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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

SUMMARY

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 2013.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

The Board is pleased to announce the unaudited condensed results of the Company for the six months’ period from 1 April 2013 to 30 September 2013 (the “Period”). These interim financial statements have not been audited, but have been reviewed by the Company’s audit committee and auditors.

* *For identification purposes only*

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2013

| | <i>NOTE</i> | For the six months ended | |
|----------------------------------------------------------------------|-------------|---------------------------------|----------------------|
| | | 30 September 2013 | 30 September 2012 |
| | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (Unaudited) | (Unaudited) |
| REVENUES | 5 | 49 | 1,087 |
| OTHER REVENUES | 6 | 1 | 5 |
| ADMINISTRATIVE EXPENSES | | <u>(1,669)</u> | <u>(1,635)</u> |
| LOSS BEFORE TAXATION | 8 | (1,619) | (543) |
| TAXATION | 9 | <u>–</u> | <u>–</u> |
| LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | | <u>(1,619)</u> | <u>(543)</u> |
| LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO: | | | |
| Owners of the Company | | <u>(1,619)</u> | <u>(543)</u> |
| INTERIM DIVIDEND | 10 | <u>–</u> | <u>–</u> |
| LOSS PER SHARE (Cents) | | | |
| – Basic | 11 | <u>(0.94)</u> | <u>(0.31)</u> |
| – Diluted | 11 | <u>N/A</u> | <u>N/A</u> |

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

| | | 30 September 2013 | 31 March 2013 |
|---------------------------------------------------------|-------------|--------------------------------|------------------------------|
| | <i>NOTE</i> | <i>HK\$'000</i> (Unaudited) | <i>HK\$'000</i> (Audited) |
| NON-CURRENT ASSETS | | | |
| Available-for-sale investments | <i>12</i> | <u>46,078</u> | 46,078 |
| CURRENT ASSETS | | | |
| Investments at fair value through profit or loss | <i>13</i> | 2,164 | 2,988 |
| Deposits, prepayments and other receivables | <i>14</i> | 507 | 380 |
| Cash and cash equivalents | <i>15</i> | <u>576</u> | <u>1,570</u> |
| TOTAL CURRENT ASSETS | | <u>3,247</u> | 4,938 |
| CURRENT LIABILITIES | | | |
| Other payables and accruals | <i>16</i> | <u>112</u> | <u>184</u> |
| TOTAL CURRENT LIABILITIES | | <u>112</u> | <u>184</u> |
| NET CURRENT ASSETS | | <u>3,135</u> | <u>4,754</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>49,213</u> | <u>50,832</u> |
| NET ASSETS | | <u>49,213</u> | <u>50,832</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | <i>17</i> | 17,280 | 17,280 |
| Reserves | | <u>31,933</u> | <u>33,552</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | <u>49,213</u> | <u>50,832</u> |
| NET ASSET VALUE PER SHARE | | <u>HK\$0.28</u> | <u>HK\$0.29</u> |

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2013

1. GENERAL INFORMATION

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

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is Unit A, 2/F, 269–277 Queen’s Road, Central, Hong Kong.

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

2. BASIS OF PREPARATION

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

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

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

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

3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Annual Report of the Company for the year ended 31 March 2013.

The accounting policies used in the unaudited condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2013.

4. 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.

5. REVENUES

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

| | For the six months ended | |
|-----------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| | 30 September 2013 <i>HK\$'000</i> (Unaudited) | 30 September 2012 <i>HK\$'000</i> (Unaudited) |
| Net realised gain on disposal of investments at fair value through profit or loss | 89 | 165 |
| Net unrealized holding loss on investments at fair value through profit or loss | (246) | (232) |
| Net realised gain on option premium | 11 | 53 |
| Dividend income from listed securities | 31 | 102 |
| Dividend income from unlisted investment | 164 | 999 |
| | <u>49</u> | <u>1,087</u> |

6. OTHER REVENUES

| | For the six months ended | |
|-----------------|--------------------------------------------------------|--------------------------------------------------------|
| | 30 September 2013 <i>HK\$'000</i> (Unaudited) | 30 September 2012 <i>HK\$'000</i> (Unaudited) |
| Interest income | 1 | 1 |
| Others | — | 4 |
| | <u>1</u> | <u>5</u> |

7. SEGMENT INFORMATION

No business or geographical analysis of the Company's performance for the Period is specifically provided as all of the revenues and contributions to operating results of the Company are attributable to investments in listed securities, private equities of private companies and limited partnerships in Hong Kong, China, the Cayman Islands and the British Virgin Islands.

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following:

| | For the six months ended | |
|----------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| | 30 September 2013 <i>HK\$'000</i> (Unaudited) | 30 September 2012 <i>HK\$'000</i> (Unaudited) |
| Provision for auditors' remuneration | 60 | 60 |
| Directors' remuneration | 415 | 379 |
| Mandatory Provident Fund | 6 | 6 |
| Investment manager fee | 144 | 144 |
| Staff cost (excluding directors' emoluments) | 125 | 140 |
| Operating lease payments | <u>341</u> | <u>339</u> |

9. TAXATION

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimate average annual tax rate used is 16.5% for the Period (period ended 30 September 2012: 16.5%). No provisions has been made for Hong Kong Profits Tax as there were no estimated Hong Kong assessable profits for the Period (period ended 30 September 2012: Nil).

10. INTERIM DIVIDEND

The Directors of the Company do not recommend the payment of any interim dividend for the period ended 30 September 2013 (period ended 30 September 2012: Nil).

11. LOSS PER SHARE

The calculation of loss per ordinary share is based on the unaudited loss of approximately HK\$1,619,000 for the Period (period ended 30 September 2012: loss of approximately HK\$543,000) attributable to shareholders and the weighted average of 172,800,000 ordinary shares (period ended 30 September 2012: 172,800,000 ordinary shares) in issue during the Period.

The Company has no potential dilutive ordinary shares that were outstanding during the two periods ended 30 September 2013 and 30 September 2012; therefore, no diluted loss per share has been presented.

12. AVAILABLE-FOR-SALE INVESTMENTS

| | 30 September 2013 <i>HK\$'000</i> (Unaudited) | 31 March 2013 <i>HK\$'000</i> (Audited) |
|-------------------------------------|------------------------------------------------------------------|--------------------------------------------------|
| Investment securities, at cost | | |
| Equity securities, unlisted shares | 18,787 | 18,787 |
| Investments in limited partnerships | 27,291 | 27,291 |
| | 46,078 | 46,078 |

13. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 30 September 2013 <i>HK\$'000</i> (Unaudited) | 31 March 2013 <i>HK\$'000</i> (Audited) |
|----------------------------------|------------------------------------------------------------------|--------------------------------------------------|
| Equity securities, at fair value | | |
| Listed in Hong Kong | 2,164 | 2,821 |
| Listed outside Hong Kong | – | 167 |
| | 2,164 | 2,988 |

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

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | 30 September 2013 <i>HK\$'000</i> (Unaudited) | 31 March 2013 <i>HK\$'000</i> (Audited) |
|--------------------------------|------------------------------------------------------------------|--------------------------------------------------|
| Deposits and other receivables | 406 | 195 |
| Prepayments | <u>101</u> | <u>185</u> |
| | <u>507</u> | <u>380</u> |

15. CASH AND CASH EQUIVALENTS

| | 30 September 2013 <i>HK'000</i> (Unaudited) | 31 March 2013 <i>HK'000</i> (Audited) |
|--------------------------|----------------------------------------------------------------|------------------------------------------------|
| Cash and bank balances | 237 | 1,569 |
| Short-term bank deposits | <u>339</u> | <u>1</u> |
| | <u>576</u> | <u>1,570</u> |

16. OTHER PAYABLES AND ACCRUALS

| | 30 September 2013 <i>HK'000</i> (Unaudited) | 31 March 2013 <i>HK'000</i> (Audited) |
|------------------|----------------------------------------------------------------|------------------------------------------------|
| Accrued expenses | <u>112</u> | <u>184</u> |

17. SHARE CAPITAL

| | 30 September 2013 HK\$'000 (Unaudited) | 31 March 2013 HK\$'000 (Audited) |
|-----------------------------------------------|-----------------------------------------------------------|-------------------------------------------|
| <i>Authorised:</i> | | |
| 1,000,000,000 ordinary shares of HK\$0.1 each | <u>100,000</u> | <u>100,000</u> |
| <i>Issued and fully paid:</i> | | |
| 172,800,000 ordinary shares of HK\$0.1 each | <u>17,280</u> | <u>17,280</u> |

18. RELATED PARTY TRANSACTIONS

During the Period, the Company traded listed securities through a securities account maintained with a related company, Grand Investment (Securities) Limited (“GIS”) in which Dr. Lee Woo Sing has beneficial interest. Dr. Lee Woo Sing had been a director of the Company until he retired on 1 May 2013. GIS was also the investment manager of the Company and was entitled to a monthly fee of HK\$24,000 (period ended 30 September 2012: HK\$24,000) for the provision of investment management services to the Company.

Details of related party transactions for the six months ended 30 September 2013 are as follows:

| | For the six months ended | |
|--------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------|
| | 30 September 2013 HK\$'000 (Unaudited) | 30 September 2012 HK\$'000 (Unaudited) |
| Investment manager fee paid to a related company | 24 | 144 |
| Rental expenses paid to a related company | <u>–</u> | <u>339</u> |

19. COMMITMENTS

Operating lease commitments

At 30 September 2013, the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | 30 September 2013 <i>HK'000</i> (Unaudited) | 31 March 2013 <i>HK'000</i> (Audited) |
|-----------------------------------|----------------------------------------------------------------|------------------------------------------------|
| Not later than one year | 332 | 664 |
| In second to fifth year inclusive | — | — |
| | <u>332</u> | <u>664</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

During the Period, the Company recorded a loss of approximately HK\$1,619,000 (period ended 30 September 2012: loss of approximately HK\$543,000).

The net asset value (“NAV”) per ordinary share of HK\$0.10 (“Share”) of the Company was HK\$0.28 as at 30 September 2013 (31 March 2013: HK\$0.29).

BUSINESS OVERVIEW AND PROSPECTS

Over the past six months of our financial year, we have seen moderate expansion in economic activities and inconsistent growth that had prompted the US not to taper its QE (quantitative easing) in September. We also see that the expected improvement in equities market in China had stayed soft. The capital market of A shares IPOs (initial public offerings) remains shut to this day and housing prices in the first-tier cities of China stay high. Under such backdrop, The People’s Bank of China (“PBoC”) had stuck to more prudent monetary policy to adjust any credit growth resulted from rising trade surplus. The PBoC also vows to ensure market stability and will take steps to 1) manage interbank liquidity, 2) support funding for first home buyers and social housing initiatives, and 3) implement gradual liberalization of deposit rates. Moreover, the highly anticipated Third Plenum of the Chinese communist party provided broad pictures of reforms to come. The focus on the eight areas may imply faster financial liberalization, broadening property tax for the rest of the country, pricing reform on natural resources, public utilities and rail transportation, and increasing support for fast growth sectors like internet, environment and alternative energy.

Our current portfolio is composed mostly of direct investments and limited partnerships. Performance of each investment is consistent with current investing environment. While global economic conditions and government policy may adversely impact our various investment companies, we are optimistic that eventual improvements will come. While some portfolio companies may distribute a dividend and others do not, this is a direct result of the different sectors and investment types we have made.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Company was in a sound liquidity position. The Company had bank balances of approximately HK\$576,000 (31 March 2013: HK\$1,570,000). There was no borrowing or funding requirements by the Company for investment and capital expenditures. The Board believes that the Company has sufficient financial resources to meet its investment or working capital requirements.

As at 30 September 2013, the Company had net assets of approximately HK\$49,213,000 (31 March 2013: HK\$50,832,000) with no long term liabilities.

CHARGE ON THE COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2013, there were no charges on the Company's assets or any significant contingent liabilities (31 March 2013: Nil).

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

CAPITAL EXPENDITURES

The Company did not make any significant capital expenditure during the Period (30 September 2012: Nil).

COMMITMENTS

As at 30 September 2013, the Company had irrevocable operational leases of approximately HK\$332,000 (31 March 2013: HK\$664,000) which was to be repaid within one year.

The Company did not have any capital commitments as at 30 September 2013 (31 March 2013: Nil).

CAPITAL STRUCTURE

As at 30 September 2013, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 172,800,000 (31 March 2013: 172,800,000).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (30 September 2012: Nil).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, the Company had not purchased, sold or redeemed any of its securities (30 September 2012: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2013, the Company had 9 (31 March 2013: 8) employees, including the executive, non-executive and independent non-executive Directors of the Company.

Total staff cost for the Period amounted to HK\$540,000 (period ended 30 September 2012: HK\$525,000). 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.

During the Period, no option has been granted or agreed to be granted under the share option scheme adopted by the Company.

FOREIGN CURRENCY EXPOSURE

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

CORPORATE GOVERNANCE

The Company had complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (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 had complied with the required standard set out in the Model Code regarding Directors’ securities transactions.

AUDIT COMMITTEE

The Company’s audit committee, comprising four 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 and financial reporting matters including a review of the Company’s unaudited interim financial statements for the Period.

PUBLICATION OF FINANCIAL INFORMATION

This announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.grandinv.com). The interim report of the Company for the Period will be dispatched to the shareholders of the Company and available on the above websites in due course.

BOARD OF DIRECTORS

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

By order of the Board
Lee Wai Tsang, Rosa
Chairman and Executive Director

Hong Kong, 21 November 2013