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大唐投資國際有限公司*

GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

The Board (the “Board”) of Directors (the “Directors”) of Grand Investment International Ltd. (the “Company”) is pleased to announce that the audited results of the Company for the year ended 31 March 2013 (the “Year”) together with the comparative figures for the year ended 31 March 2012 are as follows:

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	<i>NOTE</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
GAIN ON INVESTMENTS	2	1,003	250
OTHER REVENUES	2	1	1,226
ADMINISTRATIVE EXPENSES		<u>(3,293)</u>	<u>(3,124)</u>
LOSS BEFORE TAXATION	3	(2,289)	(1,648)
TAXATION	4(a)	<u>—</u>	<u>—</u>
LOSS FOR THE YEAR		(2,289)	(1,648)
OTHER COMPREHENSIVE INCOME		<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(2,289)</u>	<u>(1,648)</u>
DIVIDENDS	5	<u>—</u>	<u>—</u>
LOSS PER SHARE	6		
Basic:			
For loss for the year		<u>(HK\$0.01)</u>	<u>(HK\$0.01)</u>
Diluted:			
For loss for the year		<u>N/A</u>	<u>N/A</u>

* *For identification purposes only*

STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
NON-CURRENT ASSETS		
Available-for-sale investments	<u>46,078</u>	<u>46,078</u>
CURRENT ASSETS		
Investments at fair value through profit or loss	2,988	3,733
Deposits, other receivables and prepayments	380	1,197
Cash and cash equivalents	<u>1,570</u>	<u>2,284</u>
TOTAL CURRENT ASSETS	<u>4,938</u>	<u>7,214</u>
CURRENT LIABILITIES		
Other payables and accruals	<u>184</u>	<u>171</u>
TOTAL CURRENT LIABILITIES	<u>184</u>	<u>171</u>
NET CURRENT ASSETS	<u>4,754</u>	<u>7,043</u>
NET ASSETS	<u>50,832</u>	<u>53,121</u>
EQUITY		
Share capital	17,280	17,280
Reserves	<u>33,552</u>	<u>35,841</u>
TOTAL EQUITY	<u>50,832</u>	<u>53,121</u>
NET ASSET VALUE PER SHARE	<u>HK\$0.29</u>	<u>HK\$0.31</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 (“the Listing Rules”) on The Stock Exchange of Hong Kong Limited and the disclosure requirements of the Hong Kong Companies Ordinance.

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

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

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

(a) Amendments and interpretations to existing standards effective for the Company’s annual financial year beginning in 1 April 2012 and relevant to the Company

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

There are no HKFRSs interpretations that are effective for the first time for the financial year beginning on or after 1 April 2012 that would be expected to have a material impact on the Company.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

Up to the date of issue of these financial statements, the HKICPA have issued a number of new standards, amendments to standards and interpretations which are effective for annual periods beginning after 1 April 2013, and which have not been early adopted in preparing these financial statements. These include the following which may be relevant to the Company.

	Effective for accounting periods beginning on or after
HKAS 1 (Revised), “Presentation of financial statements”	1 July 2012
HKFRS 9 “Financial instruments”	1 January 2015
HKFRS 12 “Disclosures of interests in other entities”	1 January 2013
HKFRS 13 “Fair value measurement”	1 January 2013
Amendment to HKFRS 7 “Financial instruments: Disclosures – offsetting financial assets and financial liabilities”	1 January 2013
Amendment to HKAS 32 “Financial instruments: Presentation – offsetting financial assets and financial liabilities”	1 January 2013

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.

The amendment to HKAS 1 have been issued to improve the presentation of other comprehensive income. The amendments require entities to group together the items of other comprehensive income that may be reclassified to profit or loss in the future by presenting them separately from those that would never be reclassified to profit or loss. The application of the amendment to HKAS 1 might result in changes in presentation of the Company’s statement of comprehensive income. The Company will apply this amendment from 1 April 2013.

HKFRS 9, “Financial instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the statement of comprehensive income, unless this creates an accounting mismatch. The Company has yet to assess HKFRS 9’s full impact and intends to adopt HKFRS 9 from 1 April 2015.

HKFRS 12, “Disclosures of interests in other entities” includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Company has yet to assess HKFRS 12’s full impact and intends to adopt HKFRS 12 from 1 April 2013.

HKFRS 13, “Fair value measurement”, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRS. The Company has yet to assess HKFRS 13’s full impact and intends to adopt HKFRS 13 from 1 April 2013.

Amendment to HKFRS 7, “Financial instruments: Disclosures – Offsetting financial assets and financial liabilities”, requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. The Company will apply this amendment from 1 April 2013.

Amendment to HKAS 32, “Financial instruments: Presentation – Offsetting financial assets and financial liabilities”, are to the application guidance in HKAS 32 “Financial instruments: Presentation”, and clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The application of the amendment to HKAS 32 might result in changes in presentation of certain financial assets and financial liabilities on the statement of financial position. The Company will apply this amendment from 1 April 2013.

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

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
GAIN ON INVESTMENTS		
Net unrealised loss on investments at fair value through profit or loss	(474)	(1,253)
Net realised gain on disposal on investments at fair value through profit or loss	353	280
Dividend income	1,124	1,196
Interest income from bond	—	27
	<u>1,003</u>	<u>250</u>
OTHER REVENUES		
Sundry income	1	4
Distribution income from unlisted partnership	—	1,222
	<u>1</u>	<u>1,226</u>
Total gain on investments and other revenues	<u><u>1,004</u></u>	<u><u>1,476</u></u>

3. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Auditors' remuneration		
– Current year	160	160
Investment manager fee	288	288
Exchange gain, net	(5)	(1)
Legal and professional fee	224	186
Operating lease payments	664	678
Staff costs (excluding directors' emoluments)	<u>300</u>	<u>246</u>

4. TAXATION

- (a) No provision for Hong Kong Profits Tax has been made in the financial statements as the Company has no assessable profit derived from its operation in Hong Kong during the Year (2012: Nil).
- (b) As at 31 March 2013, the Company had an unrecognised deferred tax asset of approximately HK\$3,585,000 (2012: HK\$2,866,000) which mainly represents the full tax effect of timing differences arising from accumulative 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.
- (c) Reconciliation between tax expenses and accounting loss at applicable tax rate is as follows:

	2013	2012
	HK\$'000	HK\$'000
Loss before taxation	<u><u>(2,289)</u></u>	<u><u>(1,648)</u></u>
Tax at the applicable rate of 16.5% (2012: 16.5%)	(378)	(272)
Tax effect of non-taxable income	(185)	(45)
Tax effect of tax loss not recognised	<u>563</u>	<u>317</u>
Total income tax	<u><u>-</u></u>	<u><u>-</u></u>

5. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year ended 31 March 2013 (2012: Nil).

6. LOSS PER SHARE

The calculation of loss per share is based on the net loss attributable to the shareholders for the year ended 31 March 2013 of HK\$2,289,000 (2012: net loss of HK\$1,648,000) and the weighted average of 172,800,000 ordinary shares in issue during the year ended 31 March 2013 (2012: weighted average of 172,800,000 ordinary shares in issue). The Company has no potential dilutive ordinary shares that were outstanding during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 March 2013 (“Year”), Grand Investment International Ltd. (“Company”) recorded a loss of approximately HK\$2,289,000 (2012: a loss of HK\$1,648,000). For the year ended 31 March 2013, the Company recorded HK\$1,003,000 (2012: HK\$250,000) in turnover, comprising realized gain of approximately HK\$353,000 (2012: HK\$280,000) and net unrealized loss of the listed securities and investments portfolio of approximately HK\$474,000 (2012: HK\$1,253,000).

Our mandate stipulates that our investment should be at least 70% in China and we have limited exposure to other countries. China’s economic growth had slowed with year-on-year GDP (gross domestic product) at 7.8%, compared to 9.2% in 2011 and CPI (consumer price index) at 2.6% compared to 5.4% in 2011. Despite steady industrial production, better corporate earnings, and objective to reform, China A shares market had year-on-year meager return of 1.7%. Due to the generally soft investing environment in China and our focus in the region, our exits strategies had been limited subject to market condition and demands. Looking forward, we will continue to seek return on our existing portfolio companies. We are doing our best to manage our existing portfolios to identify suitable exits and returns.

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 March 2013, the Company had bank balances of approximately HK\$1,570,000 (2012: HK\$2,284,000).

The Board concluded that the Company has sufficient financial resources to satisfy its immediate investment and working capital requirements. There was no long term borrowing and calculation of gearing ratio was not applicable (2012: N/A).

The Company had net assets of approximately HK\$50,832,000 (2012: HK\$53,121,000).

CAPITAL COMMITMENTS

The Company had no capital commitments as at 31 March 2013 (2012: Nil).

CAPITAL STRUCTURE

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

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

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2013, the Company had 8 employees (2012: 8), including the executive, non-executive and independent non-executive Directors. Total staff cost for the Year was HK\$1,138,000 (2012: HK\$1,053,000). 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 Board does not recommend the payment of a dividend for the Year (2012: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 5 August 2013.

Corporate Governance

During the Year, the Company had complied with the applicable code provisions (the “**Code Provisions**”) set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules (which is applicable to financial reports covering a period after 1 April 2012) except for the following deviation:

Code Provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting and arrange for the chairmen of the audit, remuneration, nomination and any other committees (collectively, the “**Committees**”) (as appropriate) to attend. In their absence, he should invite another member of the Committee or, failing this, his duly appointed delegate, to attend and be available to answer questions at the annual general meeting. The chairman of the Board and the chairmen of the Committees could not attend the annual general meeting of the Company held on 30 July 2012 (the “**2012 AGM**”) due to business trips or other business engagement. Ms. Lee Wai Tsang, Rosa, an executive Director, was delegated by the chairman of the Board and the chairmen of the Committees to attend the 2012 AGM to ensure effective communication with the shareholders of the Company.

Audit Committee

The Company has established with written terms of reference an audit committee (“**Audit Committee**”) whose members are Mr. Lu Fan, Dr. Zhang Hongru and Dr. Chow Yunxia, Carol, all being independent non-executive Directors. The terms of reference of the Audit Committee are consistent with the terms set out in the CG Code. The duties of the Audit Committee include 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 system.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and has discussed with the management about the auditing, internal control and financial reporting matters for the Year. The Audit Committee has also reviewed the annual results of the Company for the Year.

Remuneration Committee

The Company has set up with written terms of reference a remuneration committee (the “**Remuneration Committee**”) whose members are Mr. Lu Fan, Dr. Zhang Hongru and Dr. Chow Yunxia, Carol, all being independent non-executive Directors. The terms of reference of the Remuneration Committee are consistent with the terms set out in the CG Code.

The major role and functions of the Remuneration Committee are to formulate, review and deliberate on the remuneration policy and related matters of the Company. The Company’s remuneration policy is in line with the prevailing market practices and is determined primarily on the basis of performance and experience of each Director.

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.

PUBLICATION OF FINANCIAL INFORMATION ON THE WEBSITES

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

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

Hong Kong, 18 June 2013

As at the date of this announcement, the executive Directors are Ms. Lee Wai Tsang Rosa (Chairman) and Dr. Huang Zhijian. The independent non-executive Directors are Mr. Lu Fan, Dr. Zhang Hongru and Dr. Chow Yunxia, Carol.