair value through profit or loss	517	634
Deposits, other receivables and prepayments	13,562	454
Cash and cash equivalents	<u>7,591</u>	<u>2,288</u>
<b>TOTAL CURRENT ASSETS</b>	<u>21,670</u>	<u>3,376</u>
<b>CURRENT LIABILITIES</b>		
Other payables and accruals	<u>163</u>	<u>149</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>163</u>	<u>149</u>
<b>NET CURRENT ASSETS</b>	<u>21,507</u>	<u>3,227</u>
<b>NET ASSETS</b>	<u>48,087</u>	<u>46,956</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	17,280	17,280
Reserves	<u>30,807</u>	<u>29,676</u>
<b>TOTAL EQUITY</b>	<u>48,087</u>	<u>46,956</u>
<b>NET ASSET VALUE PER SHARE</b>	<u>HK\$0.28</u>	<u>HK\$0.27</u>

## 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 (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the disclosure requirements of the Hong Kong Companies Ordinance.

These 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.

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) New standards and amendments to standards relevant to and adopted by the Company

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

HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Recoverable amount disclosure for non-financial assets
HK(IFRIC) 21	Levies

None of these developments have been a material effect on how the Company’s results and financial position for the current or prior periods have been prepared or presented.

**(b) New 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 have issued a number of new standards, amendments to standards and interpretations which are effective for annual periods beginning after 1 January 2015, and which have not been adopted in preparing these financial statements. These include the followings new standards which may be relevant to the Company.

	<b>Effective for accounting periods beginning on or after</b>
HKFRS 15 “Revenue from contracts with customers”	1 January 2017
HKFRS 9 “Financial instruments”	1 January 2018

The Company is in the process of making an assessment of what the impact of these new standards 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.

**2. GAIN ON INVESTMENTS AND OTHER REVENUES**

The Company’s gain on investments and other revenues recognised during the year are as follows:

	<b>2015</b>	2014
	<b>HK\$’000</b>	HK\$’000
<b>GAIN ON INVESTMENTS</b>		
Net unrealised (loss) on investments at		
fair value through profit or loss	(7)	(233)
Net realised gain on disposal on investments at		
fair value through profit or loss	124	100
Dividend income	–	288
	<u>117</u>	<u>155</u>
<b>OTHER REVENUES</b>		
Bank interest income	79	–
Distribution income from unlisted partnership	476	2,001
Distribution income from an available-for-sales investment	11,421	–
Sundry income	–	1
	<u>11,976</u>	<u>2,002</u>
Total gain on investments and other revenues	<u><b>12,093</b></u>	<u><b>2,157</b></u>

### 3. PROFIT/(LOSS) BEFORE TAXATION

The Company's profit/(loss) before taxation is stated after charging the following:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Auditors' remuneration		
– Current year	170	165
Impairment losses on an available-for-sale investment	7,802	2,349
Investment manager fee	288	288
Exchange loss, net	1	9
Legal and professional fee	218	418
Operating lease payments	341	686
Staff costs (excluding directors' emoluments)		
– Salaries, bonus and allowances	319	286
– Mandatory provident fund contributions	14	13
	<u>          </u>	<u>          </u>

There is no exceptional items identified for the years ended 31 March 2015 and 2014.

### 4. TAXATION

- (a) No provision for Hong Kong Profits Tax has been made in these financial statements as the Company has no assessable profits derived from its operation in Hong Kong during the year (2014: Nil).
- (b) No provision for overseas tax has been made in these financial statements, as the Company has no profit derived from overseas.
- (c) The Company had an unrecognised deferred tax asset as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Unrecognised deferred tax asset	<u>4,717</u>	<u>4,215</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 profit/(loss) at applicable tax rate is as follows:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit/(Loss) before taxation	<u><b>1,131</b></u>	<u>(3,876)</u>
Tax at the applicable rate of 16.5% (2014: 16.5%)	<b>187</b>	(640)
Tax effect of non-taxable income	<b>(1,976)</b>	(48)
Tax effect of non-deductible expenses	<b>1,287</b>	388
Tax effect of tax loss not recognised	<b>502</b>	300
Total income tax	<u><b>-</b></u>	<u>-</u>

## 5. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year ended 31 March 2015 (2014: Nil).

## 6. PROFIT/(LOSS) PER SHARE

The calculation of profit/(loss) per share is based on the following information:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net profit/(loss) attributable to shareholders	<u><b>1,131</b></u>	<u>(3,876)</u>
	<b>2015</b>	2014
Number of weighted average of ordinary shares in issue ('000)	<u><b>172,800</b></u>	<u>172,800</u>

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OPERATING RESULTS**

During the year ended 31 March 2015 (the “Year”), Grand Investment International Ltd. (the “Company”) recorded an overall gain on its investment portfolios of approximately HK\$117,000 (2014: HK\$155,000), comprising a net realised gain on disposal on investments of approximately HK\$124,000 (2014: HK\$100,000) and a net unrealised loss of investments of approximately HK\$7,000 (2014: HK\$233,000). The Group also recorded other revenues of approximately HK\$11,976,000 (2014: HK\$2,002,000), including, among others, a distribution income of HK\$476,000 (2014: HK\$2,001,000) from an unlisted limited partnership invested by the Group.

### **PROSPECTS**

Momentum of the market slowed as uncertainty looms over China’s stance on loose monetary policy, new MERS virus, MSCI exclusion of A-shares into the index and the imminent US interest rate hike. Only a month ago, the Hang Seng Index (HSI) was under influence by strong market catalysts, including China’s accelerated capital market and state-owned enterprises reforms, liberalised investment policies and relaxed mutual funds restriction under the Shanghai-Hong Kong Stock Connect Program. There had been a significant increase in Chinese capital outflows and an expansion of cross border investment activities during the Year.

In view of the market climate, we are seeing reduced valuation gap between A and H shares as share price converges. Simultaneously, investors had been flooding into the already competitive direct investment and equity markets, which render the seizing of sound and potential investment projects with attractive valuations more challenging.

With funds returned from our exited investments, we are closely monitoring new investment opportunities as well as existing ones. We will seek new ventures and projects through direct investments or investment funds focused in China and abroad. We aim to target opportunities with the most optimal risk-return dynamic for our shareholders.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As of 31 March 2015, the Company had bank balances of approximately HK\$235,000 (2014: HK\$2,058,000).

The Board concludes 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 (2014: N/A).

The Company had net assets of approximately HK\$48,087,000 (2014: HK\$46,956,000).

## **CAPITAL EXPENDITURES AND COMMITMENTS**

The Company had no capital commitments as at 31 March 2015 (2014: N/A).

## **CAPITAL STRUCTURE**

As at 31 March 2015, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 172,800,000 (2014: 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 Year.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2015, the Company had 8 employees (2014: 9), including the executive and independent non-executive Directors. Total staff cost for the Year was HK\$1,377,000 (2014: HK\$1,267,000). 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.

## **DIVIDENDS**

The Directors do not recommend the payment of a dividend for the Year (2014: Nil).



## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on 30 July 2015.

## **CORPORATE GOVERNANCE**

During the Year, the Company had complied with all the applicable code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## **AUDIT COMMITTEE**

The Company has established an Audit Committee in accordance with Rule 3.21 of the Listing Rules for the purpose of, among other duties, reviewing and providing supervision over the Company’s financial reporting procedures and internal control system. The Audit Committee, comprising all three independent non-executive Directors, had reviewed with the management of the Company the audited financial statements of the Company for the Year.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiries to all Directors, the Directors confirmed that they had complied with the required standards laid down in the Model Code throughout the Year.

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

Hong Kong, 19 June 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 (Chairman), 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.*