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 2016

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 year ended 31 March 2016 (the "Year") together with the comparative figures for the year ended 31 March 2015 are as follows:

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

	NOTE	**2016** *HK$'000*	2015 *HK$'000*
(LOSS)/GAIN ON INVESTMENTS	*2*	**(1,349)**	117
OTHER REVENUES	*2*	**35**	11,976
IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENTS		**(7,325)**	(7,802)
ADMINISTRATIVE EXPENSES		**(3,283)**	(3,160)
(LOSS)/PROFIT BEFORE TAXATION	*3*	**(11,922)**	1,131
TAXATION	*4(d)*	**–**	–
(LOSS)/PROFIT FOR THE YEAR		**(11,922)**	1,131
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(11,922)**	1,131
DIVIDEND	*5*	**–**	–
(LOSS)/PROFIT PER SHARE	*6*		
Basic: For (loss)/profit for the year		**(HK$0.07)**	HK$0.01
Diluted: For (loss)/profit for the year		**N/A**	N/A

* *For identification purposes only*

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	2016	2015
	HK$'000	*HK$'000*
NON-CURRENT ASSETS		
Available-for-sale investments	**25,456**	26,580
CURRENT ASSETS		
Investments at fair value through profit or loss	**3,818**	517
Deposits, other receivables and prepayments	**769**	13,562
Cash and cash equivalents	**6,309**	7,591
TOTAL CURRENT ASSETS	**10,896**	21,670
CURRENT LIABILITIES		
Other payables and accruals	**187**	163
TOTAL CURRENT LIABILITIES	**187**	163
NET CURRENT ASSETS	**10,709**	21,507
NET ASSETS	**36,165**	48,087
CAPITAL AND RESERVES		
Share capital	**17,280**	17,280
Reserves	**18,885**	30,807
TOTAL EQUITY	**36,165**	48,087
NET ASSET VALUE PER SHARE	**HK$0.21**	HK$0.28

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.

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 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) New and amended standards adopted by the Company

The following amendments to standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2015:

Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

Amendments from annual improvements to HKFRS – 2010 – 2012 Cycle, on HKFRS 8 "Operating segments", HKAS 16 "Property, plant and equipment" and HKAS 38 "Intangible assets" and HKAS 24 "Related party disclosures".

Amendments from annual improvements to HKFRS – 2011 – 2013 Cycle, on HKFRS 3 "Business combinations", HKFRS 13 "Fair value measurement" and HKAS 40 "Investment property".

The adoption of the improvements made in the 2010 – 2012 Cycle has required additional disclosures in the segment note. Other than that, the remaining amendments are not material to the Company.

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 and interpretations not yet 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 2016, and which have not been adopted in preparing these financial statements. These include the following new standards which may be relevant to the Company.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 "Disclosure Initiative"	1 January 2016
Amendment to HKAS 16 and HKAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"	1 January 2016
Annual Improvements 2012-2014 Cycle "Amendments to a number of HKFRSs"	1 January 2016
HKFRS 15 "Revenue from contracts with customers"	1 January 2018
HKFRS 9 "Financial instruments"	1 January 2018
HKFRS 16 "Leases"	1 January 2019

Amendments to HKAS 1 "Disclosure Initiative"

The amendments to HKAS 1 "Presentation of Financial Statements" give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the amounts recognised in the Company's financial statements.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or a disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply.

The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the amounts recognised in the financial statements.

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "*Revenue*", HKAS 11 "*Construction Contracts*" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. The directors are in process of assessing the impact on the application of HKFRS 15. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Company performs a detailed review.

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 "*Financial Instruments: Recognition and Measurement*" are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

  Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of nonfinancial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

  The directors anticipate that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of the Company's financial assets and financial liabilities based on the analysis of the Company's financial instruments as at 31 March 2016.

HKFRS 16 "Leases"

HKFRS 16 supersedes HKAS 17 "Leases", HK(IFRIC) — Int 4 "Determining whether an Arrangement contain a Lease", HK(SIC) — Int 15 "Operating Lease — Incentives" and HK(SIC) — Int 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17 "Leases". Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities. There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, including the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer). HKFRS 16 substantially carries forward the lessor's accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows: (a) if the head lease is a short-term lease that the entity, as a lessee, the sublease shall be reclassified as an operating lease; (b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components. The Company is in the process of making an assessment of the potential impact of application of HKFRS 16, the directors consider that it is not practicable to provide a reasonable estimate of the effect of the adoption of HKFRS 16 until the Company performs a detailed review.

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

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

	2016	2015
	HK$'000	*HK$'000*
(LOSS)/GAIN ON INVESTMENTS		
Net unrealised loss on investments at fair value through profit or loss	**(1,154)**	(7)
Net realised (loss)/gain on disposal on investments at fair value through profit or loss	**(253)**	124
Dividend income	**58**	–
	(1,349)	117
OTHER REVENUES		
Bank interest income	**35**	79
Distribution income from unlisted partnership	**–**	476
Distribution income from an available-for-sales investment	**–**	11,421
	35	11,976
Total (loss)/gain on investments and other revenues	**(1,314)**	12,093

3. (LOSS)/PROFIT BEFORE TAXATION

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

	2016	2015
	HK$'000	*HK$'000*
Auditors' remuneration		
– Audit Services	**171**	166
– Non-Audit Services	**–**	4
Impairment losses on an available-for-sale investment	**7,325**	7,802
Investment manager fee	**288**	288
Exchange loss, net	**88**	1
Legal and professional fee	**233**	218
Operating lease payments	**406**	341
Staff costs (excluding directors' emoluments)		
– Salaries, bonus and allowances	**231**	319
– Mandatory provident fund contributions	**8**	14

There is no exceptional items identified for the years ended 31 March 2016 and 2015.

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 (2015: 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:

	2016	2015
	HK$'000	*HK$'000*
Unrecognised deferred tax asset	**5,485**	4,717

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)/profit at applicable tax rate is as follows:–

	2016	2015
	HK$'000	*HK$'000*
(Loss)/Profit before taxation	**(11,922)**	1,131
Tax at the applicable rate of 16.5% (2015: 16.5%)	**(1,967)**	187
Tax effect of non-taxable income	**(15)**	(1,976)
Tax effect of non-deductible expenses	**1,213**	1,287
Tax effect of tax loss not recognised	**769**	502
Total income tax	**–**	–

5. DIVIDENDS

The directors of the Company ("Directors", each a "Director") do not recommend the payment of a dividend for the Year (2015: Nil). During the Year, the Company does not have any arrangement under which a shareholder has waived or agreed to waive any dividends.

6. (LOSS)/PROFIT PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Net (loss)/profit attributable to shareholders	**(11,922)**	1,131

	2016	2015
Number of weighted average of ordinary shares in issue ('000)	**172,800**	172,800

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

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

For the year ended 31 March 2016 (the "Year"), Grand Investment International Ltd. (the "Company") recorded a loss of HK$11,922,000 (2015: profit of approximately HK$1,131,000), including overall loss on its investment portfolios of approximately HK$1,349,000 (2015: overall gain of approximately HK$117,000), comprising a net realised loss on disposal of investments of approximately HK$253,000 (2015: net realised gain of approximately HK$124,000), a net unrealised loss of investments of approximately HK$1,154,000 (2015: HK$7,000) and an impairment loss on available-for-sale investments of HK$7,325,000 (2015: impairment loss of approximately HK$7,802,000). The Company also recorded other revenues of approximately HK$35,000 (2015: HK$11,976,000). The net asset value of the Company dropped by approximately 24.8% from HK$0.28 to HK$0.21, which was primarily resulted from the substantial write-down taken by CMHJ Technology Fund II ("CMHJ"), being one of the investments within the Company's investment portfolios. The consequent impairment loss of approximately HK$7,325,000 has had a significant negative impact on our net asset value as it is required in accordance with the applicable accounting principles that such impairment be reflected in the Company's financial statements for the Year.

PROSPECTS

As we progress into 2016, we are working diligently with CMHJ in seeking to exit our investment in the venture capital fund as well as facilitating potential acquisition from third party secondary funds. Looking at the economic conditions of China and Hong Kong, the level of Purchasing Managers Index in China ranges from 49 to 50.2 over the last two quarters. The Renminbi had shown continued depreciation over the Year, not to mention that the Shanghai Stock Exchange Composite Index and the Hang Seng Index had dropped by more than 21% and 17% respectively over the Year. The investing environment had not been and is not expected to be easy or smooth.

China's economic slowdown is having ripple effects on various industries. In spite of the retail sector showing strains of China's economic slowdown, Tianjin Yishang Friendship Holdings Company Limited ("**Tianjin Yishang**"), in which the Company holds 3.955% equity interest, remains one of the market leaders in Tianjin with 10 department stores under its operation achieving sufficient scale to support its business development. While Tianjin Yishang has the first mover advantage with its market dominant position, we continue to work with it and share our experience and suggestions to facilitate its progress. Meanwhile, we are keeping watchful eyes and working with management in our direct investment in the game development company, Joyport Holdings Limited. The direct investment sector remains very competitive in China and the investment environment is becoming increasingly challenging. Therefore, we are targeting steady income investments. Our most recent property investment in the US is intended to provide a regular income. The property has been leased to a major business center for shared office space. We hope the investment can offer stable income stream and complement our other direct investments, which tend to depend on long term capital appreciation. Likewise, new investment initiatives will likely be steady income generating investments, including but not limited to fixed income or equities. We will stay vigilant in monitoring our portfolio companies while seeking a balance of risk and return for our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 March 2016, the Company had cash and bank balances of approximately HK$447,000 (2015: HK$235,000).

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 the calculation of gearing ratio was not applicable (2015: N/A).

The Company had net assets of approximately HK$36,165,000 (2015: HK$48,087,000).

CAPITAL EXPENDITURES AND COMMITMENTS

The Company had no capital commitments as at 31 March 2016 (2015: N/A).

CAPITAL STRUCTURE

As at 31 March 2016, the total number of ordinary shares of HK$0.10 each in the Company (the "Shares") in issue was 172,800,000 (2015: 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 2016, the Company had 9 employees (2015: 8), including the executive and independent non-executive Directors. The size of the Company's work force is expected to remain more or less the same in the coming year. Total staff cost for the Year was HK$1,343,000 (2015: HK$1,377,000). The Company's remuneration policies are in line with the prevailing market practices and the remuneration packages of the Directors and other employees of the Company are determined on the basis of their respective performance and experience. In addition, a remuneration committee is delegated by the Board to review and determine the terms of remuneration packages of all executive Directors and senior management of the Company and make recommendations to the Board on the remuneration of non-executive Directors.

DIVIDENDS

The Directors do not recommend the payment of a dividend for the Year (2015: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 15 July 2016.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

The Company has established with written terms of reference an Audit Committee, whose duties include but are not limited to reviewing all matters relating to the scope of audit, such as the financial statements, and providing supervision over the Company's financial reporting procedures and internal control and risk management systems. 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, 8 June 2016

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.