
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Offer, this Composite Document or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Grand Investment International Ltd., you should at once hand this document and the accompanying Form of Acceptance and Transfer to the purchaser(s) or the transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document, 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 Composite Document.

Mr. Lee Tak Lun



大唐投資國際有限公司*
GRAND INVESTMENT INTERNATIONAL LTD.
(incorporated in Bermuda with limited liability)
(Stock Code: 1160)

**COMPOSITE DOCUMENT IN RELATION TO
CONDITIONAL MANDATORY CASH OFFER BY
GRAND VINCO CAPITAL LIMITED
ON BEHALF OF
MR. LEE TAK LUN
TO ACQUIRE ALL THE ISSUED SHARES OF
GRAND INVESTMENT INTERNATIONAL LTD.
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY MR. LEE
AND PARTIES ACTING IN CONCERT WITH HIM)**

Financial adviser to the Offeror

VINCO  域高

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

Independent Financial Adviser to the Independent Board Committee

VEDA | CAPITAL
智略資本

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Grand Vinco Capital Limited is set out on pages 6 to 12 of this Composite Document. A letter from the Board is set out on pages 13 to 21 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 22 to 23 of this Composite Document. A letter from the Independent Financial Adviser containing its advice on the Offer to the Independent Board Committee is set out on pages 24 to 37 of this document.

The procedures for acceptance of the Offer and related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance and Transfer. Acceptances of the Offer should be received by the Registrar by no later than 4:00 p.m. on 12 November 2013 or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

* For identification purposes only

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EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

Despatch date of this Composite Document and
commencement date of the Offer (*Note 1*) 22 October 2013

Latest time and date for acceptance of the Offer
on the First Closing Date (*Note 2*) 4:00 p.m. on 12 November 2013

First Closing Date (*Note 2*). 12 November 2013

Announcement of the results of the Offer or as to
the Offer has been revised or extended to be posted
on the website of the Stock Exchange (*Note 2*). no later than 7:00 p.m.
on 12 November 2013

Latest date for posting of remittances in respect of
valid acceptances received under the Offer received by
the First Closing Date (if the Offer have become unconditional
on the First Closing Date) (*Note 3*). 21 November 2013

Latest time and date for the Offer remaining open for
acceptance assuming the Offer is declared unconditional
on the First Closing Date (*Note 2*) 4:00 p.m. on 26 November 2013

Latest date for posting of remittances for the amounts
due in respect of valid acceptance received under
the Offer at or before 4:00 p.m. on 26 November 2013,
being the latest time and date which the Offer
remain open for acceptance assuming the Offer
becomes or is declared unconditional in
all respects on the First Closing Date (*Note 3*) 5 December 2013

Latest date by which the Offer can be declared unconditional (*Note 4*) 21 December 2013

Notes:

1. The Offer, which is subject to the condition set out in the paragraph headed “Condition of the Offer” in this Composite Document, are made on the date of posting of this Composite Document, and are capable of acceptance on and from that date until the First Closing Date unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. Subject to the fulfilment of the condition of the Offer, acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the section headed “Right of withdrawal” in Appendix I to this Composite Document.
2. The Offer which is conditional will be closed on the First Closing Date. The latest time for acceptance is 4:00 p.m. on the First Closing Date i.e. the later of the First Closing Date or the date falling 14 days after the Offer becoming or being declared unconditional (or if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror in accordance with the Takeovers Code) unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. When the Offer becomes or is declared unconditional, the Offer shall

EXPECTED TIMETABLE

remain open for acceptance for not less than 14 days thereafter. If the Offer declared unconditional on the First Closing Date, the Offer shall be extended to open for acceptance for not less than 14 days thereafter. In the event that the Offeror decides that the Offer will remain open until further notice, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer. An announcement will be made on or before the First Closing Date as to whether the Offer have been revised, extended or expired.

3. Remittances in respect of the cash consideration payable for the Shares tendered under the Offer will be made as soon as possible, but in any event within seven (7) Business Days from the later of the date on which the Offer becomes unconditional and the date of receipt by the Registrar of the valid requisite documents from the Independent Shareholders accepting the Offer.
4. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptance after 7:00 p.m. on the 60th day after the day this Composite Document is posted.

Unless otherwise expressly stated, all time and date references contained in this Composite Document refer to Hong Kong time and dates.

DEFINITIONS

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of 3,600,000 Shares, representing approximately 2.08% of the existing issued share capital of the Company, by the Offeror at a consideration of HK\$1,296,000 off-market on 12 September 2013
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associates”	has the meaning ascribed thereto under the Listing Rules and the Takeovers Code (as appropriate)
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Company”	Grand Investment International Ltd. (大唐投資國際有限公司), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Closing Date”	the later of the First Closing Date or the date falling 14 days after the Offer becoming or being declared unconditional, (if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror in accordance with the Takeovers Code)
“Composite Document”	this composite offer and response document dated 22 October 2013 jointly issued by the Offeror and the Company in relation to the Offer and in accordance with the Takeovers Code
“Directors”	directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“First Closing Date”	12 November 2013, being the first closing date of the Offer
“Form of Acceptance and Transfer”	the form of acceptance and transfer of Shares in respect of the Offer accompanying with this Composite Document
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Lu Fan, Dr. Zhang Hongru, Dr. Chow Yunxia, Carol and Mr. Lam Chi Wai, established to give recommendation to the Independent Shareholders regarding the terms of the Offer
“Independent Financial Adviser” or “Veda Capital”	Veda Capital Limited, a licensed corporation registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activities
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with him
“Joint Announcement”	the joint announcement dated 24 September 2013 made by the Company and the Offeror in relation to the Offer
“Mr. Lee” or “Offeror”	Mr. Lee Tak Lun who is indirectly and beneficially interested in approximately 53,760,000 Shares, representing approximately 31.11% of the total issued Shares as at the Latest Practicable Date
“Last Full Trading Day”	11 September 2013, being the last full trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange at 1:00 p.m. on 12 September 2013
“Last Trading Day”	12 September 2013, being the last trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange at 1:00 p.m. on 12 September 2013
“Latest Practicable Date”	18 October 2013, being the latest practicable date prior to the printing of this composite document for the purpose of ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the conditional mandatory cash offer to be made by Grand Vinco Capital Limited for and on behalf of the Offeror for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him) pursuant to Rule 26.1 of the Takeovers Code

DEFINITIONS

“Offer Period”	has the meaning ascribed thereto in the Takeovers Code, being the period commencing the date of the Joint Announcement and ending on the Closing Date
“Offer Price”	the price at which the Offer will be made, being HK\$0.36 per Offer Share
“Offer Share(s)”	issued Share(s) other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him
“PRC”	the People’s Republic of China which, for the purpose of this document, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Relevant Period”	the period commencing on 24 March 2013, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (Stock Code: 8340), a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under SFO which has been appointed by the Offeror to make the offer for and on behalf of the Offeror
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM VINCO CAPITAL



Grand Vinco Capital Limited
Units 4909-4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

22 October 2013

To the Independent Shareholders

Dear Sir or Madam,

**COMPOSITE DOCUMENT IN RELATION TO
CONDITIONAL MANDATORY CASH OFFER BY
GRAND VINCO CAPITAL LIMITED
ON BEHALF OF
MR. LEE TAK LUN
TO ACQUIRE ALL THE ISSUED SHARES OF
GRAND INVESTMENT INTERNATIONAL LTD.
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY
MR. LEE AND PARTIES ACTING IN CONCERT WITH HIM)**

INTRODUCTION

Reference is made to the Joint Announcement.

The Board was informed that on 12 September 2013, the Offeror acquired 3,600,000 Shares off-market from an Independent Third Party, representing approximately 2.08% of the existing issued share capital of the Company, for a consideration of HK\$1,296,000 in cash. The Acquisition has been completed on 12 September 2013.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him).

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Company. The terms of the Offer and procedures of acceptance of the Offer are set out in this letter, Appendix I to this Composite Document, and the accompanying Form of Acceptance and Transfer.

The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" as set out in this Composite Document.

LETTER FROM VINCO CAPITAL

Principal terms of the Offer

We are making, on behalf of the Offeror, the Offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with him) in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$0.36 in cash

The Offer Price of HK\$0.36 per Offer Share is determined on the basis of the consideration paid by the Offeror per Share under the Acquisition.

The Offer Shares to be acquired under the Offer shall be fully paid or credited as fully paid and free from all liens, claims and encumbrances and with all rights attached to them including but not limited to the rights to receive all dividends and distribution declared, paid or made, if any, on or after the date of Acquisition.

Condition of the Offer

The Offer is conditional upon the Offeror having received valid acceptances of the Offer which, together with the Shares already owned by the Offeror and the parties acting in concert with him before or during the Offer Period, will result in the Offeror and parties acting in concert with him holding more than 50% voting rights of the Company.

Comparison of value

The Offer Price of HK\$0.36 represents:

- (i) the same price as the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (ii) the same price as the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) the same price as the average of the closing price of HK\$0.36 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iv) the same price as the average of the closing price of HK\$0.36 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 20.88% to the closing price of HK\$0.455 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

LETTER FROM VINCO CAPITAL

- (vi) a premium of approximately 24.14% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.29 per Share as at 31 March 2013 and based on 172,800,000 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

The highest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period was HK\$0.71 per Share as at 25 September 2013. The lowest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period was HK\$0.36 per Share.

Value of the Offer

On the basis of the Offer Price of HK\$0.36 per Offer Share and 172,800,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$62,208,000. Immediately after the Acquisition, the Offeror and parties acting in concert with him owned 54,760,000 Shares. Hence, 118,040,000 Offer Shares are subject to the Offer and are valued at HK\$42,494,400 on the basis of the Offer Price.

Financial resources available for the Offer

The financial resources of the Offeror to fund the Offer amounting to an aggregate of HK\$42,494,400 are financed as to HK\$25,000,000 by the personal resources of the Offeror and the remaining balance by an unsecured external banking facility of HK\$25,000,000 granted by Wing Hang Bank.

The Offeror does not intend that the payment of interest on, repayment of or security for any existing liability (contingent or otherwise) will depend on the business of the Company to any significant extent.

Grand Vinco Capital Limited has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, Shareholders will sell their Offer Shares to the Offeror free from all liens, claims and encumbrances and with all rights attached to them including but not limited to the rights to receive all dividends and distribution declared, paid or made, if any, on or after the date of Acquisition.

LETTER FROM VINCO CAPITAL

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of: (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror on behalf of relevant Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Subject to the Offer becoming unconditional, payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within 7 Business Days of the later of the date on which the Offer becomes, or is declared, unconditional and the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid pursuant to the Takeovers Code.

Subject to the Offer becoming unconditional, settlement of the consideration to which any Independent Shareholders is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholders.

In the event that the Offer lapses, the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance and Transfer to the relevant Independent Shareholder(s), who would have accepted the Offer at their own risk.

Overseas Shareholders

Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Shareholders in respect of such jurisdiction).

LETTER FROM VINCO CAPITAL

Compulsory acquisition

The Offeror and parties acting in concert with him do not intend to exercise any right which may be available to them to acquire compulsorily any Shares not tendered for acceptance under the Offer.

Dealings in the Company's securities

Save for the transactions under the Acquisition, none of the Offeror nor parties acting in concert with him has dealt in the Shares and any outstanding options, derivatives, warrants or other securities convertible into Shares during the period commencing six months preceding the date of the Acquisition i.e. 12 March 2013 and ending on the date of the Joint Announcement.

As at the Latest Practicable Date, the Offeror and the parties acting in concert with him have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company.

Other arrangements

As at the Latest Practicable Date, (i) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares and which might be material to the Offer; (ii) save for the transactions contemplated under the Acquisition, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which he may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; (iii) none of the Offeror nor parties acting in concert with him has received any irrevocable commitment to accept the Offer; and (iv) none of the Offeror nor parties acting in concert with him has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

INFORMATION ON THE OFFEROR

With over 30 years of experience in the financial industry, Mr. Lee is currently the Vice Chairman, Chief Executive Officer and substantial shareholder of Grand Finance Group Company Limited. Mr. Lee is currently registered as responsible officer with the SFC to conduct Regulated Activities 1, 2, 4, 5, 6, and 9. Mr. Lee is a Honorary Permanent President of the Chinese Gold & Silver Exchange Society, Member of the National Committee of Chinese People's Political Consultative Conference. He was awarded Bronze Bauhinia Star (B.B.S.) by The Government of the HKSAR in 2012. As at the Latest Practicable Date, Mr. Lee is indirectly and beneficially interested in approximately 53,760,000 Shares, representing approximately 31.11% of the total issued Shares. Mr. Lee is also the father of Ms. Lee Wai Tsang Rosa, the Chairman and an executive Director of the Company and Mr. Lee Wai Wang Robert, an executive Director of the Company. Winrex International Limited ("Winrex"), is interested in 1,000,000 Shares, representing approximately 0.58% of the issued share capital of the Company. As Dr. Lee Woo Sing, father of Mr. Lee, holds more than 90% of the issued share capital of Winrex, Winrex is deemed as a party acting in concert with Mr. Lee under the Takeovers Code.

LETTER FROM VINCO CAPITAL

INFORMATION ON THE COMPANY

The Company is an investment holding company incorporated in Bermuda with limited liability and is principally engaged in the investment of listed and unlisted enterprises established in Hong Kong, the PRC and Macau.

The Company is an investment company listed under Chapter 21 of the Listing Rules.

The financial information of the Company, as extracted from Appendix II to this Composite Document and its annual reports for the years ended 31 March 2011, 2012 and 2013 is as follows:

	For the four-month periods ended 31 July 2013 (audited) HK\$'000	For the year ended 31 March 2013 (audited) HK\$'000	For the year ended 31 March 2012 (audited) HK\$'000	For the year ended 31 March 2011 (audited) HK\$'000
Revenue	(310)	1,003	250	44
Loss before tax	(1,344)	(2,289)	(1,648)	(1,182)
Total assets	49,555	51,016	53,292	54,967
Total liabilities	67	184	171	198
Net assets	49,488	50,832	53,121	54,769

OFFEROR'S INTENTION ON THE COMPANY

It is the intention of the Offeror that the Company will continue with its existing principal businesses. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company after the Offer. There is no plan for the Offeror to introduce any major changes after the Offer.

Please refer to the section headed "Offeror's intention on the Company" in the Letter from the Board contained in this Composite Document for further details of the intention of the Offeror on the Company and also the view of the Board to the Offeror's intention.

MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or

LETTER FROM VINCO CAPITAL

(ii) that there are insufficient Shares in public hands to maintain an orderly market;
it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

GENERAL

It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

All documents and remittance will be sent to the Independent Shareholders by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company or, in the case of joint Independent Shareholders, to the Independent Shareholder whose name appears first in the register of members of the Company, as applicable. None of the Company, the Offeror and parties acting in concert with it, Vinco Capital and Veda Capital, nor any of their respective directors or any persons involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form(s) of Acceptance and Transfer, which form part of this Composite Document. In addition, your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the letter of advice by the Independent Financial Adviser to the Independent Board Committee in respect of the Offer as set out in the "Letter from the Independent Financial Adviser" contained in this Composite Document.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

LETTER FROM THE BOARD



大唐投資國際有限公司*

GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

Executive Directors

Dr. Huang Zhijian

Ms. Lee Wai Tsang, Rosa (*Chairman*)

Mr. Lee Wai Wang, Robert

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors

Mr. Lu Fan

Dr. Zhang Hongru

Dr. Chow Yunxia, Carol

Mr. Lam Chi Wai

*Head office and principal place
of business in Hong Kong*

Unit A, 2/F,

No. 269-277 Queen's Road Central

Hong Kong

22 October 2013

To the Independent Shareholders

Dear Sir or Madam,

**COMPOSITE DOCUMENT IN RELATION TO
CONDITIONAL MANDATORY CASH OFFER BY
GRAND VINCO CAPITAL LIMITED
ON BEHALF OF
MR. LEE TAK LUN
TO ACQUIRE ALL THE ISSUED SHARES OF
GRAND INVESTMENT INTERNATIONAL LTD.
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY
MR. LEE AND PARTIES ACTING IN CONCERT WITH HIM**

INTRODUCTION

The Board was informed that on 12 September 2013, the Offeror acquired 3,600,000 Shares off-market from an Independent Third Party, representing approximately 2.08% of the existing issued share capital of the Company, for a consideration of HK\$1,296,000 in cash. The Acquisition has been completed on 12 September 2013 and the seller ceases to hold any Shares in the Company after the Acquisition.

* *For identification purposes only*

LETTER FROM THE BOARD

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him).

The purpose of this Composite Document is to provide you with, among other things, (i) information relating to the Company, the Offeror and the Offer; (ii) the “Letter from the Independent Board Committee” containing its recommendation to the Independent Shareholders in respect of the Offer; and (iii) the “Letter from the Independent Financial Adviser” containing its recommendation to the Independent Board Committee in respect of the Offer.

CONDITIONAL MANDATORY CASH OFFER

Prior to the Acquisition, the Offeror and the parties acting in concert with him are interested in an aggregate of 51,160,000 Shares of the Company, representing approximately 29.61% of the existing issued share capital of the Company. Among the 51,160,000 Shares, Mr. Lee is interested in 50,160,000 Shares through his interests in a number of corporations, representing approximately 29.03% of the issued share capital of the Company. Winrex International Limited (“Winrex”) is interested in 1,000,000 Shares, representing approximately 0.58% of the issued share capital of the Company. As Dr. Lee Woo Sing, father of Mr. Lee, holds more than 90% of the issued share capital of Winrex, Winrex is deemed as a party acting in concert with Mr. Lee under the Takeovers Code. As a result of the Acquisition, the Offeror and the parties acting in concert with him are interested in, owned, controlled or had direction over an aggregate of 54,760,000 Shares of the Company, representing approximately 31.69% of the existing issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with him).

On the basis of the Offer Price of HK\$0.36 per Offer Share and 172,800,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$62,208,000. Immediately after the Acquisition, the Offeror and parties acting in concert with him are interested in, owned, controlled or had direction over an aggregate of 54,760,000 Shares. Hence, 118,040,000 Offer Shares are subject to the Offer and are valued at HK\$42,494,400 on the basis of the Offer Price.

As at the Latest Practicable Date, the Company has no outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange, into Shares.

LETTER FROM THE BOARD

Principal terms of the Offer

Grand Vinco Capital Limited, on behalf of the Offeror, makes the Offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with him) in compliance with the Takeovers Code on the following terms:

For each Offer ShareHK\$0.36 in cash

The Offer Price of HK\$0.36 per Offer Share is determined on the basis of the consideration paid by the Offeror per Share under the Acquisition.

The Offer Shares to be acquired under the Offer shall be fully paid or credited as fully paid and free from all liens, claims and encumbrances and with all rights attached to them including but not limited to the rights to receive all dividends and distribution declared, paid or made, if any, on or after the date of Acquisition.

Condition of the Offer

The Offer is conditional upon the Offeror having received valid acceptances of the Offer which, together with the Shares already owned by the Offeror and the parties acting in concert with him before or during the Offer Period, will result in the Offeror and parties acting in concert with him holding more than 50% voting rights of the Company.

Comparison of value

The Offer Price of HK\$0.36 represents:

- (i) the same price as the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (ii) the same price as the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) the same price as the average of the closing price of HK\$0.36 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iv) the same price as the average of the closing price of HK\$0.36 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 20.88% to the closing price of HK\$0.455 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a premium of approximately 24.14% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.29 per Share as at 31 March 2013 and based on 172,800,000 Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

Highest and lowest Share prices

The highest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period was HK\$0.71 per Share as at 25 September 2013. The lowest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period was HK\$0.36 per Share.

Value of the Offer

On the basis of the Offer Price of HK\$0.36 per Offer Share and 172,800,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$62,208,000. Immediately after the Acquisition, the Offeror and parties acting in concert with him are interested in, owned, controlled or had direction over an aggregate of 54,760,000 Shares. Hence, 118,040,000 Offer Shares are subject to the Offer and are valued at HK\$42,494,400 on the basis of the Offer Price.

Financial resources available for the Offer

The financial resources of the Offeror to fund the Offer amounting to an aggregate of HK\$42,494,400 are financed as to HK\$25,000,000 by the personal resources of the Offeror and the remaining balance by an unsecured external banking facility of HK\$25,000,000 from Wing Hang Bank.

The Offeror does not intend that the payment of interest on, repayment of or security for any existing liability (contingent or otherwise) will depend on the business of the Company to any significant extent.

Grand Vinco Capital Limited has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, Shareholders will sell their Offer Shares to the Offeror free from all liens, claims and encumbrances and with all rights attached to them including but not limited to the rights to receive all dividends and distribution declared, paid or made, if any, on or after the date of Acquisition.

Dealings in the Company's securities

Save for the transactions under the Acquisition, none of the Offeror nor parties acting in concert with him has dealt in the Shares and any outstanding options, derivatives, warrants or other securities convertible into Shares during the period commencing six months preceding the date of the Acquisition i.e. 12 March 2013 and ending on the date of the Joint Announcement.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Offeror and the parties acting in concert with him have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of: (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror on behalf of relevant Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Subject to the Offer becoming unconditional, payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within 7 Business Days of the later of the date on which the Offer becomes, or is declared, unconditional and the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid pursuant to the Takeovers Code.

Subject to the Offer becoming unconditional, settlement of the consideration to which any Independent Shareholders is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholders.

In the event that the Offer lapses, the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance and Transfer to the relevant Independent Shareholder(s).

Other arrangements

As at the Latest Practicable Date, (i) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares and which might be material to the Offer; (ii) save for the transactions contemplated under the Acquisition, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which he may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; (iii) none of the Offeror nor parties acting in concert

LETTER FROM THE BOARD

with him has received any irrevocable commitment to accept the Offer; and (iv) none of the Offeror nor parties acting in concert with him has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

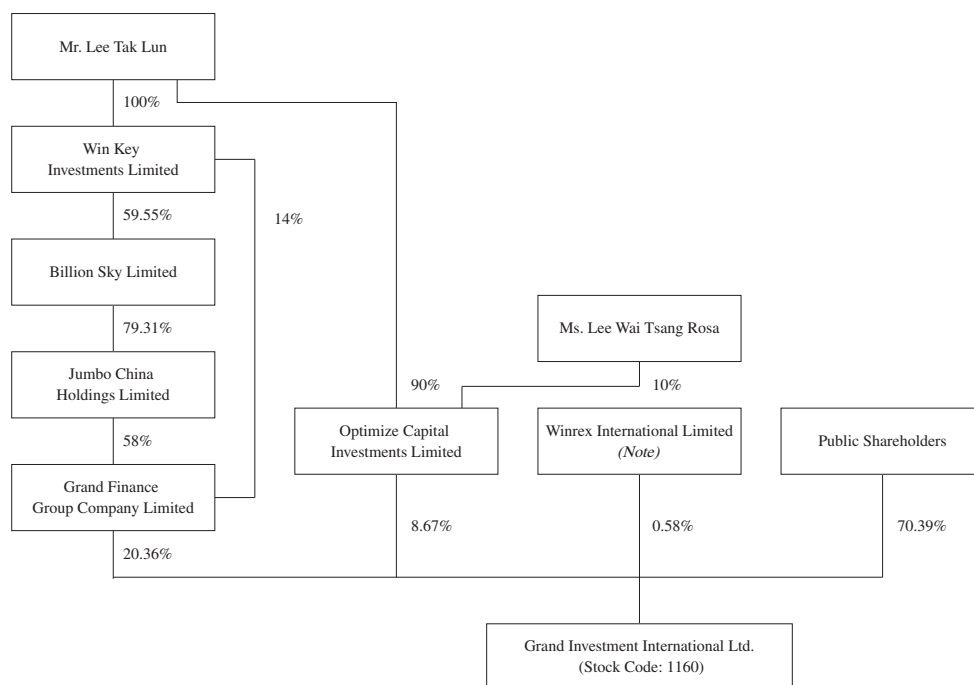
Overseas Shareholders

Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Shareholders in respect of such jurisdiction).

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company immediately before and after the Acquisition but before the Offer:

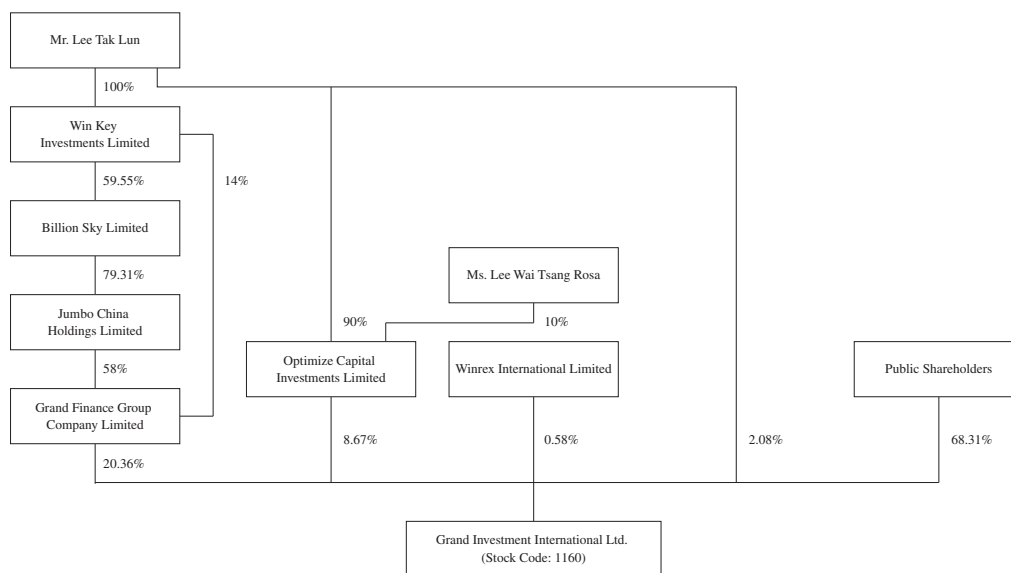
Shareholding structure of the Company immediately before the Acquisition:



Note: Winrex International Limited (“Winrex”), a company incorporated in the British Virgin Islands. Dr. Lee Woo Sing, father of Mr. Lee, holds more than 90% of the issued share capital of Winrex and is accordingly taken to be interested in the Shares held by Winrex under Part XV of the SFO.

LETTER FROM THE BOARD

Shareholding structure of the Company immediately after the Acquisition but before the Offer:



INFORMATION ON THE OFFEROR

With over 30 years of experience in the financial industry, Mr. Lee is currently the Vice Chairman, Chief Executive Officer and substantial shareholder of Grand Finance Group Company Limited. Mr. Lee is currently registered as responsible officer with the SFC to conduct Regulated Activities 1, 2, 4, 5, 6, and 9. Mr. Lee is a Honorary Permanent President of the Chinese Gold & Silver Exchange Society, Member of the National Committee of Chinese People’s Political Consultative Conference. He was awarded Bronze Bauhinia Star (B.B.S.) by The Government of the HKSAR in 2012. As at the date of this joint announcement, Mr. Lee is indirectly and beneficially interested in approximately 53,760,000 Shares, representing approximately 31.11% of the total issued Shares. Mr. Lee is also the father of Ms. Lee Wai Tsang Rosa, the Chairman and an executive Director of the Company and Mr. Lee Wai Wang Robert, an executive Director of the Company. Winrex International Limited (“Winrex”) is interested in 1,000,000 Shares, representing approximately 0.58% of the issued share capital of the Company. As Dr. Lee Woo Sing, father of Mr. Lee, holds more than 90% of the issued share capital of Winrex, Winrex is deemed as a party acting in concert with Mr. Lee under the Takeovers Code.

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY

The Company is an investment company incorporated in Bermuda with limited liability and is principally engaged in the investment of listed and unlisted enterprises established in Hong Kong, the PRC and Macau.

The Company is an investment company listed under Chapter 21 of the Listing Rules.

The financial information of the Company, as extracted from Appendix II to this Composite Document and its annual reports for the years ended 31 March 2011, 2012 and 2013 is as follows:

	For the four-month periods ended 31 July 2013	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
	(audited)	(audited)	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	(310)	1,003	250	44
Loss before tax	(1,344)	(2,289)	(1,648)	(1,182)
Total assets	49,555	51,016	53,292	54,967
Total liabilities	67	184	171	198
Net assets	49,488	50,832	53,121	54,769

OFFEROR'S INTENTION ON THE COMPANY

It is the intention of the Offeror that the Company will continue with its existing principal businesses. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company after the Offer. There is no plan for the Offeror to introduce any major changes after the Offer. The Offeror intends to leverage the capital market platform of the Company and his extensive experience in the financial industry, and will, from time to time, conduct detailed review on the operations of the Company with a view to develop comprehensive corporate strategies to broaden the revenue base of the Company. It is the intentions of the Offeror that following the completion of the Offer, the Company will continue with its current investment objectives, policies and restriction of the Company. In view of the aforesaid, the Offeror is of the view that the Offer is in the long-term commercial interest of the Company. The Offeror has no intention to discontinue the employment of any employees (or change the composition of the Board) or to dispose of or deploy any assets of the Company other than those in its ordinary course of business. As at the date of the Latest Practicable Date, the Offeror has no intention or plan for any acquisition or disposal of assets and/or business by the Company.

LETTER FROM THE BOARD

In light of that the Offeror has no intention to introduce any major changes to the Company, including the composition of the Board, the Board is of the view that there will be no material change to the Company.

MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

RECOMMENDATION

The Independent Board Committee has been established to make recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance.

Your attention is drawn to the "Letter from the Independent Board Committee" as set out on pages 22 and 23 of this Composite Document which contains its recommendation to the Independent Shareholders in respect of the Offer, and the "Letter from the Independent Financial Adviser" as set out on pages 24 to 37 of this Composite Document containing its advice to the Independent Board Committee in respect of the Offer.

Yours faithfully,
By order of the Board
Grand Investment International Ltd.
Ms. Lee Wai Tsang, Rosa
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



大唐投資國際有限公司*

GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

22 October 2013

To the Independent Shareholders

Dear Sir or Madam,

**COMPOSITE DOCUMENT IN RELATION TO
CONDITIONAL MANDATORY CASH OFFER BY
GRAND VINCO CAPITAL LIMITED
ON BEHALF OF
MR. LEE TAK LUN
TO ACQUIRE ALL THE ISSUED SHARES OF
GRAND INVESTMENT INTERNATIONAL LTD.
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY
MR. LEE AND PARTIES ACTING IN CONCERT WITH HIM)**

INTRODUCTON

We refer to the composite and response document (the “Composite Document”) dated 22 October 2013 jointly issued by the Offeror and the Company, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to acceptance.

Veda Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee to advise us in respect of the terms of the Offer and as to acceptance. Details of its advice and principal factors taken into consideration in arriving at its recommendation are set out in the “Letter from the Independent Financial Adviser” on pages 24 to 37 of this Composite Document.

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having taken into account the terms of the Offer and the advice and recommendations of the Independent Financial Adviser, we consider the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Therefore, we recommend the Independent Shareholders to accept the Offer.

Yours faithfully,

For and on behalf of

the Independent Board Committee of

Grand Investment International Ltd.

Mr. Lu Fan

Independent

non-executive Director

Dr. Zhang Hongru

Independent

non-executive Director

Dr. Chow Yunxia, Carol

Independent

non-executive Director

Mr. Lam Chi Wai

Independent

non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Veda Capital to the Independent Board Committee in relation to the Offer, which has been prepared for the purpose of inclusion in this Composite Document.

VEDA | CAPITAL
智 略 資 本

Veda Capital Limited
Suite 3711, 37/F.,
Tower Two, Times Square,
1 Matheson Street, Causeway Bay,
Hong Kong

22 October 2013

*To the Independent Board Committee of
Grand Investment International Ltd.*

Dear Sirs,

**CONDITIONAL MANDATORY CASH OFFER BY
GRAND VINCO CAPITAL LIMITED
ON BEHALF OF
MR. LEE TAK LUN
TO ACQUIRE ALL THE ISSUED SHARES OF
GRAND INVESTMENT INTERNATIONAL LTD.
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY MR. LEE
AND PARTIES ACTING IN CONCERT WITH HIM)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee in relation to the Offer, details of which are set out in the “Letter from Vinco Capital” and the “Letter from the Board” contained in the Composite Document dated 22 October 2013 to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

The Board was informed that on 12 September 2013, the Offeror acquired 3,600,000 Shares off-market from an Independent Third Party, representing approximately 2.08% of the existing issued share capital of the Company, for a consideration of HK\$1,296,000 in cash. The Acquisition has been completed on 12 September 2013 and the seller ceases to hold any Shares in the Company after the Acquisition. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him). Vinco Capital is making, on behalf of the Offeror, the Offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with him).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the terms of the Offer. We have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and such appointment has been approved by the Independent Board Committee.

BASIS OF OUR ADVICE

In formulating our opinion and recommendation, we have relied on the accuracy of the information, opinions and representations contained or referred to in the Composite Document and provided to us by the Company, the Directors and the management of the Company. As confirmed by the Company and to the best of our knowledge, all information, opinions and representations contained or referred to in the Composite Document were true and accurate at the time when they were made and will continue to be true up to the Latest Practicable Date and should there be any material changes thereto after the despatch of the Composite Document, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Offeror in the Composite Document were reasonably made after due enquiries and considerations. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We consider that we have reviewed sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Composite Document to provide a reasonable basis for our opinion and recommendation. Having made all reasonable enquiries, the Directors have confirmed that, to the best of their knowledge, there are no other facts or representations the omission of which would make any statement in the Composite Document, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Company and/or the Offeror.

In formulating our opinion, we have not considered the taxation implications on the Shareholders arising from acceptances or non-acceptances of the Offer as these are particular to their individual circumstances. It is emphasized that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Offer. In particular, the Shareholders who are overseas residents or are subject to overseas taxation or Hong Kong taxation on securities dealings should consult their own tax positions, and if in any doubt, should consult their own professional advisers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In formulating our opinion, we have made reference to the Business Comparables (as defined hereafter) which are listed on the Growth Enterprise Market of the Stock Exchange or the Main Board of the Stock Exchange for analysis purpose and the relevant information was obtained from the website of the Stock Exchange (www.hkex.com.hk). We have assumed the truthfulness and accuracy of the information available to us regarding the Business Comparables. We have not, however, carried out any independent verification of the information available to us regarding the Business Comparables, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of these companies. Our opinion are necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of the Latest Practicable Date.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the Offer and in giving our recommendation to the Independent Board Committee, we have taken into account the following principal factors and reasons:

Historical financial performance of the Company

The Company is an investment holding company incorporated in Bermuda with limited liability and is principally engaged in the investment of listed and unlisted enterprises established in Hong Kong, the PRC and Macau. The Company is an investment company listed under Chapter 21 of the Listing Rules.

As set out in the Company's annual report for the year ended 31 March 2012, for the year ended 31 March 2012, the Company recorded gain on investments of approximately HK\$0.25 million, representing an increase of approximately 468.18% from that for the year ended 31 March 2011 of approximately HK\$44,000. As advised by the Company, the increase in gain on investments was mainly attributable to the increase in dividend income. The Company recorded loss attributable to Shareholders of HK\$1.65 million for the year ended 31 March 2012, representing an increase in loss of approximately 39.83% as compared with the loss of approximately HK\$1.18 million for the year ended 31 March 2011. As advised by the Company, the loss in 2012 was mainly because the administrative expense is higher than the gain on investments and other revenue of the Company and the increase in loss as compared with previous year was mainly because there is a decrease in recording distribution income from the unlisted partnership. The Company recorded distribution income from unlisted partnership of approximately HK\$2.39 million for the year ended 31 March 2011 and recorded distribution income from unlisted partnership of approximately HK\$1.22 million for the year ended 31 March 2012.

As set out in the Company's annual report for the year ended 31 March 2013 (the "**AR 2013**"), the Company recorded gain on investments of approximately HK\$1.00 million, representing an increase of approximately 300% from that for the year ended 31 March 2012 of approximately HK\$0.25 million. As advised by the Company, the increase in gain on

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

investments was mainly attributable to the decrease in net unrealized loss on investments. The Company recorded loss attributable to Shareholders of HK\$2.29 million for the year ended 31 March 2013, representing an increase in loss of approximately 38.79% as compared with the loss of approximately HK\$1.65 million for the year ended 31 March 2012. As advised by the Company, the loss in 2013 was mainly because the administrative expense is higher than the gain on investments and other revenue of the Company and the increase in loss as compared with previous year was mainly because (i) there is a decrease in recording distribution income from the unlisted partnership. The Company recorded distribution income from unlisted partnership of approximately HK\$1.22 million for the year ended 31 March 2012 whilst the Company recorded nil distribution income from unlisted partnership for the year ended 31 March 2013; and (ii) the increase of administrative expenses by approximately 5.41% in 2013.

As set out in the Appendix II of the Composite Document, the Company recorded loss on investments of approximately HK\$0.31 million for the four month period ended 31 July 2013 whilst it recorded gain on investments of approximately HK\$0.83 million for the four month period ended 31 July 2012. As advised by the Company, the turnaround from gain to loss on investments was mainly attributable to the administrative and operation expenses being higher than gains received from investment revenue. The Company recorded loss attributable to Shareholders of approximately HK\$1.34 million for the four month period ended 31 July 2013, representing an increase in loss of approximately 314.81% as compared with the loss of approximately HK\$0.32 million for the four month period ended 31 July 2012. As advised by the Company, the increase in loss was mainly because the gain from investment over the four month periods ended 31 July 2013 is lower than the same period ended 31 July 2012, while the general administrative expenses remains relatively flat.

As noted from AR 2013, the mandate of the Company stipulates that its investment should be at least 70% in China and the Company have limited exposure to other countries. Also noted from the AR 2013, the Company will continue to seek return on its existing portfolio companies. As noted from the website of National data – National Bureau of Statistics of China (www.data.stats.gov.cn), the year-on-year gross domestic product (“GDP”) growth was (i) at 7.8% for the year 2012 and at 9.3% for the year 2011; and (ii) at 7.6% for the first half year of 2013 and at 7.8% for the first half year of 2012. The economy of China is highly correlated with the central government policy and it is expected the new leadership of China would continue to focus on the policy regarding on, among others, financial reform, anti-corruption measures and environment improvement during the Third Plenum of the 18th CPC Central Committee meeting in November 2013.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We noted from AR 2013 that the Company has been loss-making since the financial year ended 31 March 2011. In view of (i) the persistent loss-making track record of the Company; (ii) the mandate of the Company would limited exposure of the Company's investment to other countries outside China; and (iii) the uncertainty on the economy of China which has experienced a slow-down in GDP growth in 2012 and the economy of China maybe affected by the future government policy advocated by the new leaders of China, we consider that the prospects and outlook of the Company would remain uncertain.

The Offer

Vinco Capital, on behalf of the Offeror, is making the Offer on the following basis:

For each Offer Share HK\$0.36 in cash

The Offer Price of HK\$0.36 per Offer Share represents:

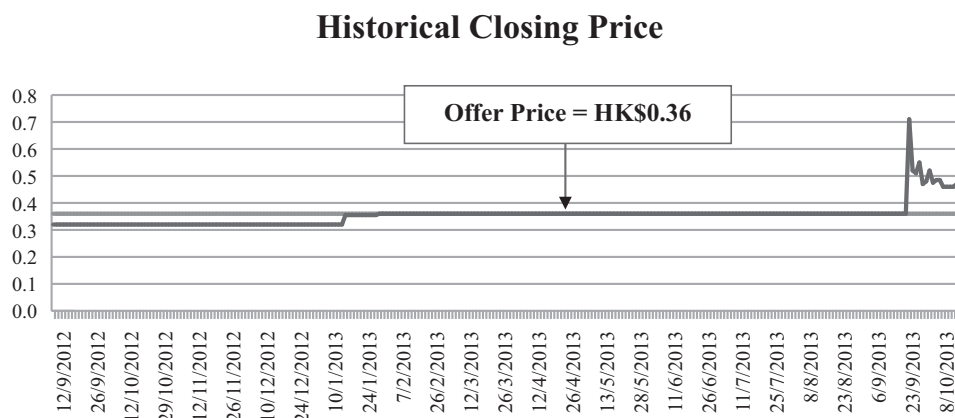
- (i) the same price as the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (ii) the same price as the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) the same price as the average of the closing price of HK\$0.36 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iv) the same price as the average of the closing price of HK\$0.36 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 20.88% to the closing price of HK\$0.455 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a premium of approximately 24.14% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.29 per Share as at 31 March 2013 and based on 172,800,000 Shares in issue as at the Latest Practicable Date.

Further terms and conditions of the Offer, including the procedures for acceptance, are set out in the "Letter from Vinco Capital" and Appendix I to the Composite Document.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Historical share price performance

The graph below illustrates the closing price levels of the Shares during the period from 12 September 2012 to 18 October 2013 (being the 12 months period prior to the Last Trading Day and up to and including the Latest Practicable Date) (the “**Review Period**”).



Source: website of the Stock Exchange (www.hkex.com.hk)

During the period from 12 September 2012 up to the Last Trading Day on 12 September 2013 (the “**Pre Announcement Period**”), the highest closing price and the lowest closing price of the Shares were HK\$0.36 from 1 February 2013 to 12 September 2013 and HK\$0.32 from 12 September 2012 to 17 January 2013 respectively. The Offer Price is equivalent to the highest closing price of HK\$0.36 during the Pre Announcement Period as shown in the chart above and the Offer Price represents a premium of approximately 12.50% over such lowest closing price of the Shares during the Pre Announcement Period. We have noted that the closing price of Share has surged up to HK\$0.71 on 25 September 2013, being the first trading day upon resumption of the Shares. We have been advised by the Company that, save for the publication of the Joint Announcement, the Company is not aware of any reasons for such increase in Share price.

We would like to remind the Independent Shareholders that the Offer Price is at a discount to the closing price of the Shares on the Latest Practicable Date, there is no guarantee that the trading price of the Shares will sustain and will or will not be higher than the Offer Price during and after the period of the Offer. The Independent Shareholders, in particular those who may wish to realize their investments in the Shares, are thus reminded to closely monitor the market price of the Shares during the period of the Offer remains open for acceptance.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Liquidity of the Shares

We have reviewed the historical trading volume of the Shares during the Review Period. The average daily trading volume of the Shares, the percentages of average daily trading volume of the Shares as compared to the total number of issued Shares as at the Latest Practicable Date and the percentages of average daily trading volume of the Shares as compared to the total number of issued Shares held by Independent Shareholders as at the Latest Practicable Date are shown in table below.

Month/Period	Average Daily Trading Volume (Shares)	Approximate % of average daily trading volume to the total number of issued Shares (Note 1)	Approximate % of average daily trading volume to the total number of issued Shares held by Independent Shareholders (Note 2)
2012			
12 September to 30 September	0	0.00%	0.00%
October	0	0.00%	0.00%
November	0	0.00%	0.00%
December	378,947	0.22%	0.32%
2013			
January	259,091	0.15%	0.22%
February	2,941	0.00%	0.00%
March	0	0.00%	0.00%
April	0	0.00%	0.00%
May	0	0.00%	0.00%
June	0	0.00%	0.00%
July	0	0.00%	0.00%
August	0	0.00%	0.00%
September:			
1 September to Last Trading Day	0	0.00%	0.00%
25 September to 30 September	1,200,000	0.69%	1.02%
2 October to Latest Practicable Date	241,667	0.14%	0.20%

Source: website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Based on 172,800,000 Shares in issue as at the Latest Practicable Date.
2. Based on 118,040,000 Shares held by Independent Shareholders as at the Latest Practicable Date.
3. Trading of Shares has been suspended from 1:00 p.m. on 12 September 2013 to 24 September 2013.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the Pre Announcement Period, the percentage of the monthly average daily trading volume to the issued Shares on the Latest Practicable Date ranged from 0% to approximately 0.22% and the percentage of the monthly average daily trading volume to the issued Shares held by the Independent Shareholders on the Latest Practicable Date ranged from 0% to approximately 0.32%. We noted that the trading volume of the issued Shares had increased upon resumption of trading in the Shares. As advised by the Company, save for the publication of the Joint Announcement, the Company is not aware of any reasons for the increase in trading volume of the Shares. In addition, we noted that no Shares were traded in 243 trading days out of total of 261 trading days (including the Last Trading Day) during the Review Period. In light of the above and having considered the increase in trading liquidity upon resumption of trading in the Shares may due to the market reaction on the publication of the Joint Announcement, we consider the overall liquidity of the Shares was low during the Review Period.

Given the generally low liquidity of the Shares, we consider that Independent Shareholders who may wish to realize their investment in the Company, especially those with relatively sizeable shareholdings, might not be able to do so without having an adverse impact on the market price level of the Shares. Therefore, we consider that the Offer provides an alternative for the Independent Shareholders who would like to realize their investment in the Shares. Nevertheless, Independent Shareholders who intend to dispose part or all of their Shares are reminded to closely monitor the market price and the liquidity of the Shares during the period of the Offer remains open for acceptance and consider selling their Shares in the open market, instead of accepting the Offer, if the net proceeds from the disposal of such Shares in the open market would exceed that receivable under the Offer.

Comparable analysis

In order to assess the fairness and reasonableness of the Offer Price, we have also considered three commonly adopted approaches in evaluation of a company, namely price-to-earnings approach, dividends approach and net assets approach. Given the Company has been loss-making since the financial year ended 31 March 2011 and no dividend was distributed for the financial year ended 31 March 2013, we consider price-to-earnings approach and dividends approach are not applicable. Taking into account the nature of the business of the Company and as advised by the Company, the total assets of the Company is mainly composed of investment on equity securities and limited partnership, we consider the net assets approach is an appropriate approach to assess the fairness and reasonableness of the Offer Price.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the Company’s announcement dated 11 October 2013, the net asset per Share was approximately HK\$0.28 (the “NAV”) as at 30 September 2013 and the Offer Price represented a premium of approximately 28.57% (the “NAV Premium”) over the NAV. We have identified all companies listed on the Stock Exchange pursuant to chapter 21 of the Listing Rules (the “Business Comparables”) and we have reviewed and tabulated below the premium/(discounts) of the share closing price of the Business Comparables as at the Latest Practicable Date (or the trading day immediately before the Latest Practicable Date if the Business Comparables have been suspended in trading on the Latest Practicable Date) over/(to) their respective latest published net asset value per share prior to the Latest Practicable Date, for comparison purposes. In view that the Business Comparables are chosen to have similar principal businesses, we consider the Business Comparables are fair and representative samples.

The Company (stock code)	Closing price as at the Latest Practicable Date (HK\$)	Latest published net asset/ (liability) value per share prior to the Latest Practicable Date (HK\$)	Premium/ (discounts) of the share closing price of the Business Comparables as at the Latest Practicable Date over/(to) their respective latest published net asset value per share prior to the Latest Practicable Date (%)
APAC Resources Limited (1104)	0.15	0.45	(66.67)
Capital VC Limited (2324)	0.65	2.8981	(77.57)
China Development Bank International Investment Limited (1062)	0.68	0.3597	89.05
China Financial International Investments Limited (721)	0.35	0.21	66.67
China Financial Leasing Group Limited (2312)	0.152	0.1186	28.16
China Innovation Investment Limited (1217)	0.028	0.043	(34.88)
China Investment and Finance Group Limited (1226)	0.325	0.93	(65.05)
China Investment Development Limited (204)	0.35	0.069	407.25
China Investment Fund Company Limited (612)	0.17	0.24	(29.17)
China Merchants China Direct Investments Limited (133)	10.74	25.58	(58.01)
China New Economy Fund Limited (80)	0.73	0.82	(10.98)
Earnest Investments Holdings Limited (339)	0.47	0.3535	32.96

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Company (stock code)	Closing price as at the Latest Practicable Date (HK\$)	Latest published net asset/ (liability) value per share prior to the Latest Practicable Date (HK\$)	Premium/ (discounts) of the share closing price of the Business Comparables as at the Latest Practicable Date over/(to) their respective latest published net asset value per share prior to the Latest Practicable Date (%)
Harmony Asset Limited (428)	3.7	6.48	(42.90)
Incutech Investment Limited (356)	0.48	0.349	37.54
			<i>(Note 1)</i>
Mastermind Capital Limited (905)	0.08	0.027	196.30
National Investment Group Limited (1227)	0.375	0.335	11.94
OP Financial Investment Limited (1140)	0.56	1.36	(58.82)
Prosperity Investment Holdings Limited (310)	0.209	0.39	(46.41)
Radford Capital Investment Limited (901)	1.4	0.943	48.46
SHK Hong Kong Industries Limited (666)	0.215	0.304	(29.28)
Shanghai International Shanghai Growth Investment Limited (770)	6.045	9.92	(39.06)
	<i>(Note 2)</i>	<i>(Note 2)</i>	
UBA Investments Limited (768)	0.093	0.11	(15.45)
Unity Investments Holdings Limited (913)	0.85	1.48	(42.57)
	Maximum		407.25
	Minimum		(77.57)
	Mean		12.00

Business Comparables with share closing price on Latest Practicable Date represented a premium over the latest published net asset value per share prior to the Latest Practicable Date (the “Premium Comparables”)

Maximum	407.25
Minimum	11.94
Mean	110.10

The Offer	Offer Price: 0.36	0.28	28.57
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Source: website of the Stock Exchange (www.hkex.com.hk)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. In view that the shares of this Business Comparable have been suspended for trading for more than twelve months prior to the Latest Practicable Date, the premium represented by the latest closing share price over the latest published net assets of this Business Comparable has been excluded for the calculation of the maximum, minimum and mean of the Overall Range (as defined hereafter) and the Premium Range (as defined hereafter)
2. The closing price and net asset value were recorded in USD has been converted into HK\$ based on the exchange rate of USD1.0 = HK\$7.75.

As shown in the above table, the premium/(discount) represented by the closing share price of the Business Comparables as at the Latest Practicable Date over/(to) their respective latest published net asset value per share prior to the Latest Practicable Date ranged from a premium of approximately 407.25% to a discount of approximately 77.57% (the “**Overall Range**”). The NAV Premium represented by the Offer Price falls within the Overall Range. The premium represented by the share closing price of the Premium Comparables as at the Latest Practicable Date over to their respective latest published net asset value per share prior to the Latest Practicable Date ranged from approximately 11.94% to approximately 407.25% (the “**Premium Range**”). The NAV Premium implied by the Offer Price falls below the mean and within the Premium Range.

We noted that the NAV Premium falls below the mean of the Premium Range; however, in view that (i) the Offer Price is equivalent to and/or at premium over the closing prices of the Shares during the Pre Announcement Period; (ii) the NAV Premium implied by the Offer Price falls within the Overall Range and the Premium Range; and (iii) given 14 out of 22 Business Comparables (the Business Comparable with shares suspended for trading more than twelve months prior to the Latest Practicable Date, namely Incutech Investment Limited, has been excluded) have their latest share closing price at a discount to their respective net asset values, the Offer has its Offer Price at a premium over the NAV represented a relatively fair offer, we consider the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Background of the Offeror and its intention regarding the future of the Company

(a) Information on the Offeror

As set out in the Letter from Vinco Capital, with over 30 years of experience in the financial industry, Mr. Lee is currently the Vice Chairman, Chief Executive Officer and substantial shareholder of Grand Finance Group Company Limited. Mr. Lee is currently registered as responsible officer with the SFC to conduct Regulated Activities 1, 2, 4, 5, 6, and 9. Mr. Lee is a Honorary Permanent President of the Chinese Gold & Silver Exchange Society, Member of the National Committee of Chinese People's Political Consultative Conference. He was awarded Bronze Bauhinia Star (B.B.S.) by The Government of the HKSAR in 2012. As at the Latest Practicable Date, Mr. Lee is indirectly and beneficially interested in approximately 53,760,000 Shares, representing approximately 31.11% of the total issued Shares. Mr. Lee is also the father of Ms. Lee Wai Tsang Rosa, the Chairman and an executive Director of the Company and Mr. Lee Wai Wang Robert, an executive Director of the Company. Winrex International Limited (“**Winrex**”), is interested in 1,000,000 Shares, representing approximately 0.58% of the issued share capital of the Company. As Dr. Lee Woo Sing, father of Mr. Lee, holds more than 90% of the issued share capital of Winrex, Winrex is deemed as a party acting in concert with Mr. Lee under the Takeovers Code.

(b) Intention of the Offeror

As set out in the Letter from the Board, it is the intention of the Offeror that the Company will continue with its existing principal businesses. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company after the Offer. There is no plan for the Offeror to introduce any major changes after the Offer. The Offeror intends to leverage the capital market platform of the Company and his extensive experience in the financial industry, and will from time to time, conduct detailed review on the operations of the Company with a view to develop a comprehensive corporate strategy to broaden the revenue base of the Company. It is the intention of the Offeror that following the completion of the Offer, the Company will continue with its current investment objectives, policies and restrictions of the Company. In view of the aforesaid, the Offeror is of the view that the Offer is in the long-term commercial interest of the Company. The Offeror has no intention to discontinue the employment of any employees (or change the composition of the Board) or to dispose of or deploy any assets of the Company other than those in its ordinary course of business. As at the Latest Practicable Date, the Offeror has no intention or plans for any acquisition or disposal of assets and/or business by the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notwithstanding the extensive experience of the Offeror in the financial industry, having considered the loss-making track records of the Company and the Offeror does not intend to introduce any major changes to the existing operations and business of the Company after the Offer, we consider that the business outlook of the Company would remain uncertain.

RECOMMENDATION

Taking into consideration the above-mentioned principal factors and reasons of the Offer, being:

- (i) the persistent loss-making track record of the Company;
- (ii) the mandate of the Company would limited exposure of the Company's investment to other countries outside China;
- (iii) the uncertainty on the economy of China which has experienced a slow-down in GDP growth in 2012 and the economy of China maybe affected by the future government policy advocated by the new leaders of China;
- (iv) the overall liquidity of the Shares was low during the Review Period;
- (v) the Offer Price is equivalent to and/or at premium over the closing prices of the Shares during the Pre Announcement Period;
- (vi) the NAV Premium implied by the Offer Price falls within the Overall Range and the Premium Range; and
- (vii) given 14 out of 22 Business Comparables (the Business Comparable with shares suspended for trading more than twelve months prior to the Latest Practicable Date, namely Incutech Investment Limited, has been excluded) have their latest share closing prices at a discount to their respective net asset values, the Offer has its Offer Price at a premium over the NAV represented a relatively fair offer,

we are of the opinion that the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shareholders and potential investors should be aware that the Offer is conditional upon the Offeror having received valid acceptances of the Offer which, together with the Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with him before or during the Offer Period, will result in the Offeror and parties acting in concert with him holding more than 50% voting rights of the Company, and thus the Offer may or may not become unconditional. Shareholders in particular those who intend to accept the Offer, are reminded to note the recent fluctuation in the Share price after the release of the Joint Announcement, and that there is no guarantee that the current market price will or will not sustain and will or will not be higher than the Offer Price during and after the close of the Offer. Shareholders who intend to accept the Offer are reminded to closely monitor the market price and the liquidity of the Shares during the period of the Offer remain open for acceptance and shall, having regard to their own circumstances, consider selling the Shares in the open market, instead of accepting the Offer, if the net proceeds from the sale of such Shares would be higher than that receivable under the Offer.

Yours faithfully,
For and on behalf of
Veda Capital Limited
Julisa Fong
Managing Director

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

A. The Offer

- (a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance and Transfer together with the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Boardroom Share Registrars (HK) Limited, 31/F, 148 Electric Road, North Point, Hong Kong in any event not later than 4:00 p.m. on the Closing Date (subject to the Offer becoming unconditional) or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code. The Offer is conditional upon the Offeror having received acceptances in respect of the Shares which, together with the Shares already held by him and his concert parties, will result in the Offeror and any party acting in concert with him holding more than 50% of the Shares. Pursuant to the Takeovers Code, when the Offer is declared unconditional, the Offer will remain open for acceptance for not less than 14 days thereafter. The Offeror will make an announcement as and when the Offer becomes or is declared unconditional. If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have accepted the Offer, will be entitled to accept the revised Offer under the revised terms.

- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed Form of Acceptance and Transfer together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

- (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and send the duly completed and signed Form of Acceptance and Transfer together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
 - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorize HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominee Limited.
- (c) If the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares (whether in full or in part), the Form of Acceptance and Transfer should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipts) and/or other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

APPENDIX I FURTHER TERMS AND PROCEDURES OF ACCEPTANCE OF THE OFFER

- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete the signed Form of Acceptance and Transfer and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to Vinco Capital and/or the Offeror or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such certificate(s) to the Registrar as if it/they were delivered to the Registrar with the relevant Form of Acceptance and Transfer.
- (e) Acceptance of the Offer will be treated as valid only if the completed Form of Acceptance and Transfer is received by the Registrar no later than 4:00 p.m. on the Closing Date (subject to the Offer becoming unconditional) or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, and is:
 - (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.

In computing the total number of Offer Shares represented by acceptances, for announcement purposes, acceptances which are in all respects in complete and good order and fulfil the acceptance conditions set out in this Composite Document, and that have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.

If the Form of Acceptance and Transfer is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

No acknowledgement of receipt of any Form of Acceptance and Transfer, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

The address of the Registrar is at Boardroom Share Registrars (HK) Limited, 31/F, 148 Electric Road, North Point, Hong Kong.

2. SETTLEMENT OF THE OFFER**A. The Offer**

Provided that the Form(s) of Acceptance and Transfer and relevant Share certificate(s) and/or transfer receipt(s) and/or any document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in complete and good order and have been received by the Registrar by not later than 4:00 p.m. on the Closing Date i.e. the later of the First Closing Date or the date falling 14 days after the Offer becoming or being declared unconditional (or if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror in accordance with the Takeovers Code), being the latest time for acceptance of the Offer (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive) and subject to the Offer becoming or being declared unconditional, a cheque for the amount due to the accepting Shareholders in respect of the Shares tendered by them under the Offer, less seller's ad valorem stamp duty payable by them, will be despatched to the accepting Shareholders to the addresses specified on the Forms of Acceptance and Transfer by ordinary post at their own risk as soon as possible but in any event within 7 Business Days of the later of the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid or the date on which the Offer is declared unconditional.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive, all acceptances of the Offer must be received by the Registrar by 4:00 p.m. on the Closing Date i.e. the later of the First Closing Date or the date falling 14 days after the Offer becoming or being declared unconditional (or if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror in accordance with the Takeovers Code). The Offer will be subject to satisfaction of the condition set out in the paragraph headed "Condition of the Offer" in the "Letter from Vinco Capital" of this Composite Document, which comprises the Offeror having received acceptances (and where permitted, not withdrawn) on or before 4:00 p.m. on First Closing Date (or such other time as the Offeror may, subject to the Takeover Codes, decide) in respect of the Shares, will result in the Offeror together with parties acting in concert with him holding more than 50% of the Shares. Pursuant to the Takeovers Code, when the Offer is declared unconditional, the Offer will remain open for acceptance for not less than 14 days thereafter. The Offeror will make an announcement as and when the Offer becomes or is declared unconditional. The Offeror reserves the right to revise the Offer in accordance with the relevant provisions of the Takeovers Code.
- (b) If the Offer is extended or revised, the announcement of such extension or revision will state the next closing date and the Offer will remain open for acceptance for a period of not less than 14 days from the posting of the written notification of the extension or revision to the Independent Shareholders and, unless previously extended or revised, shall be closed on the subsequent closing date. If the Offeror revises the

APPENDIX I FURTHER TERMS AND PROCEDURES OF ACCEPTANCE OF THE OFFER

terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The benefit of any revision of the Offer will be available to any Independent Shareholder who has/have previously accepted the Offer. The execution by or on behalf of any Independent Shareholder who has previously accepted the Offer shall be deemed to constitute acceptance of the revised Offer unless such holder becomes entitled to withdraw his/her/its acceptance and duly does so.

- (c) The Offeror may introduce new conditions to be attached to any revision to the terms of the Offer, or any subsequent revision thereof, but only to the extent necessary to implement the revised Offer and subject to the consent of the Executive.

If the Closing Date of the Offer is extended, any reference in this Composite Document and in the relevant Form of Acceptance and Transfer to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

4. ANNOUNCEMENTS

- (a) By 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the First Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offer. The Offeror must publish an announcement in accordance with the requirements of the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the First Closing Date stating the results of the Offer and whether the Offer have been revised or extended or has expired.

The announcement must state the following:

- (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
- (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period;
- (iii) the details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on lent or sold;
- (iv) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror or parties acting in concert with it; and
- (v) the percentages of the issued share capital of the Company and the percentages of voting rights represented by these numbers of Shares.

APPENDIX I FURTHER TERMS AND PROCEDURES OF ACCEPTANCE OF THE OFFER

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and in good order and which have been received by the Registrar or the Company (as the case may be) no later than 4:00 p.m. on the First Closing Date, shall be included.
- (c) As required under Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Listing Rules and the Takeovers Code.

5. RIGHT OF WITHDRAWAL

Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance within 21 days from the First Closing Date if the Offer has not by then become unconditional as to acceptances.

If the Offeror is unable to comply with the requirements set out in the paragraph headed “Announcements” in this Appendix, the Executive may require that the Independent Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, upon the Independent Shareholder withdraw the acceptance, or in the event that the offer lapses, the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the relevant Form of Acceptance to the Independent Shareholder(s).

6. STAMP DUTY

Seller’s ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of accepting Shareholders in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

7. TAXATION

Shareholders are recommended to consult their own professional advisors if they are in any doubt as to the taxation implications of their accepting the Offer. None of the Company, the Offeror, Vinco Capital, Veda Capital, the Registrar, or any of their respective directors, nor any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

The Composite Document does not include any information in respect of overseas taxation. Shareholders who may be subject to overseas tax are recommended to consult their tax advisers regarding the implications in the relevant jurisdiction of owning and disposing of the Shares.

8. OVERSEAS HOLDERS OF SHARES

The making of the Offer to persons resident in any jurisdiction outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Shareholders who are so resident should inform themselves about and observe any applicable legal requirements. It is the responsibility of any person who is a citizen, resident or national of a jurisdiction outside Hong Kong and who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consent, exchange control and any registration or filing which may be required in compliance with all necessary formalities, taxation, regulatory and/or legal requirements. Any such persons shall be fully responsible for the payment of any transfer or other taxes and duties payable by such accepting Shareholder in respect of that jurisdiction. Acceptance of the Offer by any such person will constitute a warranty by such person that such person is permitted under all applicable laws to accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws.

9. GENERAL

- (a) All communications, notices, Forms of Acceptance and Transfer, certificate(s) of Shares, transfer receipt(s), other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, at their own risk. None of the Company, the Offeror, Vinco Capital, Veda Capital, the Registrar, nor any of their respective directors or other parties involved in the Offer or any of their respective agents accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance and Transfer form part of the terms of the Offer.
- (c) The accidental omission to despatch the Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer are made will not invalidate the Offer in any way.
- (d) The Offer are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, Vinco Capital or such person or persons as the Offeror may direct to complete and execute any document on behalf of the person accepting the Offer and to

APPENDIX I FURTHER TERMS AND PROCEDURES OF ACCEPTANCE OF THE OFFER

do any other act that may be necessary or expedient for the purpose of vesting in or the Offeror, or such person or persons as it may direct, the Shares in respect of which such person has accepted the Offer.

- (f) Acceptance of the Offer by any person or persons holding Shares will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that the Share acquired under the Offer, as the case may be, are fully paid and are sold by any such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, declared, made or paid on or after completion of the Share Agreement. The settlement of the consideration to which any Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.
- (g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which it is indicated in the Form of Acceptance and Transfer is the aggregate number of Shares held by such nominee for such beneficial owners who are accepting the Offer.
- (h) References to the Offer in the Composite Document and in the Form of Acceptance and Transfer shall include any revision and/or extension thereof and references to the Offer becomes unconditional shall include a reference to the relevant revised Offers being declared unconditional.
- (i) The English text of this Composite Document and the Form of Acceptance and Transfer shall prevail over their respective Chinese text in case of inconsistency.

1. FINANCIAL SUMMARY

Set out below is a summary of the audited results of Grand Investment International Ltd. (“the Company”) for each of the three financial years ended 31 March 2011, 2012 and 2013 extracted from the audited financial statements of the Company for 2011, 2012 and 2013 and of the Company’s audited results for the four-month periods ended 31 July 2013 extracted from the Company’s audited financial information of the Company contained in the Sub-section headed “Audited financial information of the Company” in this section of the Composite Document. The audited financial statements of the Company for each of the three financial years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013 issued by East Asia Sentinel Limited did not contain any qualification.

The summary statement of profit or loss and other comprehensive income for the Company for the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013 set out below does not contain any extraordinary items or exceptional items.

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
(LOSS)/GAIN ON INVESTMENTS	<u>(310)</u>	<u>831</u>	<u>1,003</u>	<u>250</u>	<u>44</u>
LOSS BEFORE TAXATION	(1,344)	(324)	(2,289)	(1,648)	(1,182)
TAXATION	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
LOSS FOR THE PERIOD/YEAR	(1,344)	(324)	(2,289)	(1,648)	(1,182)
OTHER COMPREHENSIVE INCOME	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR	<u>(1,344)</u>	<u>(324)</u>	<u>(2,289)</u>	<u>(1,648)</u>	<u>(1,182)</u>
DIVIDENDS	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
LOSS PER SHARE					
Basic:					
For loss for the period/year	<u>(HK\$0.01)</u>	<u>(HK\$0.01)</u>	<u>(HK\$0.01)</u>	<u>(HK\$0.01)</u>	<u>(HK\$0.01)</u>
Diluted:					
For loss for the period/year	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

APPENDIX II**FINANCIAL INFORMATION OF THE COMPANY**

	<u>As at 31 July</u>		<u>As at 31 March</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)			
ASSETS AND LIABILITIES					
Total assets	49,555	52,984	51,016	53,292	54,967
Total liabilities	<u>(67)</u>	<u>(187)</u>	<u>(184)</u>	<u>(171)</u>	<u>(198)</u>
Total equity	<u>49,488</u>	<u>52,797</u>	<u>50,832</u>	<u>53,121</u>	<u>54,769</u>

2. AUDITED FINANCIAL INFORMATION OF THE COMPANY

Set out below are the audited financial statements of the Company for the four-month period ended 31 July 2013 and the unaudited financial statements of the Company for the four-month period ended 31 July 2012.

Set out below are also the audited financial statements of the Company for the years ended 31 March 2011, 2012 and 2013, together with the notes thereto, which have been extracted from the annual reports of the Company for the years ended 31 March 2012 and 2013. Unless the context otherwise requires, capitalised terms used therein shall have the same meanings as defined in the annual reports of the Company for the years ended 31 March 2011, 2012 and 2013.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the four-month periods ended 31 July		For the years ended 31 March		
		2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
(LOSS)/GAIN ON						
INVESTMENTS	6	(310)	831	1,003	250	44
OTHER REVENUES	6	1	1	1	1,226	2,394
ADMINISTRATIVE EXPENSES		<u>(1,035)</u>	<u>(1,156)</u>	<u>(3,293)</u>	<u>(3,124)</u>	<u>(3,620)</u>
LOSS BEFORE TAXATION	7	(1,344)	(324)	(2,289)	(1,648)	(1,182)
TAXATION	8	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
LOSS FOR THE PERIOD/YEAR		(1,344)	(324)	(2,289)	(1,648)	(1,182)
OTHER COMPREHENSIVE INCOME		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR		<u><u>(1,344)</u></u>	<u><u>(324)</u></u>	<u><u>(2,289)</u></u>	<u><u>(1,648)</u></u>	<u><u>(1,182)</u></u>
DIVIDEND	20	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
LOSS PER SHARE	21					
Basic:						
For loss for the period/year		<u><u>(HK\$0.01)</u></u>	<u><u>(HK\$0.01)</u></u>	<u><u>(HK\$0.01)</u></u>	<u><u>(HK\$0.01)</u></u>	<u><u>(HK\$0.01)</u></u>
Diluted:						
For loss for the period/year		<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at	As at 31 March		
		31 July	2013	2012	2011
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
NON-CURRENT ASSETS					
Available-for-sale investments	10	46,078	46,078	46,078	42,177
CURRENT ASSETS					
Investments at fair value					
through profit or loss	11	2,241	2,988	3,733	7,454
Deposits, other receivables and					
prepayments	12	1,137	380	1,197	354
Cash and cash equivalents	13	99	1,570	2,284	4,982
TOTAL CURRENT ASSETS		3,477	4,938	7,214	12,790
CURRENT LIABILITIES					
Other payables and accruals	14	67	184	171	198
		67	184	171	198
NET CURRENT ASSETS		3,410	4,754	7,043	12,592
NET ASSETS		49,488	50,832	53,121	54,769
EQUITY					
Share capital	15	17,280	17,280	17,280	17,280
Reserves	16	32,208	33,552	35,841	37,489
TOTAL EQUITY		49,488	50,832	53,121	54,769
NET ASSET VALUE PER SHARE	19	HK\$0.29	HK\$0.29	HK\$0.31	HK\$0.32

STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
YEAR ENDED 31 MARCH 2011				
At 1 April 2010	17,280	37,786	885	55,951
Total comprehensive loss				
Loss for the year	<u>–</u>	<u>–</u>	<u>(1,182)</u>	<u>(1,182)</u>
At 31 March 2011	<u>17,280</u>	<u>37,786</u>	<u>(297)</u>	<u>54,769</u>
YEAR ENDED 31 MARCH 2012				
At 1 April 2011	17,280	37,786	(297)	54,769
Total comprehensive loss				
Loss for the year	<u>–</u>	<u>–</u>	<u>(1,648)</u>	<u>(1,648)</u>
At 31 March 2012	<u>17,280</u>	<u>37,786</u>	<u>(1,945)</u>	<u>53,121</u>
YEAR ENDED 31 MARCH 2013				
At 1 April 2012	17,280	37,786	(1,945)	53,121
Total comprehensive loss				
Loss for the year	<u>–</u>	<u>–</u>	<u>(2,289)</u>	<u>(2,289)</u>
At 31 March 2013	<u>17,280</u>	<u>37,786</u>	<u>(4,234)</u>	<u>50,832</u>
PERIOD ENDED 31 JULY 2013				
At 1 April 2013	17,280	37,786	(4,234)	50,832
Total comprehensive loss				
Loss for the period	<u>–</u>	<u>–</u>	<u>(1,344)</u>	<u>(1,344)</u>
At 31 July 2013	<u>17,280</u>	<u>37,786</u>	<u>(5,578)</u>	<u>49,488</u>

STATEMENT OF CASH FLOWS

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
CASH FLOW FROM OPERATING ACTIVITIES	(1,344)	(324)	(2,289)	(1,648)	(1,182)
Adjustments for:					
Bond interest income received	–	–	–	(27)	(54)
Unrealised loss of investment at fair through profit or loss	414	424	474	1,253	915
Operating loss before changes in working capital	(930)	100	(1,815)	(422)	(321)
Change in fair value of investment at fair value through profit or loss	334	375	272	(3,901)	6,291
Change in fair value of available-for-sale investment	–	–	–	2,469	(2,334)
(Increase)/decrease in deposits, other receivables and prepayments	(758)	(1,856)	816	(844)	140
(Decrease)/increase in other payables and accruals	(117)	16	13	(27)	(470)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(1,471)	(1,365)	(714)	(2,725)	3,306
CASH FLOW FROM INVESTING ACTIVITY					
Bond interest income received	–	–	–	27	54
NET CASH GENERATED FROM INVESTMENT ACTIVITY	–	–	–	27	54
CASH FLOW FROM FINANCING ACTIVITY					
Cash dividends paid	–	–	–	–	(1,728)
NET CASH GENERATED FROM FINANCING ACTIVITY	–	–	–	–	(1,728)

APPENDIX II
FINANCIAL INFORMATION OF THE COMPANY

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
	(unaudited)				
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,471)	(1,365)	(714)	(2,698)	1,632
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>1,570</u>	<u>2,284</u>	<u>2,284</u>	<u>4,982</u>	<u>3,350</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	<u><u>99</u></u>	<u><u>919</u></u>	<u><u>1,570</u></u>	<u><u>2,284</u></u>	<u><u>4,982</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	99	202	1,570	308	2,438
Short-term deposit with original maturity within three months	<u>–</u>	<u>717</u>	<u>–</u>	<u>1,976</u>	<u>2,544</u>
	<u><u>99</u></u>	<u><u>919</u></u>	<u><u>1,570</u></u>	<u><u>2,284</u></u>	<u><u>4,982</u></u>

NOTES TO THE FINANCIAL INFORMATION OF THE COMPANY**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, United States, the People’s Republic of China and Macau.

2. 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.

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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(a) *Amendments and interpretations to existing standards effective for the Company's annual financial period beginning on 1 April 2013 and relevant to the Company*

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

HKAS 1 (Revised) "Presentation of financial statements"

The Company has applied the amendments to HKAS 1 (Revised) "Presentation of financial statements" for the first time in the current period. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income sections: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income are required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

HKFRS 13 "Fair value measurement"

The Company has applied HKFRS13 for the first time in the current period. HKFRS 13 established a single source of guidance for fair value measurements and disclosures about the fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instruments items for which other HKFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within

the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (eg. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the standard. The application of HKFRS 13 has not had any material impact on the amounts recognised in the financial statements.

(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 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.

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 profit or not, 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.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period/years presented, unless otherwise stated.

(a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided regularly to the Company’s chief operating decision-maker for the purpose of allocating resources to, and assessing performance of, various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(b) *Foreign currency translation*

(i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Hong Kong dollars, which is the Company’s functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end/year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

(c) *Financial instruments*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Company transfers substantially all the risks and rewards of ownership of the assets; or the Company neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the statement of profit or loss and other comprehensive income.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of profit or loss and other comprehensive income.

(i) Loans and receivables

Loans and receivables, including deposits and other receivables, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, unless the discounting effect would be immaterial, in which case they are stated at cost. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within administrative expenses. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of profit or loss and other comprehensive income.

(ii) Available-for-sale investments

Available-for-sale investments are non-derivatives investments in unlisted equity securities and investments in limited partnerships that are either designated in this category or not classified in any of the other categories. At each financial report period end subsequent to initial recognition, available-for-sale investments assets are measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment valuation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss and other comprehensive income with other revenue, or until the investment is determined to be impaired, at which time the cumulative gain or loss is recognised in the statement of profit or loss and other comprehensive income.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

(iii) Investments at fair value through profit or loss

Investments at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. Investments at fair value through profit or loss are initially recognised at fair value, and transaction costs are charged in the statement of profit or loss and other comprehensive income. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the statement of profit or loss and other comprehensive income within gain/(loss) on investment in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss and other comprehensive income as income when the Company's right to receive payments is established.

(iv) Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting period end. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same, a discounted cash flow analysis and other valuation techniques commonly used by market participants.

(d) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each financial period/year end.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(f) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the discounting effect would be immaterial, in which case they are stated at cost. They are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability at least 12 months after the end of the reporting period.

(g) Provision

Provisions are recognised when the Company has a present legal or constructive obligation where, as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(h) Income tax

The tax expense for the period/year comprises current income tax and deferred income tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(i) Employee benefits

The Company operates a defined contribution retirement scheme under a mandatory provident fund scheme (“MPF scheme”) in Hong Kong for its employees in Hong Kong, the assets of which are held in separate trustee-administered funds. The Company’s contributions to the MPF scheme are based on a fixed percentage of the employees’ relevant income per month.

(j) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

Profits on disposal of securities are recognised upon the completion of securities sale contract.

Interest income is recognised on a time-proportion basis.

Dividend income from listed and unlisted investments is recognised when the shareholders’ right to receive payment has been established.

Unrealised gain on investments is recognised when the fair value of the investments is above the carrying value of the investments at the end of the reporting period.

(k) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

(l) Related parties

A party is considered to be related to the Company if:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of the parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(m) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period/year in which the dividends are approved by the Company's shareholders.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimation of realisability of deferred tax assets

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Company carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences arising from depreciation of fixed assets. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. Management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

As at 31 July 2013, the Company has unrecognised deferred tax asset of HK\$3,812,000 (As at 31 March 2013: HK\$3,585,000) arising from accumulative tax losses carried forward which management consider that it is not probable to utilise the deferred tax benefit in the foreseeable future.

(ii) Impairment of available-for-sale investments

The Company follows the guidance of HKAS 39 when determining whether an investment in available-for-sale investments is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the expected timespan the Company will hold on to this investment.

5. Segment reporting

No segment information is presented in respect of the Company's business and geographical segments. Throughout the period/year, the Company has been operating principally in a single business and geographical segment.

6. (Loss)/gain on investments and other revenues

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

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
	(unaudited)				
(LOSS)/GAIN ON INVESTMENTS					
Net unrealised loss on investments at fair value through profit or loss	(413)	(424)	(474)	(1,253)	(915)
Net realised gain on disposal of investment at fair value through profit or loss	72	194	353	280	701
Dividend income	31	1,061	1,124	1,196	204
Interest income from bond	—	—	—	27	54
	<u>(310)</u>	<u>831</u>	<u>1,003</u>	<u>250</u>	<u>44</u>
OTHER REVENUES					
Sundry income	1	1	1	4	—
Distribution income from unlisted partnership	—	—	—	1,222	2,394
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1,226</u>	<u>2,394</u>
Total (loss)/gain on investments and other revenues	<u>(309)</u>	<u>832</u>	<u>1,004</u>	<u>1,476</u>	<u>2,438</u>

7. Loss before taxation

The Company's loss before taxation is stated after charging/(crediting):

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
Auditor' remuneration					
– current period/year	40	40	160	160	160
Investment manager fee	96	96	288	288	322
Exchange loss/(gain), net	8	–	(5)	(1)	–
Legal and professional fee	64	103	224	186	200
Operating lease payments	227	226	664	678	1,100
Staff costs (excluding directors' emoluments)	86	104	300	246	166

There is no exceptional items identified for the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013.

8. Taxation

- (a) No provision for Hong Kong Profits Tax has been made in the financial statements as the Company has no assessable profits derived from its operation in Hong Kong for the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013.
- (b) No provision for overseas tax has been made in the financial statements, as the Company has no profit derived from overseas.
- (c) The Company had an unrecognised deferred tax asset as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
Unrecognised deferred tax asset	3,812	3,250	3,580	2,866	2,548

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 at applicable tax rate is as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Loss before taxation	<u>(1,344)</u>	<u>(324)</u>	<u>(2,289)</u>	<u>(1,648)</u>	<u>(1,182)</u>
Tax at the applicable rate of 16.5%	(222)	(53)	(378)	(272)	(195)
Tax effect of non-taxable income	(5)	(175)	(185)	(45)	238
Tax effect of tax loss not recognised	<u>227</u>	<u>228</u>	<u>563</u>	<u>317</u>	<u>(43)</u>
Total income tax	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

9. Directors' emoluments

- (a) Directors' remuneration for the period/year, disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance, is as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Fee:					
Executive Directors	–	–	–	–	–
Independent Non-executive Directors	–	–	82	75	75
Other emolument:					
Executive Directors:					
– Salaries and benefits in kind	264	240	768	720	690
– Retirement benefit scheme contributions	<u>5</u>	<u>5</u>	<u>15</u>	<u>12</u>	<u>18</u>
	<u>269</u>	<u>245</u>	<u>865</u>	<u>807</u>	<u>783</u>

APPENDIX II
FINANCIAL INFORMATION OF THE COMPANY

The emoluments of each director, on a named basis for the period/year are set out below:

For the four-month period ended 31 July 2013				
	Directors' fees	Salaries and benefits in kind	Retirement benefit scheme contributions	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Executive Directors				
Lee Wai Tsang, Rosa	–	220	5	225
Huang Zhijian	–	44	–	44
Non-executive Director				
Lee Woo Sing	–	–	–	–
Independent Non-executive Directors				
Lu Fan	–	–	–	–
Zhang Hongru	–	–	–	–
Chow Yunxia, Carol	–	–	–	–
	–	264	5	269

For the four-month period ended 31 July 2012				
	Directors' fees	Salaries and benefits in kind	Retirement benefit scheme contributions	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Executive Directors				
Lee Wai Tsang, Rosa	–	200	5	205
Huang Zhijian	–	40	–	40
Non-executive Director				
Lee Woo Sing	–	–	–	–
Independent Non-executive Directors				
Lu Fan	–	–	–	–
Zhang Hongru	–	–	–	–
Chow Yunxia, Carol	–	–	–	–
	–	240	5	245

For the year ended 31 March 2013

	Directors' fees <i>HK\$'000</i>	Salaries and benefits in kind <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Executive Directors				
Lee Wai Tsang, Rosa	–	640	15	655
Huang Zhijian	–	128	–	128
Non-executive Director				
Lee Woo Sing	–	–	–	–
Independent				
Non-executive Directors				
Lu Fan	28	–	–	28
Zhang Hongru	27	–	–	27
Chow Yunxia, Carol	27	–	–	27
	<u>82</u>	<u>768</u>	<u>15</u>	<u>865</u>

For the year ended 31 March 2012

	Directors' fees <i>HK\$'000</i>	Salaries and benefits in kind <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Executive Directors				
Lee Wai Tsang, Rosa	–	600	12	612
Huang Zhijian	–	120	–	120
Non-executive Director				
Lee Woo Sing	–	–	–	–
Independent				
Non-executive Directors				
Lu Fan	25	–	–	25
Zhang Hongru	25	–	–	25
Chow Yunxia, Carol	25	–	–	25
	<u>75</u>	<u>720</u>	<u>12</u>	<u>807</u>

For the year ended 31 March 2011				
	Directors' fees	Salaries and benefits in kind	Retirement benefit scheme contributions	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Executive Directors				
Lee Wai Tsang, Rosa	–	570	12	582
Huang Zhijian	–	120	6	126
Non-executive Director				
Lee Woo Sing	–	–	–	–
Independent Non-executive Directors				
Lu Fan	25	–	–	25
Zhang Hongru	25	–	–	25
Chow Yunxia, Carol	25	–	–	25
	<u>75</u>	<u>690</u>	<u>18</u>	<u>783</u>

For the years ended 31 March 2011, 2012 and 2013 and the four-month period ended 31 July 2013, there was no arrangement under which a director waived or agreed to waive any remuneration. No emoluments were paid by the Company to any of the directors as an inducement to join or upon joining the Company or as compensation for loss of office for the period/year.

(b) Highest paid individuals

Of the individuals with the highest remuneration in the Company, the numbers of directors and individuals are as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)			
Number of directors	2	2	3	3	4
Number of individuals	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>1</u>
	<u>3</u>	<u>3</u>	<u>5</u>	<u>5</u>	<u>5</u>

The emoluments of the above directors are included in the disclosure in note 9(a).

The emoluments of the above individuals are as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
	(unaudited)				
Salaries and benefits in kind	82	100	288	236	160
Retirement benefit scheme contributions	4	4	12	10	6
	<u>86</u>	<u>104</u>	<u>300</u>	<u>246</u>	<u>166</u>

The number of non-directors, highest paid employees whose remuneration fell within the following bands is as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 <i>Number of employees</i>	2012 <i>Number of employees</i>	2013 <i>Number of employees</i>	2012 <i>Number of employees</i>	2011 <i>Number of employees</i>
	(unaudited)				
Nil to HK\$500,000	1	1	2	2	4
HK\$500,001 to HK\$1,000,000	–	–	–	–	1
	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>5</u>

During the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013, no share options were granted to any of these directors or the above highest paid individual in respect of their services to the Company.

10. Available-for-sale Investments

	As at	As at 31 March		
	31 July	2013	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Investment securities, at cost:				
Equity securities, unlisted shares (<i>note (a)</i>)	18,787	18,787	18,787	18,787
Less: impairment loss	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>18,787</u>	<u>18,787</u>	<u>18,787</u>	<u>18,787</u>
Investment in limited partnerships, at cost (<i>note (b)</i>)	27,291	27,291	27,291	23,390
Less: impairment loss	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>27,291</u>	<u>27,291</u>	<u>27,291</u>	<u>23,390</u>
Total	<u>46,078</u>	<u>46,078</u>	<u>46,078</u>	<u>42,177</u>

Notes:

(a) *Equity securities*

The equity securities represent investments in unlisted equity interests in private enterprises in the People's Republic of China (the "PRC").

There is no active market for these equity securities as the companies are privately held. The fair values of these equity securities are determined firstly by reference to the investment considerations, which were negotiated at arm's length between the directors and the investee companies. In addition, the directors have considered the development of the investee companies of the future growth potential and the prospective growth of the value of the shares. On account of such analysis, the directors consider that there have not been any material changes to the equity securities that would lead to a change in the fair values of these available-for-sale investments from the dates of their acquisition to 31 July 2013. There is therefore no revaluation difference to be recognised in these financial statements and no impairment provision is required to be made as at 31 March 2011, 2012, 2013 and at 31 July 2013.

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FINANCIAL INFORMATION OF THE COMPANY

Particulars of the equity securities as at the end of the reporting period are as follows:

Name of issuer	Nature of Business	No. of share held	Equity Interest held (%)	Net assets attributable to the investment (%)	As at 31 July 2013	As at 31 March			
					Cost less impairment HK\$'000	2013 Cost less impairment HK\$'000	2012 Cost less impairment HK\$'000	2011 Cost less impairment HK\$'000	
Tianjin Yishang Friendship Holdings Company Limited	Operation of department stores and home retail shops	8,711,965 (2013: 8,711,965; 2012: 8,711,965; 2011: 8,711,965)	3.955% (2013: 3.955%; 2012: 3.955%; 2011: 3.955%)	19% (2013: 19%; 2012: 18%; 2011: 17%)	9,434	9,434	9,434	9,434	
Joyport Holdings Limited	Online game development, distribution and operation	1,231,600 (2013: 1,231,600; 2012: 1,231,600; 2011: 1,231,600)	1.48% (2013: 1.48%; 2012: 1.48%; 2011: 1.48%)	3% (2013: 3%; 2012: 3%; 2011: 3%)	1,551	1,551	1,551	1,551	
Lot Software Systems International Limited	Provision of services on application software project developer and product research	Nil (2013: Nil; 2012: 1,429; 2011: 1,429)	Nil (2013: Nil; 2012: 8.8%; 2011: 8.8%)	Nil (2013: Nil; 2012: 15%; 2011: 14%)	-	-	7,802	7,802	
MBP Software Group Holdings Limited	Provision of services on application software project developer and product research	1,832,500 (2013: 1,832,500; 2012: Nil; 2011: Nil)	7.33% (2013: 7.33%; 2012: Nil; 2011: Nil)	16% (2013: 15%; 2012: Nil; 2011: Nil)	7,802	7,802	-	-	
					18,787	18,787	18,787	18,787	

A brief description of the business information of the equity securities is as follows:

Tianjin Yishang Friendship Holdings Company Ltd (“Tianjin Yishang”)

Tianjin Yishang is a sino-foreign enterprise incorporated in the PRC on 6 January 2006 under a re-organisation whereby Tianjin Yishang Development Company Limited, a stated-owned enterprise in the PRC, was converted into Tianjin Yishang. The business activities of Tianjin Yishang and its subsidiaries and branches are to operate department stores in the PRC.

The audited net assets attributable to shareholders of Tianjin Yishang were approximately as follows:

	As at 31 December		
	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Net assets attributable to shareholders of Tianjin Yishang	915,749	742,084	625,771

The Company received cash dividend Tianjin Yishang was approximately as follows:

	For the four-month period ended 31 July 2013 HK\$'000	For the years ended 31 March		
		2013	2012	2011
		HK\$'000	HK\$'000	HK\$'000
Cash dividend received	–	999	948	–

Joyport Holdings Limited (“Joyport”)

Joyport is a limited liability company registered in 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 the Massive Multiplayer Online Role-Playing Games (“MMORPG”), which can support more than 10,000 concurrent players.

The unaudited financial information of Joyport was approximately as follows:

	For the four-month period ended 31 July 2013 HK\$'000	For the years ended 31 December		
		2012	2011	2010
		HK\$'000	HK\$'000	HK\$'000
Profit/(loss) for the period/year	3,542	28,076	32,899	(11,335)
Net asset value	67,340	61,250	45,330	8,265

During the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013, the Company did not receive any dividend from Joyport.

Lot Software Systems International Limited (“Lot Software”)

Lot Software is a limited liability company incorporated under the laws of the British Virgin Islands. It focuses on software outsourcing business in Japan and Mainland China. It provides services on application software project developer and product research. It has expertise in the provision of a variety of services including consultancy, logistic design and development, finance, manufacturer, management information system and enterprise resource planning areas, as well as powerful capability and experience in system working and framework.

The unaudited financial information of Lot Software was approximately as follows:

	For the years ended 31 December		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>N/A</u>	<u>103,850</u>	<u>8,855</u>
Net asset value	<u>N/A</u>	<u>209,235</u>	<u>79,107</u>

During the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013, the Company did not receive any dividend from Lot Software.

As at 28 March 2013, Lot Software entered into a share conversion agreement with MBP Software Group Holdings Limited (“MBP Software”) that the shareholders are the holders of all the issued shares of Lot Software, which in turns hold the entire issued shares of MBP Software.

MBP Software Group Holdings Limited (“MBP Software”)

MBP Software is a limited liability company incorporated under the laws of the Cayman Islands. It focuses on software outsourcing business in Japan and Mainland China. It provides services in application software project development and product research. It has expertise in the provision of a variety of services including consultancy, logistic design and development, finance, manufacturer, management information system and enterprise resource planning areas, as well as powerful capability and experience in system working and framework.

The audited financial information of MBP Software was approximately as follows:

	For the years ended 31 December		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>19,924</u>	<u>N/A</u>	<u>N/A</u>
Net asset value	<u>43,890</u>	<u>N/A</u>	<u>N/A</u>

The unaudited financial information of MBP Software was approximately as follows:

	For the four-month period ended 31 July	For the years ended 31 March		
		2012	2011	2010
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period/year	<u>3,426</u>	<u>372</u>	<u>N/A</u>	<u>N/A</u>
Net asset value	<u>77,160</u>	<u>73,638</u>	<u>N/A</u>	<u>N/A</u>

During the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013, the Company did not receive any dividend from MBP Software.

(b) *Investments in limited partnerships*

There is no active market for the investments as the interest in the limited partnership is privately held. The fair values of these investments are determined firstly by reference to the investment considerations, which were negotiated at arm's length between the general partners and the third parties. In addition, the directors have considered the development of the limited partnerships, and the prospective growth of the value of the investments. On account of such analyse, the directors consider that there have not been any material changes to the equity securities that would lead to a change in the fair values of these available-for-sale investments from the dates of their acquisition to 31 July 2013.

Particulars of the limited partnerships are as follows:

Name of issuer	Nature of Business	Percentage of interest held (%)	Net assets attributable to the investment (%)	As at 31 July 2013	As at 31 March		
				Cost less impairment HK\$'000	2013 Cost less impairment HK\$'000	2012 Cost less impairment HK\$'000	2011 Cost less impairment HK\$'000
CMHJ Technology Fund II, L.P. ("CMHJ")	Investing in equity securities of privately held companies in the technologies enabled services and products industries	2.8% (2013: 2.8%; 2012: 2.8%; 2011: 2.8%)	32% (2013: 31%; 2012: 29%; 2011: 21%)	15,595	15,595	15,595	11,694
Project Carmel L.P. ("Project Carmel")	Investing in real estate in Macau	1.94% (2013: 1.94%; 2012: 1.94%; 2011: 1.94%)	24% (2013: 23%; 2012: 22%; 2011: 21%)	11,696	11,696	11,696	11,696
				27,291	27,291	27,291	23,390

A brief description of the business information of the limited partnerships is as follows:

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 Mainland China.

The audited net assets attributable to shareholders of CMHJ were approximately as follows:

	As at 31 December		
	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Net asset attributable to shareholders	577,433	633,710	519,250

During the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013, the Company did not receive any dividend from CMHJ.

Project Carmel L.P. (“Project Carmel”)

LCF Macau Co-Investors, L.P. has changed its name to Project Carmel L.P. with effect from 13 March 2012. Project Carmel is a limited partnership organised pursuant to the provisions of the Partnership Act 1996 of the British Virgin Islands. Project Carmel is primary to invest in real estate in Macau and to realise capital appreciation from the sales of the properties.

The principal asset held by Project Carmel as at 31 December 2011, 2012, 2013 and at 31 July 2013 was a 4.61% equity interest in Baia da Nossa Senhora da Esperanca Real Estate Development Company Limited (“Baia da Nossa”), a limited liability company incorporated in Macau, which has an interest in a piece of land situated at Fabrica de Panchoes Iec, Macau. However, up to the date of these financial statements, the title of the land has not been transferred to Baia da Nossa as the governmental approvals have not been sought to allow the development of the project.

The unaudited net assets attributable to shareholders of Project Carmel were approximately as follows:

	As at 31 July 2013 HK\$'000	As at 31 March		
		2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Net asset value attributable to shareholders	<u>770,815</u>	<u>777,005</u>	<u>770,821</u>	<u>637,000</u>

During the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013, the Company did not receive any dividend from Project Carmel.

11. Investments at fair value through profit or loss

	As at 31 July 2013 HK\$'000	As at 31 March		
		2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Equity securities listed in Hong Kong, at fair value (<i>note (a)</i>)	2,241	2,821	3,733	6,609
Equity securities listed in United States of America, at fair value (<i>note (b)</i>)	–	167	–	–
Investment in straight bond, at fair value (<i>note (c)</i>)	<u>–</u>	<u>–</u>	<u>–</u>	<u>845</u>
	<u>2,241</u>	<u>2,988</u>	<u>3,733</u>	<u>7,454</u>

The Company's investments in listed securities designated as investments at fair value through profit or loss with fair value amounting to HK\$1,046,094, HK\$237,560, HK\$558,400 and HK\$2,030,500 were pledged as collateral to a related company, Grand Investment (Securities) Limited ("GIS"), to obtain marginal facilities for the Company; however no part of such facilities has been utilised by the Company at the end of the reporting period.

At the date of approval of these financial statements, the aggregate market value of the listed equity securities held by the Company as at 31 July 2013 was approximately HK\$2,482,260.

Notes:

(a) *Equity securities listed in Hong Kong, at fair value*

Particulars of the equity securities are as follows:

As at 31 July 2013

Name of invested company	Place of incorporation	Number of shares	Percentage of interest held (%)	Net assets attributable to the investment (%)	Cost	Market value	Unrealised gain/(loss) arising on revaluation
					HK\$'000	HK\$'000	HK\$'000
Hong Kong Exchanges and Clearing Limited	Hong Kong	9,000	Less than 0.1%	2%	1,190	1,084	(106)
China AMC CSI 300 Index ETF	The People's Republic of China	16,000	Less than 0.1%	1%	511	439	(72)
Xinhua A50 China Index ETF	Hong Kong	60,000	Less than 0.1%	1%	598	536	(62)
Yanzhou Coal Mining Company Limited	The People's Republic of China	34,000	Less than 0.1%	0.4%	356	182	(174)
					2,655	2,241	(414)

As at 31 March 2013

Name of invested company	Place of incorporation	Number of shares	Percentage of interest held (%)	Net assets attributable to the investment (%)	Cost	Market value	Unrealised gain/(loss) arising on revaluation
					HK\$'000	HK\$'000	HK\$'000
Hong Kong Exchanges and Clearing Limited	Hong Kong	9,000	Less than 0.1%	2%	1,336	1,190	(146)
China Communications Construction Company Limited	The People's Republic of China	90,000	Less than 0.1%	1%	670	650	(20)
Xinhua A50 China Index ETF	Hong Kong	60,000	Less than 0.1%	1%	604	625	21
Yanzhou Coal Mining Company Limited	The People's Republic of China	34,000	Less than 0.1%	1%	573	356	(217)
					3,183	2,821	(362)

APPENDIX II
FINANCIAL INFORMATION OF THE COMPANY

Particulars of the equity securities are as follows:

As at 31 March 2012

Name of invested company	Place of incorporation	Number of shares	Percentage of interest held (%)	Net assets attributable to the investment (%)	Cost	Market value	Unrealised gain/(loss) arising on revaluation
					HK\$'000	HK\$'000	HK\$'000
Bank of China Limited	The People's Republic of China	140,000	Less than 0.1%	1%	495	438	(57)
China Everbright Limited	Hong Kong	20,000	Less than 0.1%	0.4%	349	236	(113)
China Life Insurance Company Limited	The People's Republic of China	45,000	Less than 0.1%	2%	1,314	907	(407)
Power Assets Holdings Limited	Hong Kong	5,000	Less than 0.1%	0.5%	294	285	(9)
Tencent Holdings Limited	Cayman Islands	2,000	Less than 0.1%	1%	429	433	4
Xinhua A50 China Index ETF	Hong Kong	80,000	Less than 0.1%	2%	1,067	862	(205)
Yanzhou Coal Mining Company Limited	The People's Republic of China	34,000	Less than 0.1%	1%	1,038	572	(466)
					4,986	3,733	(1,253)

Particulars of the equity securities are as follows:

As at 31 March 2011

Name of invested company	Place of incorporation	Number of shares	Percentage of interest held (%)	Net assets attributable to the investment (%)	Cost	Market value	Unrealised gain/(loss) arising on revaluation
					HK\$'000	HK\$'000	HK\$'000
HSBC Holdings plc	England	2,000	Less than 0.1%	0.3%	172	164	(8)
China Everbright Limited	Hong Kong	70,000	Less than 0.1%	2%	1,456	1,220	(236)
China Life Insurance Company Limited	The People's Republic of China	45,000	Less than 0.1%	2%	1,639	1,314	(325)
China Mobile Limited	Hong Kong	20,000	Less than 0.1%	3%	1,570	1,433	(137)
Far East Global Group Limited	Cayman Islands	750,000	Less than 0.1%	1%	915	765	(150)
Tencent Holdings Limited	Cayman Islands	2,000	Less than 0.1%	1%	398	379	(19)
Xinhua A50 China Index ETF	Hong Kong	100,000	Less than 0.1%	2%	1,374	1,334	(40)
					7,524	6,609	(915)

A brief description of the business information of the invested companies, based on their latest published annual or interim reports, is as follows:

Hong Kong Exchanges and Clearing Limited (“HKEX”)

HKEX is a recognised exchange controller under the SFO. It owns and operates the only stock exchange and a futures exchange in Hong Kong and their related clearing houses, HKSCC, SEOH and HKCC.

The audited financial information of HKEX was approximately as follows:

	<u>For the years ended 31 December</u>		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to shareholders of HKEX	<u>4,084,000</u>	<u>N/A</u>	<u>N/A</u>
Net asset value	<u>17,764,000</u>	<u>N/A</u>	<u>N/A</u>

The Company received cash dividends from HKEX approximately as follows:

	<u>For the four-month periods ended 31 July</u>		<u>For the years ended 31 March</u>		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>13</u>	<u>N/A</u>	<u>–</u>	<u>N/A</u>	<u>N/A</u>

China AMC CSI 300 Index ETF (“CSI 300”)

CSI 300 primarily invests in access products linked to the Chinese A-Share market.

APPENDIX II**FINANCIAL INFORMATION OF THE COMPANY**

The unaudited financial information of CSI 300 was approximately as follows:

	For the four-month period ended 31 July 2013	For the years ended 31 March		
		2013	2012	2011
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to shareholders of CSI 300	<u>(1,880,824)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net asset value	<u>13,085,732</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The Company received cash dividends from CSI 300 approximately as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend	<u>4</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(unaudited)

iShares FTSE/Xinhua A50 China Index ETF ("Xinhua A50")

Xinhua A50 primarily invests in access products linked to the Chinese A-Share market.

The audited financial information of Xinhua A50 was approximately as follows:

	For the years ended 31 December		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to unitholders of Xinhua A50	<u>6,073,000</u>	<u>8,067,000</u>	<u>9,823,000</u>
Net asset value	<u>58,851,000</u>	<u>42,755,000</u>	<u>52,072,000</u>

The Company received cash dividends from Xinhua A50 approximately as follows:

	<u>For the four-month periods ended 31 July</u>		<u>For the years ended 31 March</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	—	—	15	14	13

Yanzhou Coal Mining Company Limited (“Yanzhou Coal”)

Yanzhou Coal is primarily engaged in underground and open-cut mining, preparation and sales of coal and potash mineral exploration, provision of railway transportation services, production and sales of methanol and electricity and related heat supply services.

The audited financial information of Yanzhou Coal was approximately as follows:

	<u>For the years ended 31 December</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to shareholders of Yanzhou Coal	<u>7,643,000</u>	<u>10,919,000</u>	<u>N/A</u>
Net asset value	<u>60,243,000</u>	<u>52,141,000</u>	<u>N/A</u>

The Company received cash dividends from Yanzhou Coal approximately as follows:

	<u>For the four-month periods ended 31 July</u>		<u>For the years ended 31 March</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>14</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>N/A</u>

China Communications Construction Co. Limited (“China Comm Cons”)

China Comm Cons is primarily engaged in infrastructure construction, infrastructure design, dredging, manufacturing of heavy machinery and other businesses.

The audited financial information of China Comm Cons was approximately as follows:

	<u>For the years ended 31 December</u>		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to shareholders of China Comm Cons	<u>15,030,000</u>	<u>N/A</u>	<u>N/A</u>
Net asset value	<u>118,237,000</u>	<u>N/A</u>	<u>N/A</u>

The Company received cash dividends from China Comm Cons approximately as follows:

	<u>For the four-month periods ended 31 July</u>		<u>For the years ended 31 March</u>		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>N/A</u>	<u>N/A</u>	<u>–</u>	<u>N/A</u>	<u>N/A</u>

Bank of China Limited (“Bank of China”)

Bank of China provides a range of banking and related financial services, including commercial banking, investment banking, insurance, direct investment and investment management, fund management and aircraft leasing business.

The audited financial information of Bank of China was approximately as follows:

	<u>For the years ended 31 December</u>		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to shareholders of Bank of China	<u>N/A</u>	<u>151,874,586</u>	<u>N/A</u>
Net asset value	<u>N/A</u>	<u>884,427,126</u>	<u>N/A</u>

The Company received cash dividends from Bank of China approximately as follows:

	<u>For the four-month periods ended 31 July</u>		<u>For the years ended 31 March</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>N/A</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>

China Everbright Limited ("China EB")

China EB is primarily engaged in provision financial services and investment holding.

The audited financial information of China EB was approximately as follows:

	<u>For the years ended 31 December</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to shareholders of China EB	<u>N/A</u>	<u>1,922,705</u>	<u>1,927,207</u>
Net asset value	<u>N/A</u>	<u>26,465,337</u>	<u>28,140,623</u>

The Company received cash dividends from China EB approximately as follows:

	<u>For the four-month periods ended 31 July</u>		<u>For the years ended 31 March</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>18</u>	<u>33</u>

China Life Insurance Company Limited (“China Life”)

China Life is primarily engaged in providing life annuities, accident and health insurance products in China.

The audited financial information of China Life was approximately as follows:

	For the years ended 31 December		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to the shareholders of China Life	N/A	22,418,813	38,521,518
Net asset value	N/A	234,241,190	246,423,897

The Company received cash dividends from China Life approximately as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	N/A	–	N/A	19	24

Power Assets Holdings Limited (“Power Assets”)

Power Assets is primarily engaged in generation and supply of electricity.

The audited financial information of Power Assets was approximately as follows:

	For the years ended 31 December		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to the shareholders of Power Assets	N/A	9,075,000	N/A
Net asset value	N/A	57,873,000	N/A

The Company received cash dividends from Power Assets approximately as follows:

	<u>For the four-month periods ended 31 July</u>		<u>For the years ended 31 March</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>N/A</u>	<u>17</u>	<u>N/A</u>	<u>9</u>	<u>N/A</u>

Tencent Holdings Limited (“Tencent”)

Tencent is primarily engaged in provision of internet value-added services, mobile and telecommunications value-added services and online advertising services.

The audited financial information of Tencent was approximately as follows:

	<u>For the years ended 31 December</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to the Shareholders of Tencent	<u>N/A</u>	<u>12,478,371</u>	<u>9,509,000</u>
Net asset value	<u>N/A</u>	<u>34,811,269</u>	<u>25,688,000</u>

The Company received cash dividends from Tencent approximately as follows:

	<u>For the four-month periods ended 31 July</u>		<u>For the years ended 31 March</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>–</u>	<u>–</u>

China Mobile Limited (“China Mobile”)

China Mobile is primarily engaged in provision of mobile communications and related services in PRC.

The audited financial information of China Mobile was approximately as follows:

	For the years ended 31 December		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to the shareholders of China Mobile	<u>N/A</u>	<u>N/A</u>	<u>141,258,948</u>
Net asset value	<u>N/A</u>	<u>N/A</u>	<u>680,268,570</u>

The Company received cash dividends from China Mobile approximately as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>20</u>

Far East Global Group Limited ("Far East Global")

Far East Global is primarily engaged in providing one-stop building façade solutions for high-end property development projects.

The audited financial information of Far East Global was approximately as follows:

	For the years ended 31 December		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to the shareholders of Far East Global	<u>N/A</u>	<u>N/A</u>	<u>110,113</u>
Net asset value	<u>N/A</u>	<u>N/A</u>	<u>513,978</u>

The Company received cash dividends from Far East Global approximately as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>10</u>

HSBC Holdings plc ("HSBC")

HSBC is primarily engaged in provision of a comprehensive range of banking and related financial services through an international network in the Asia-Pacific region, Europe, the Americas, the Middle East and Africa.

The audited financial information of HSBC was approximately as follows:

	For the years ended 31 December		
	2012	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to the shareholders of HSBC	<u>N/A</u>	<u>N/A</u>	<u>101,982,000</u>
Net asset value	<u>N/A</u>	<u>N/A</u>	<u>1,144,419,000</u>

The Company received cash dividends from HSBC approximately as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>10</u>

(b) Equity securities listed in United States, at fair value

Particulars of the equity securities are as follows:

As at 31 March 2013

Name of invested company	Place of incorporation	Number of shares	Percentage of interest held (%)	Net assets attributable to the investment (%)	Cost	Market value	Unrealised gain/(loss) arising on revaluation
					HK\$'000	HK\$'000	HK\$'000
Apple Inc.	United States of America	50	Less than 0.1%	0.3%	279	167	(112)

The Company has not held any equity securities listed in United States as at 31 March 2011, 2012 and at 31 July 2013.

A brief description of the business information of the invested companies, based on their latest published annual or interim reports, is as follows:

Apple Inc. ("Apple")

Apple is primarily engaged in designs, manufactures, and markets mobile communication and media devices, personal computing products, and portable digital music players worldwide.

The audited financial information of Apple was approximately as follows:

	For the four-month period ended 31 July 2013 HK\$'000	For the years ended 28 September		
		2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Profit attributable to the shareholders of Apple	N/A	309,426,000	N/A	N/A
Net asset value	N/A	922,038,000	N/A	N/A

The Company received cash dividends from Apple approximately as follows:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013	2012	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)				
Dividend	N/A	–	3	N/A	N/A

(c) *Investment in straight bond*

The effective interest rate on straight bonds is 7% per annum and matures until 3 May 2011.

12. Deposits, Other Receivables and Prepayments

	As at 31 July	As at 31 March		
	2013	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Deposits and other receivables	978	195	1,010	171
Prepayments	159	185	187	183
	<u>1,137</u>	<u>380</u>	<u>1,197</u>	<u>354</u>

The carrying amounts of deposits, other receivables and prepayments approximate their fair values as at 31 March 2011, 2012, 2013 and at 31 July 2013. The Company does not hold any collateral over these balances.

The deposits, other receivables and prepayments do not contain impaired assets.

The carrying amounts of the Company's deposits, other receivables and prepayments are denominated in the Hong Kong dollars.

13. Cash and Cash Equivalents

	As at 31 July	As at 31 March		
	2013	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash and bank balances	99	1,570	308	2,438
Short-term bank deposits	–	–	1,976	2,544
	<u>99</u>	<u>1,570</u>	<u>2,284</u>	<u>4,982</u>

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	As at 31 July	As at 31 March		
	2013 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Hong Kong dollars	71	47	2,038	2,619
United States dollars	28	1,523	246	2,363
	<u>99</u>	<u>1,570</u>	<u>2,284</u>	<u>4,982</u>

14. Other Payables and Accruals

	As at 31 July	As at 31 March		
	2013 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Other payables and accruals	67	184	171	198

The carrying amounts of other payables and accruals approximate their fair values as at 31 March 2011, 2012, 2013 and at 31 July 2013 and are denominated in Hong Kong dollars.

15. Share Capital

	As at 31 July	As at 31 March		
	2013 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Authorised:				
1,000,000,000 ordinary shares of 0.10 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:				
172,800,000 ordinary shares of 0.10 each	<u>17,280</u>	<u>17,280</u>	<u>17,280</u>	<u>17,280</u>

16. Reserves

	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2010	37,786	885	38,671
Total comprehensive loss			
Net loss for the year	—	(1,182)	(1,182)
At 31 March 2011	37,786	(297)	37,489
Total comprehensive loss			
Net loss for the year	—	(1,648)	(1,648)
At 31 March 2012	37,786	(1,945)	35,841
Total comprehensive loss			
Net loss for the year	—	(2,289)	(2,289)
At 31 March 2013	37,786	(4,234)	33,552
Total comprehensive loss			
Net loss for the period	—	(1,344)	(1,344)
At 31 July 2013	<u>37,786</u>	<u>(5,578)</u>	<u>32,208</u>

(i) Share premium reserve

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premium payable on repurchase of shares.

17. Capital Management

The Company's primary objective when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company actively reviews and manages its capital structure in the light of changes in economic conditions so as to maintain a sound capital position. Total capital is defined as shareholders' funds in the statement of financial position.

The Company is not subject to internally or externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013.

18. Commitments

(a) Operating lease commitment

The Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at	As at 31 March		
	31 July	2013	2012	2011
	2013	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Not later than one year	443	664	664	664

(b) Capital commitment

The Company's capital commitments at the end of the reporting period were as follows:

	As at	As at 31 March		
	31 July	2013	2012	2011
	2013	2013	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted but not provided for Capital contributed to a limited partnership	–	–	–	3,906

19. Net Asset Value per Share

The calculation of net asset value per share is based on the following information:

	As at	As at 31 March		
	31 July	2013	2012	2011
	2013	2013	2012	2011
Net assets (HK\$'000)	49,487	50,832	53,121	54,769
Number of ordinary shares in issue ('000)	172,800	172,800	172,800	172,800

20. Dividends

The directors of the Company do not recommend the payment of a dividend for the years ended 31 March 2011, 2012, 2013 and the four-month period ended 31 July 2013.

21. Loss per Share

The calculation of loss per share is based on the following information:

	For the four-month period ended 31 July 2013 HK\$'000	For the years ended 31 March		
		2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
Net loss attributable to shareholders	<u>1,344</u>	<u>2,289</u>	<u>1,648</u>	<u>1,182</u>
	As at 31 July 2013	For the years ended 31 March		
		2013	2012	2011
Number of weighted average of ordinary shares in issue ('000)	<u>172,800</u>	<u>172,800</u>	<u>172,800</u>	<u>172,800</u>

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

22. Related Party Transactions

During the period/year, save for those parties referred to as connected transactions in the report of the directors and disclosed elsewhere in notes to the financial information, the Company traded listed securities through a securities account maintained with a related company, GIS, in which the director, Dr. Lee Woo Sing has beneficial interests. Dr. Lee Woo Sing retired as a director of the Company on 1 May 2013. The Company also paid rental expenses to a related company, Moral Rich Corporation Limited ("MRC"), in which Dr. Lee Woo Sing, the director has beneficial interests. Dr. Lee Woo Sing resigned as a director of MRC on 21 January 2013.

Details of related party transactions as below:

	For the four-month periods ended 31 July		For the years ended 31 March		
	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
Investment manager fee paid to a related company	24	96	288	288	96
Rental expenses paid to a related company	-	226	678	678	508

GIS and MRC are regarded as connected persons of the Company under Rule 21.13 and Rule 14A.11 respectively of the Listing Rules up to 30 April 2013 and 20 January 2013 respectively. Accordingly, the transactions also constitute continuing connected transactions for the Company. During the year, the aggregate monetary amounts transacted under the transactions did not exceed the de-minimis threshold under Rule 14A.33 of the Listing Rules. As such, the transactions were exempted from the disclosure and the shareholders' approval requirements under Chapter 14A of the Listing Rules.

23. Share Option Scheme

The following is a summary of the pertinent terms of the share option scheme.

The purpose of the share option scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Company, if any.

The directors may, at their absolute discretion, grant options to any employee, any executive or non-executive directors, any persons that provides research, development or other technological support to the Company, any shareholder, any advisor or consultant, and/or any joint venture partner or business alliance that co-operates with the Company.

(i) *Maximum number of the option shares*

- (a) The maximum number of shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the share option scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30 percent of the share capital of the Company in issue from time to time.

- (b) The total number of shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the share option scheme and any other share option scheme(s) of the Company) to be granted under the share option scheme and any other share option schemes of the Company must not in aggregate exceed 10 percent of the shares in issue (“General Scheme Limit”).
- (c) Subject to (a) above and without prejudice to (d) below, the Company may seek approval of the shareholders in general meeting to refresh the General Scheme Limit provided that the total number of shares which may be allotted and issued upon the exercise of all options to be granted under the share option scheme and any other share option scheme(s) of the Company must not exceed 10 percent of the shares in issue as at the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the share option scheme and any other share option scheme(s) of the Company) previously granted under the share option scheme and any other share option scheme(s) of the Company will not be counted.
- (d) Subject to (a) above and without prejudice to (c) above, the Company may seek separate approval of the shareholders in general meeting to grant options under the share option scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in (c) above to participants specifically identified by the Company before such approval is sought.

(i) Maximum entitlement of each participant

The total number of shares issued and which may fall to be issued upon the exercise of the options granted under the share option scheme and any other share option scheme(s) of the Company (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1 percent of the issued share capital of the Company for the time being.

(ii) Grant of options to connected persons

Any grant of options under the share option scheme to a director, chief executive or substantial shareholder or any of their respective associates must be approved by the independent non-executive directors.

Certain grant of options to a substantial shareholder or an independent non-executive Director, must be approved by the shareholders in general meeting.

(iii) Time of acceptance and exercise of option

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. The maximum period that an option may be exercised from the time it is granted is 10 years. There is no minimum period required under the share option scheme for the holding of an option before it can be exercised.

(iv) Performance targets

No performance targets are specifically stipulated under the share option scheme.

(v) Subscription price for the option shares

The subscription price for the shares under the share option scheme shall be a price determined by the directors but shall not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet for trade on the date of the offer of grant which must be a Business Day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant which must be a business day; and (c) the nominal value of the Shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(vi) Restrictions on the time of grant of options

No offer for the grant of options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirement of the Listing Rules.

(vii) Period of the share option scheme

The share option scheme will remain in force for a period of 10 years commencing on the date on which the share option scheme becomes unconditional.

(viii) Adjustments to the subscription price

In the event of a capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of capital of the Company whilst an option remains exercisable such corresponding alterations, if any, certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of the shares the subject matter of the share option scheme and the option granted and so far as granted and unexercised and/or the subscription price.

(ix) Termination of the share option scheme

The Company may by resolution at general meeting at any time terminate the operation of the share option scheme and in such event no further options shall be offered.

(x) Lapse of option

An option shall lapse automatically on the earliest of the expiry of the period referred to in paragraph (iv) and the expiry of the periods or dates of the following:

- Cessation of employment of a grantee;
- Death, ill-health, or retirement of a grantee;
- Dismissal of a grantee;
- Breach of contract by a grantee;
- Holder of the shares accepting a general offer, a compromise, or arrangement; and
- The Company undergoing a voluntary winding-up.

None of employees were granted share option by the Company during the period/year.

24. Financial instruments by category

Financial assets as at 31 July 2013

	Investments at fair value through profit or loss <i>HK\$'000</i>	Loans and receivables <i>HK\$'000</i>	Available-for- sale financial investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Unlisted equity investments	–	–	46,078	46,078
Listed equity investments	2,241	–	–	2,241
Deposits and other receivables	–	978	–	978
Cash and cash equivalents	–	99	–	99
	<u>2,241</u>	<u>1,077</u>	<u>46,078</u>	<u>49,396</u>

Financial assets as at 31 March 2013

	Investments at fair value through profit or loss <i>HK\$'000</i>	Loans and receivables <i>HK\$'000</i>	Available-for- sale financial investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Unlisted equity investments	–	–	46,078	46,078
Listed equity investments	2,988	–	–	2,988
Deposits and other receivables	–	195	–	195
Cash and cash equivalents	–	1,570	–	1,570
	<u>2,988</u>	<u>1,765</u>	<u>46,078</u>	<u>50,831</u>

Financial assets as at 31 March 2012

	Investments at fair value through profit or loss <i>HK\$'000</i>	Loans and receivables <i>HK\$'000</i>	Available-for- sale financial investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Unlisted equity investments	–	–	46,078	46,078
Listed equity investments	3,733	–	–	3,733
Deposits and other receivables	–	1,010	–	1,010
Cash and cash equivalents	–	2,284	–	2,284
	<u>3,733</u>	<u>3,294</u>	<u>46,078</u>	<u>53,105</u>

Financial assets as at 31 March 2011

	Investments at fair value through profit or loss <i>HK\$'000</i>	Loans and receivables <i>HK\$'000</i>	Available-for- sale financial investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Unlisted equity investments	–	–	42,177	42,177
Listed equity investments	7,454	–	–	7,454
Deposits and other receivables	–	171	–	171
Cash and cash equivalents	–	4,982	–	4,982
	<u>7,454</u>	<u>5,153</u>	<u>42,177</u>	<u>54,784</u>

Financial liabilities as at 31 July 2013

	Financial liabilities at amortised cost <i>HK\$'000</i>
Other payables and accruals	<u>67</u>

Financial liabilities as at 31 March 2013

	Financial liabilities at amortised cost <i>HK\$'000</i>
Other payables and accruals	<u>184</u>

Financial liabilities as at 31 March 2012

	Financial liabilities at amortised cost <i>HK\$'000</i>
Other payables and accruals	<u>171</u>

Financial liabilities as at 31 March 2011

	Financial liabilities at amortised cost <i>HK\$'000</i>
Other payables and accruals	<u>198</u>

25. Financial risks management

The main risks arising from the Company's financial instruments are credit risks, foreign exchange risks, interest rate risk, liquidity risk and equity price risk. The directors meet periodically to analyse and formulate measures to manage the Company's exposure to these risks. Generally, the Company introduces conservative strategies on its risk management. The directors review and agree policies for managing each of these risks and they are summarised as follows:

(i) Credit risks

The credit risk of the Company's other financial assets, which comprise deposits and other receivables, cash and cash equivalents, available-for-sale investments and investments at fair value through profit or loss arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

In order to minimise the credit risk, the management of the Company reviews the recoverable amount of each individual debt investments at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Company's credit risk is significantly reduced.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk on investments in listed securities is limited because the counterparty is a well-established securities broker firm in Hong Kong.

The Company has no significant concentration of credit risk.

(ii) Foreign exchange risk

Foreign exchange risk arises when commercial transactions, assets or liabilities are denominated in a currency that is not the functional currency of the Company. The Company operates mainly in Hong Kong and is exposed to foreign currency exchange rate risk arising from various foreign currency exposures, primarily with respect to United States dollars and Renminbi.

The directors are of the opinion that the Hong Kong dollars are reasonably stable with the United States dollars under the Linked Exchange Rate System, and accordingly, no sensitivity analysis of United States dollars with respect to Hong Kong dollars is performed. Further, of the view that portfolio in listed and unlisted securities, only one investment in a non-listed security uses Renminbi as its functional currency. At 31 July 2013, if Renminbi had strengthen by 3% (As at 31 March 2013:

3%) against the Hong Kong dollars with all other variables held constant, post-tax profit for the period would have been HK\$236,321 (As at 31 March 2013: HK\$236,321) lower, mainly as a result of foreign exchange losses on translation of Renminbi.

(iii) Interest rate risk

The interest rate risk mainly arises from interest-bearing bank deposits. Other than the cash at banks which carry interest at prevailing market interest rates, the Company has no other significant interest-bearing assets or liabilities, therefore the Company's exposure to the interest rate risk is considered to be minimal.

(iv) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash and bank deposits to meet liquidity requirements in the short and longer term. The directors are of the opinion that the Company does not have significant liquidity risk.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	As at 31 July	As at 31 March		
	2013	2013	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Less than one year				
– Other payables and accruals	67	184	171	198

(v) Equity price risk

Equity price risk is the risk that the fair values of equity securities decreases as a result of changes in the levels of equity indices and the value of individual securities. The Company is exposed to equity price risk arising from individual equity investments classified as investments at fair value through profit or loss (note 11) as at 31 March 2011, 2012, 2013 and at 31 July 2013. The Company's listed investments are listed on the Hong Kong Stock Exchange, and are valued at quoted market price as of the end of the reporting period.

The market equity indices for the following stock exchange, at the close of business of the nearest trading day in the period/year to the end of the reporting period, and their respective highest and lowest points during the period/year were as follows:

	31 July 2013	High/low 2013	31 March 2013	High/low 2013	31 March 2012	High/low 2012	31 March 2011	High/low 2011
Hong Kong								
- Hang Seng Index	21,884	234,931/ 19,814	22,299	23,822/ 18,186	20,556	24,469/ 16,170	23,527	24,946/ 18,958

The following table demonstrates the sensitivity to every 5%, 5% 15% and 9% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts as at 31 March 2011, 2012, 2013 and at 31 July 2013.

	Carrying amount of equity investments <i>HK\$'000</i>	Increase/ decrease in equity <i>HK\$'000</i>
As at 31 July 2013		
Investments listed in:		
Hong Kong – Investments at fair value through profit or loss	<u>2,241</u>	<u>–</u>
As at 31 March 2013		
Investments listed in:		
Hong Kong – Investments at fair value through profit or loss	<u>2,988</u>	<u>437</u>
As at 31 March 2012		
Investments listed in:		
Hong Kong – Investments at fair value through profit or loss	<u>3,733</u>	<u>187</u>
As at 31 March 2011		
Investments listed in:		
Hong Kong – Investments at fair value through profit or loss	<u>7,454</u>	<u>373</u>

26. Fair value estimation

The carrying values of cash and cash equivalents, deposits and other receivables, and other payables and accruals are a reasonable approximation of their fair values. Given these terms, it is not meaningful to disclose the fair value of such balances.

The fair values of listed investments are based on quoted market price.

The following table presents the carrying amounts of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

As at 31 July 2013

	<i>Note</i>	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Investments at fair value through profit or loss	11	<u>2,241</u>	<u>–</u>	<u>–</u>	<u>2,241</u>

As at 31 March 2013

	<i>Note</i>	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Investments at fair value through profit or loss	11	<u>2,988</u>	<u>–</u>	<u>–</u>	<u>2,988</u>

As at 31 March 2012

	<i>Note</i>	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Investments at fair value through profit or loss	11	<u>3,733</u>	<u>–</u>	<u>–</u>	<u>3,733</u>

As at 31 March 2011

	<i>Note</i>	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Investments at fair value through profit or loss	11	<u>7,454</u>	<u>-</u>	<u>-</u>	<u>7,454</u>

During the period/year, the Company did not have any level 2 or level 3 financial instruments.

27. Approval of financial statements

The financial statements were approved by the Board of Directors on 18 October 2013.

3. INDEBTEDNESS

Borrowings and contingent liabilities

As at the close of business on 31 July 2013, being the latest practicable date for the purpose of this the indebtedness statement, the Company has total outstanding accruals and other payables approximate amounted to HK\$67,000.

Pledge of assets

As at 31 July 2013, the Company's investments in listed securities designated as investments at fair value through profit or loss with fair value amounting to HK\$1,046,094 have been pledged as collateral to a related company, Grand Investment (Securities) Limited, to obtain marginal facilities for the Company; however no part of such facilities has been utilised at the end of the Company reporting period.

Commitments

As at 31 July 2013, the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<i>HK\$'000</i>
Not later than one year	<u>443</u>

Disclaimer

Save as disclosed in this section of the Composite Document, the Company did not have outstanding indebtedness as at the close of business on 31 July 2013 or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

The Directors confirm there were no material changes in the Company's indebtedness position and contingent liabilities since 31 July 2013 up to and including the Latest Practicable Date.

4. NO MATERIAL CHANGE

Save for the information as disclosed in the Company's announcement dated 27 September 2013, the Directors confirm that there is no material change in the financial and trading position or outlook of the Company since 31 March 2013, being the date to which the latest published audited financial statements of the Company were made up, up to the Latest Practicable Date.

5. UNQUALIFIED ACCOUNTS

The auditors of the Company have expressed an unqualified opinion on those financial statements in their report for the years ended 31 March 2011, 31 March 2012 and 31 March 2013 respectively.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (including the background to the Offer but other than the information relating to the Offeror and his intention) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised capital</i>	<i>HK\$</i>
<u>1,000,000,000</u> Shares	<u>100,000,000</u>
<i>Issued and fully paid or credited as fully paid</i>	
<u>172,800,000</u> Shares	<u>17,280,000</u>

As at the Latest Practicable Date, there are no outstanding warrants or share options or securities or derivatives that are convertible or exchangeable into Shares or confer any right to subscribe for Shares. All existing issued Shares rank *pari passu* in all respect as to return of capital, dividends and voting. No Shares have been issued since 31 March 2013, being the date on which the latest audited financial statement of the Company were made up.

3. DISCLOSURE OF INTERESTS**Interests of substantial shareholders**

Name of Substantial shareholder	Capacity	Number of Shares	Approximate percentage of existing shareholding
1. Optimize Capital Investments Limited ("Optimize Capital") (Note 1)	Beneficial owner	14,980,000 (long position) (Note 1)	8.67%

Name of Substantial shareholder	Capacity	Number of Shares	Approximate percentage of existing shareholding
2. Lee Tak Lun	Interest of a controlled corporation	14,980,000 (long position) (Note 1)	8.67%
	Interest of a controlled corporation	35,180,000 (long position) (Note 2 to 4)	20.36%
3. Grand Fiance Group Company Limited (“GFG”)	Registered and beneficial owner	35,180,000 (long position) (Notes 2 to 4)	20.36%
4. Jumbo China Holdings Limited	Interest of a controlled corporation	35,180,000 (long position) (Note 2 to 4)	20.36%
5. Billion Sky Limited	Interest of a controlled corporation	35,180,000 (long position) (Notes 2 to 4)	20.36%
6. Win Key Investments Limited	Interest of a controlled corporation	35,180,000 (long position) (Notes 2 to 4)	20.36%

Notes:

- Optimize Capital is a company incorporated in the British Virgin Islands, and is owned as to 90% by Mr. Lee Tak Lun and 10% by his daughter, Ms. Lee Wai Tsang Rosa. Mr. Lee Tak Lun is the son of Dr. Lee Woo Sing. Dr. Lee Woo Sing was a non-executive Director (who retired on 1 May 2013) while Ms. Lee Wai Tsang Rosa is an executive Director. Mr. Lee Tak Lun is taken to be interested in these Shares under Part XV of the SFO.
- GFG is a company incorporated in Hong Kong, the entire issued capital of which is beneficially owned as to 58% by Jumbo China Holdings Limited, 28% by Bright Pearl Limited and 14% by Win Key Investments Limited. Jumbo China Holdings Limited is taken to be interested in these Shares under Part XV of the SFO.
- The entire issued share capital of Jumbo China Holdings Limited is beneficially owned as to 79.31% by Billion Sky Limited. Billion Sky Limited is taken to be interested in these Shares under Part XV of the SFO.

4. The entire issued share capital of Billion Sky Limited is beneficially owned as to 59.55% by Win Key Investments Limited (the entire issued share capital of which is beneficially owned by Mr. Lee Tak Lun). Win Key Investments Limited and Mr. Lee Tak Lun are taken to be interested in these Shares under Part XV of the SFO.
5. These Shares are held by Winrex International Limited (“Winrex”), a company incorporated in the British Virgin Islands. Dr. Lee Woo Sing holds more than one-third of the issued share capital of Winrex and is accordingly taken to be interested in the Shares held by Winrex under Part XV of the SFO.

Save as disclosed in this section of the Composite Document, as far as the Directors are aware, no other person had an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of the Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at the Latest Practicable Date.

Save for the interests of Ms. Lee Wai Tsang Rosa in Optimize Capital as disclosed in this section above, neither of the Directors of the Company nor their associates have any interest or short positions in any Shares and underlying Shares of the Company or any of its associated corporations. As Optimize Capital is controlled by the Offeror, the Shares held by Optimize Capital will not be subject to the Offer. Save for Ms. Lee Wai Tsang Rosa’s interest in the Company, neither of the Directors nor their associates have any interests in the relevant securities of the Company.

4. DEALING IN SECURITIES OF THE COMPANY

During the Relevant Period

- (i) none of the Offeror or parties acting in concert with the Offeror had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (ii) none of the Offeror or any parties acting in concert with the Offeror had borrowed or lent the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and
- (iii) none of the Directors had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

During the Offer Period and up to the Latest Practicable Date

- (i) none of the pension funds of the Company (if any) nor any advisor to the Company as specified in class (2) of the definition of “associate” under the Takeovers Code had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or had any interests in the relevant securities of the Company; and

- (ii) no fund managers connected with the Company who managed funds on a discretionary basis had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or had any interests in the relevant securities of the Company.

No person has any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate under the Takeovers Code.

5. LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company.

6. MATERIAL CONTRACTS

No contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company) had been entered into by the Company within the two years immediately preceding the commencement of the Offer Period, and up to and including the Latest Practicable Date which were, or might be, material.

7. EXPERTS AND CONSENTS

The followings are the qualification of the experts who have given opinion or advice which is contained in this Composite Document:

Name	Qualifications
Vinco Capital	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO
Veda Capital	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, none of Vinco Capital and Veda Capital had any shareholding in the Company nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company, or had any interest, either directly or indirectly, in any assets which had been, since 31 March 2013 (the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to the Company.

Each of Vinco Capital and Veda Capital has given and has not withdrawn their respective written consents to the issue of this Composite Document with the inclusion of their respective advice and/or letters (as the case may be) and references to their names and logos in the form and context in which they respectively appear.

8. SERVICE AGREEMENTS

As disclosed in the announcement of the Company dated 5 August 2013 in relation to the appointment of Mr. Lee Wai Wang Robert (“Mr. Robert Lee”) as executive Director and Mr. Lam Chi Wai Gavin (“Mr. Gavin Lam”) as independent non-executive Director with effect from 2 September 2013, (i) Mr. Robert Lee has entered into a service agreement (the “Service Agreement”) dated 2 September 2013 with the Company for an initial term of three years commencing from 2 September 2013, which is renewable automatically for successive term of one year each commencing from the day immediately after the expiry of the then current term of his appointment, unless terminated in accordance with the terms of the service agreement and Mr. Robert Lee shall be entitled to an annual remuneration of HK\$35,000 and such other emolument and discretionary bonus as may be determined by, and at the discretion of, the Board from time to time; and (ii) Mr. Gavin Lam has entered into a letter of appointment with the Company dated 2 September 2013 (the “Letter of Appointment”) for an initial term of three years commencing from 2 September 2013, which is renewable automatically for successive terms of one year each, until terminated in accordance with the terms of the letter of appointment and Mr. Gavin Lam is entitled to receive an annual remuneration of HK\$35,000 unless otherwise determined by the Board. The Service Agreement and the Letter of Appointment were entered into as a result of the appointment of Mr. Robert Lee as executive Director and Mr. Gavin Lam as independent non-executive Director. The Company further confirms that the Service Agreement and the Letter of Appointment were neither (i) continuous contracts with a notice period of 12 months or more nor (ii) fixed term contracts with more than 12 months to run irrespective of the notice period.

Save as disclosed above, none of the Directors have service contract with the Company or any of its associated companies (i) which (including both continuous and fixed term contract) have been entered into or amended within 6 months before the date of the Announcement; (ii) which are continuous contracts with a notice period of 12 months or more; or (iii) which are fixed term contracts with more than 12 months to run irrespective of the notice period.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) during normal business hours from 9:00 a.m. to 5.30 p.m. (public holidays excepted) at the office of the Company at Unit A, 2nd Floor, Nos. 269-277 Queen’s Road, Central, Hong Kong; (ii) on the website of the SFC at <http://www.sfc.hk>; and (iii) on the website of the Company at www.grandinv.com, from the date of this Composite Offer Document until the end of the Offer Period:

- (a) the memorandum of association and bye-laws of the Company;

- (b) the annual reports of the Company for the two financial years ended 31 March 2013;
- (c) the letter from Vinco Capital as set out on pages 6 to 12 of this Composite Document;
- (d) the letter from the Board as set out on pages 13 to 21 of this Composite Document;
- (e) the letter from the Independent Board Committee to the Independent Shareholders as set out on pages 22 to 23 of this Composite Document;
- (f) the letter from Veda Capital to the Independent Board Committee as set out on pages 24 to 37 of this Composite Document;
- (g) the letters of consents referred to under the paragraph headed “Experts and Consents” in this Appendix; and
- (h) the Service Agreement and the Letter of Appointment.

10. MISCELLANEOUS

- (a) As at the Latest Practicable Date, there was no benefit to be given to any Director as compensation for loss of office or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, there were no contract or agreement entered into by Offeror or the Company subsisting as at the Latest Practicable Date in which any of the Directors has a material personal interest.
- (c) As at the Latest Practicable Date, there is no agreement or arrangement between any Director and any other person which is conditional upon or dependent upon the outcome of the Offer or otherwise connected with the Offer.
- (d) This Composite Documents and the Form of Transfer and Acceptance have been prepared in both English and Chinese. In the case of any discrepancies, the English texts shall prevail over their respective Chinese texts.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information to Shareholders with regard to the Offeror, the Company and the Offer.

The information contained in this Composite Document relating to the Offeror and its intention has been supplied by the Offeror. The Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Company), and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any such statements contained in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
28 March 2013	0.36
30 April 2013	0.36
31 May 2013	0.36
28 June 2013	0.36
31 July 2013	0.36
30 August 2013	0.36
11 September 2013 (Last Trading Day)	0.36
30 September 2013	0.55
18 October 2013 (Latest Practicable Date)	0.455

The highest and lowest closing prices of the Shares quoted on the Stock Exchange during the Relevant Period were HK\$0.71 per Share on 25 September 2013 and HK\$0.36 per Share during the period commencing six months preceding the commencement of the Offer Period up to the Last Trading Day respectively.

3. DISCLOSURE OF INTERESTS OF THE OFFEROR

As at the Latest Practicable Date, details of the Shares held by the Offeror and parties acting in concert with it were as follows:

	As at Latest Practicable Date	
	Number of Shares	Approximate %
Offeror		
Mr. Lee Tak Lun	38,780,000	22.44
Parties acting in concert with the Offeror		
Optimize Capital Investments Limited (<i>Note 1</i>)	14,980,000	8.67
Winrex International Limited (<i>Note 2</i>)	1,000,000	0.58

Note 1: Optimize Capital is a company incorporated in the British Virgin Islands, and is owned as to 90% by Mr. Lee Tak Lun (“Mr. Lee”) and 10% by his daughter, Ms. Lee Wai Tsang Rosa. Mr. Lee is the son of Dr. Lee Woo Sing (“Dr. Lee”). Dr. Lee was a non-executive Director (who retired on 1 May 2013) while Ms. Lee Wai Tsang Rosa is an executive Director. Mr. Lee is taken to be interested in these Shares under Part XV of the SFO.

Note 2: Winrex International Limited (“Winrex”) is a company incorporated in the British Virgin Islands. Dr. Lee holds more than 90% of the issued share capital of Winrex, Winrex is deemed as a party acting in concert with Mr. Lee under the Takeovers Code. The remaining balance of the issued share capital of the company is held by a family member of Dr. Lee, who is not a Director of the Company.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES OF THE COMPANY

- (a) as at the Latest Practicable Date, there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Offeror and his associates and parties acting in concert with any of them;
- (b) as at the Latest Practicable Date, there was no Shares, convertible securities, warrants, options and derivatives in respect of Shares in the Company which the Offeror and parties acting in concert with him has borrowed or lent;
- (c) during the Relevant Period, none of the Offeror and parties acting in concert with him has borrowed or lent any Shares or other securities of the Company carrying voting rights, or convertible securities, warrants, options or derivatives of the Company;

- (d) during the Relevant Period, save for the Acquisition of 3,600,000 Shares for a consideration of HK\$1,296,000 in cash by the Offeror on 12 September 2013, none of the Offeror and parties acting in concert with him, had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company;
- (e) as at the Latest Practicable Date, there was no arrangement (whether by way of options, indemnity or otherwise) in relation to the shares of the Offeror and parties acting in concert with him or the Company which might be material to the Offer;
- (f) as at the Latest Practicable Date, none of the Offeror and parties acting in concert with him has received any irrevocable commitment to accept or reject the Offer and to his best knowledge, no person had irrevocably committed themselves to accept or reject the Offer; and
- (g) during the Relevant Period and as at the Latest Practicable Date there was and is no person who have any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror and his associates and parties acting in concert with any of them.

5. MISCELLANEOUS

As at the Latest Practicable Date,

- (a) no benefit (other than statutory compensation) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror and parties acting in concert with him and any Director, recent Director, Shareholder or recent Shareholder which had any connection with or dependent upon the Offer;
- (c) no material contracts had been entered into by the Offeror and parties acting in concert with him in which any Director has a material personal interest;
- (d) there was no agreement or arrangement to which the Offeror and parties acting in concert with him is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer;
- (e) there was no agreement, arrangement or understanding that the securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons; and
- (f) there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror and parties acting in concert with him or the Company which might be material to the Offer.

6. EXPERTS AND CONSENTS

The followings are the qualification of the expert whose opinion/letter is contained in this Composite Document:

Name	Qualifications
Vinco Capital	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO
Veda Capital	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

Each of Vinco Capital and Veda Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter and references to its name and logo in the form and context in which they respectively appear.

7. GENERAL

- (a) The English text of this Composite Document and the Form of Acceptance and Transfer shall prevail over their respective Chinese text for the purpose of interpretation.
- (b) The Offeror is Mr. Lee Tak Lun and his correspondence address is at 1/F, No. 269-277, Queen's Road Central, Hong Kong.
- (c) The registered address of Vinco Capital is Units 4909-4910, 49/F, The Center, 99 Queen's Road Central, Hong Kong.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on the website of the SFC (www.sfc.hk) and the Company's website (www.grandinv.com) during the period from the date of this Composite Document to the Closing Date:

- (a) The letter from Vinco Capital as set out on pages 6 to 12 of this Compositod Document; and
- (b) The written consents referred to in the paragraph headed "Experts and Consents" in this appendix.