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GRANDE

THE GRANDE HOLDINGS LIMITED

嘉域集團有限公司

(In Liquidation in Hong Kong)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 186)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS

The Provisional Liquidators of The Grande Holdings Limited (In Liquidation) (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015, which have been audited by the auditors of the Company, together with the comparative figures for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	**2015** ***HK$ million***	2014 *HK$ million* (Restated)
REVENUE	*5*	**444**	663
Cost of sales		**(321)**	(471)
Gross profit		**123**	192
Other income		**3**	5
Distribution costs		**(10)**	(14)
Administrative expenses		**(105)**	(122)
Allowance for doubtful debts		**(4)**	(1)
Goodwill written-off		**(13)**	–
Impairment loss recognised in respect of brands and trademarks		**(213)**	(75)
Other expenses		**(16)**	(29)
Finance costs		**–**	–
LOSS BEFORE TAXATION	*7*	**(235)**	(44)
Income tax	*6*	**(16)**	(37)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December

	Notes	**2015**	2014
		HK$ million	*HK$ million*
			(Restated)
LOSS FOR THE YEAR		**(251)**	(81)
OTHER COMPREHENSIVE INCOME, NET OF TAX:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**–**	10
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(251)**	(71)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Company		**(163)**	(93)
Non-controlling interests		**(88)**	12
		(251)	(81)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Company		**(163)**	(96)
Non-controlling interests		**(88)**	25
		(251)	(71)
LOSS PER SHARE	*8*	***HK$***	*HK$*
			(Restated)
Basic		**(0.35)**	(0.20)
Diluted		**(0.35)**	(0.20)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 31 December 2015** ***HK$ million***	At 31 December 2014 *HK$ million* (Restated)	At 1 January 2014 *HK$ million* (Restated)
NON-CURRENT ASSETS				
Plant and equipment		**1**	1	2
Investment properties		**1**	1	1
Available-for-sale investments		**–**	–	–
Deferred tax assets		**9**	14	31
Brands and trademarks		**450**	663	738
Other assets		**1**	1	1
Goodwill		**–**	13	13
		462	693	786
CURRENT ASSETS				
Inventories		**36**	35	44
Accounts and bills receivable	*9*	**37**	109	94
Prepayments, deposits and other receivables		**21**	37	38
Tax recoverable		**–**	9	3
Pledged deposits with banks		**4**	4	–
Cash and bank balances		**474**	472	520
		572	666	699
CURRENT LIABILITIES				
Bank overdraft		**2**	2	2
Accounts and bills payable	*10*	**8**	16	12
Accrued liabilities and other payables		**3,338**	3,409	3,404
Tax liabilities		**88**	83	82
Provision for legal claims		**452**	452	452
		3,888	3,962	3,952
NET LIABILITIES		**(2,854)**	(2,603)	(2,467)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	**At 31 December 2015** ***HK$ million***	At 31 December 2014 *HK$ million* (Restated)	At 1 January 2014 *HK$ million* (Restated)
CAPITAL AND RESERVES				
Share capital		**46**	46	46
Share premium		**1,173**	1,173	1,173
Reserves		**(4,385)**	(4,224)	(4,127)
DEFICIENCY OF EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**(3,166)**	(3,005)	(2,908)
NON-CONTROLLING INTERESTS		**312**	402	441
TOTAL DEFICIENCY OF EQUITY		**(2,854)**	(2,603)	(2,467)

NOTES:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"):

Amendment to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRS	Annual Improvement to HKFRSs 2010-2012 Cycle
Amendments to HKFRS	Annual Improvement to HKFRSs 2011-2013 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has no material impact on the Group's financial performance and positon for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the current financial year, and as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

2. SUSPENSION OF TRADING OF THE COMPANY SHARES, APPOINTMENT OF THE JOINT AND SEVERAL PROVISIONAL LIQUIDATORS, WINDING-UP PETITION, GROUP RESTRUCTURING AND REMOVAL SUMMONSES

Trading in the shares of the Company has been suspended from trading on The Stock Exchange of Hong Kong Limited ("Stock Exchange") since 30 May 2011.

On 31 May 2011, pursuant to an order of the High Court of the Hong Kong Special Administrative Region (the "High Court"), Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of FTI Consulting (Hong Kong) Limited ("FTI Consulting") were appointed as the provisional liquidators to the Company (the "Provisional Liquidators") as a result of the winding up petition made by Sino Bright Enterprises Co., Ltd. ("Sino Bright"), one of the creditors, against the Company. Upon the appointment of the Provisional Liquidators, the power of the directors were suspended with regard to the affairs and business of the Company.

On 26 July 2011, an exclusivity and escrow agreement was entered into amongst the Provisional Liquidators on behalf of the Company, FTI Consulting (the "Escrow Agent") and Sunny Faith Investments Limited (the "Investor") (the "Escrow Agreement"). Pursuant to the Escrow Agreement, the Provisional Liquidators have granted the Investor and exclusivity period up to nine months to negotiate a legally binding agreement for the implementation of a viable restructuring proposal. The Provisional Liquidators have also appointed Emperor Capital Limited as the financial adviser to the Company regarding the restructuring of the Group.

On 8 September 2011, the Company was placed in the first stage of the delisting procedures in accordance with Practice Note 17 to the Listing Rules on the Stock Exchange. On 31 May 2012, the Company submitted a resumption proposal, which was prepared by the Investor and accepted by the Provisional Liquidators, to the Stock Exchange to address the following:

(i) that the Company had a sufficient level of operations or has assets of sufficient value as required under Rule 13.24 of the Listing Rules; and

(ii) that the Company had adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the Listing Rules.

The Stock Exchange was not satisfied with the Company's resumption proposal submitted on 31 May 2012, and by a letter dated 5 July 2012, the Stock Exchange informed the Company its decision to place the Company in the second stage of delisting under Practice Note 17 to the Listing Rules with effect from that date.

On 4 October 2012, the Provisional Liquidators announced that after a review hearing held by Listing Committee on 25 September 2012, the Listing Committee decided to uphold the Listing Division's decision to place the Company in the second stage of delisting. Accordingly, the Listing Committee further decided to place the Company in the second stage of delisting under Practice Note 17 to the Listing Rules with effect from 25 September 2012.

On 30 January 2013, the Provisional Liquidators announced that the exclusivity and the Escrow Agreement has lapsed. The Provisional Liquidators and the Investor have discussed and agreed to submit a revised resumption proposal to the Stock Exchange prior to the expiry of the second stage of delisting.

On 13 March 2013, a revised resumption proposal was submitted to the Stock Exchange. On 21 June 2013, the Company provided further information to the Stock Exchange.

By a letter dated 28 June 2013 (the "Letter"), the Stock Exchange informed the Company that the resumption proposal dated 21 June 2013 has not satisfactorily demonstrated sufficiency of operations or assets under Rule 13.24 of the Listing Rules and the Stock Exchange has decided to place the Company in the third stage of delisting under Practice Note 17 to the Listing Rules with effect from 11 July 2013. The third stage of delisting will expire on 10 January 2014. At the end of the third stage of delisting, the Stock Exchange intends to cancel the listing if the Company fails to provide a viable resumption proposal.

It is set out in the Letter that the Stock Exchange requests the Company to submit a viable resumption proposal to address the following issues at least 10 business days before the aforesaid expiry date of the third stage of delisting, among other things, that:

(i) demonstrate sufficient operations or assets as required under Rule 13.24 of the Listing Rules;

(ii) publish outstanding financial results and address any audit qualifications;

(iii) demonstrate sufficient working capital for at least twelve months from resumption date; and

(iv) demonstrate adequate and effective internal control system to meet the obligations under the Listing Rules.

According to an announcement made by the Stock Exchange on 11 July 2013, the Company has a period of six months to submit a viable resumption proposal to the Stock Exchange. If the Company has not submitted a viable resumption proposal as requested, the Stock Exchange intends to cancel the listing of the Company on the expiry of the six months from the date of that announcement (i.e. by 10 January 2014).

The winding-up petition against the Company was originally scheduled to be heard by the High Court on 3 August 2011. Upon several applications by the Provisional Liquidators, the High Court has consecutively adjourned the hearing of winding-up petition against the Company to a further date. The hearing of the petition was finally rescheduled to 3 September 2013 and a winding-up order was granted against the Company by the High Court on 12 September 2013.

On 12 November 2013, the Provisional Liquidators received a preliminary restructuring proposal from Sino Bright. The Provisional Liquidators received a revised restructuring proposal from Sino Bright on 2 December 2013.

On 20 December 2013, the Company submitted the resumption proposal of Sino Bright to the Stock Exchange. During January 2014 to June 2014, the Company on various occasions and at the request of the Stock Exchange submitted further information to the Stock Exchange in respect of the resumption proposal.

On 2 May 2014, the Company, the Provisional Liquidators and Sino Bright entered into the restructuring agreement (the “Restructuring Agreement”) to implement the restructuring proposal. Under the terms of the Restructuring Agreement, all existing businesses and operations of the Group, including the operations of Emerson and the licensing operations related to the Akai, Sansui and Nakamichi trademarks, will be retained.

On 11 June 2014 the Company received a summons issued by Sino Bright which seeks an order for the removal of the Provisional Liquidators of the Company. A summons seeking equivalent orders has also been served by another creditor of the Company on 17 June 2014 (collectively, the "Removal Summonses").

The court hearing for the Removal Summonses scheduled to be heard on 16 November 2015 has been vacated.

On 9 July 2014, the Provisional Liquidators submitted an updated resumption proposal (the "Updated Resumption Proposal") to the Stock Exchange, involving, *inter alia*, the capital reorganisation, creditors' schemes of arrangement in accordance with Section 99 of the Companies Act and section 670 of the Hong Kong Companies Ordinance and a proposed open offer. The Updated Resumption Proposal consolidates the resumption proposal and subsequent submissions made by the Company to the Stock Exchange, to reflect the terms of the Restructuring Agreement as amended from time to time in implementing the restructuring proposal.

By a letter dated 29 May 2015, the Stock Exchange has decided to allow the Company to proceed with the Updated Resumption Proposal subject to satisfying the following conditions (the "Resumption Conditions") by 21 December 2015:

(i) completion of all transactions contemplated under the Updated Resumption Proposal, including the open offer, the creditors' schemes of arrangements and the appointment of compliance officer; and

(ii) inclusion in the shareholders' circular:

  (a) the Group's profit forecast for the year ending 31 December 2015 together with reports from the auditor and the financial adviser under paragraph 29(2) of Appendix 1b; and

  (b) an audited balance sheet of the Group as at 31 December 2014 adjusted to reflect the effects of completion of the Updated Resumption Proposal and a comfort letter from its auditor under Rule 4.29 of the Listing Rules.

The Listing Committee may modify the Resumption Conditions as set out above if the Company's situation changes.

On 14 December 2015, the Company, the Provisional Liquidators, Sino Bright and McVitie Group Holdings Limited entered into an amended and restated restructuring agreement to amend and formalise certain terms of the Restructuring Agreement, pursuant to which, the parties agree to, *inter alia*, (i) set the number of creditor shares to 4,142,045,880 shares (assuming no creditor accept the cash alternative offered by the Company) to be allocated to the scheme creditors in proportionate to their respective admitted claims; (ii) formalise the terms of the open offer of new shares on the basis of five (5) offer shares for every two new shares held on the open offer record date by the qualifying shareholders; and (iii) formalise the arrangement in relation to the related restructuring costs and expenses.

In addition, the Company made an extension application to the Stock Exchange on 14 December 2015 to seek an additional six months for the Company to fully satisfy the Resumption Conditions. By a letter dated 22 December 2015, the Stock Exchange agreed to extend the deadline for the Company to fully satisfy the Resumption Conditions to 11 May 2016.

On 4 March 2016, the Company and Sino Bright entered into an underwriting agreement. Pursuant to which Sino Bright has conditionally undertaken to the Company, among other things, to underwrite the offer shares to be offered by the Company not subscribed by the qualifying shareholders on a fully underwritten basis, being not more than 1,150,568,300 offer shares.

On 9 March 2016, the shareholders' circular describing (i) the proposed restructuring of the Company and the creditors' schemes of arrangement; (ii) open offer underwriting arrangement; (iii) election and re-election of directors; (iv) the adoption of new bye-laws; and (v) notice of special general meeting was despatched at the shareholders.

On 14 March 2016, both the Hong Kong Scheme and Bermuda Scheme were approved in the creditors' scheme meetings.

On 1 April 2016, the resolutions to approve (i) capital reorganisation; (ii) adoption of new Bye-laws; (iii) creditor schemes of arrangement; (iv) open offer; and (v) election and re-election of directors were all passed at the special general meeting.

The creditors' schemes of arrangement became effective on 15 April 2016.

The capital reorganization to (i) cancel the existing authorized but unissued share capital of the Company in the amount of HK$53,977,268; (ii) reduce the par value of each of the issued shares of HK$0.10 each to HK$0.01 each; (iii) reduce the share premium account of the Company by the amount of HK$1,173,000,000; and (iv) subject to and immediately following the event (ii) and (iii), increase the Company's authorized share capital from HK$4,602,273.20 to HK$200,000,000; became effective on 17 April 2016.

According to the revised timetable as announced on 7 April 2016, it is expected that if all the Resumption Conditions can be fulfilled on 11 May 2016 and the shares of the Company will resume trading on 13 May 2016.

3. GOING CONCERN BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2015, the Group had net current liabilities of approximately HK$3,316 million (2014: HK$3,296 million) and net liabilities of approximately HK$2,854 million (2014: HK$2,603 million). Despite the significant deficiency of equity attributable to the shareholders of the Company, the consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring to continue its business as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

4. RESTATEMENT OF PRIOR YEARS' FIGURES

During the course of preparing the Group's financial statements for the year ended 31 December 2015, and the development on the Company's application to the Stock Exchange for the approval of the resumption of trading of the Company's shares, it has come to the attention of the Provisional Liquidators of the Company that the prior years' financial statements of the Group and of the Company understated certain expenses and liabilities. At the time 2014 annual results were approved, the Stock Exchange had not approved the resumption of trading of the Company's share. Therefore, certain amount of these expenses were not included in the prior years' financial statements as the status of the restructuring was uncertain and the costs are subject to taxation. Following approval of the restructuring by the Hong Kong Stock Exchange on 29 May 2015 and taxation of costs by the High Court of Hong Kong, these expenses and liabilities were reported in the Company's interim results for the six months ended 30 June 2015. The Provisional Liquidators revisited the adjustments and considered it appropriate to adjust these expenses and liabilities to the period in respect of which the services giving rise to the expenses and liabilities were performed.

The following tables disclose the adjustments that have been made in order to reconcile adjustments to each of the line items in the consolidated statement of profit of loss and other comprehensive income and the consolidated statement of financial position as previously reported for the year ended 31 December 2014, and the consolidated statement of financial position at 1 January 2014.

Effect of the above restatement on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014

	2014 (as originally stated) *HK$ million*	Adjustments *HK$ million*	2014 (restated) *HK$ million*
Other expenses	–	29	29
Administrative expenses	109	13	122
Loss for the year	39	42	81

Effects of the above restatement on the consolidated statement of financial position of the Group as at 1 January 2014 and 31 December 2014

	As at 1 January 2014 (as originally stated) *HK$ million*	Adjustments *HK$ million*	As at 1 January 2014 (restated) *HK$ million*	As at 31 December 2014 (as originally stated) *HK$ million*	Adjustments *HK$ million*	As at 31 December 2014 (restated) *HK$ million*
Prepayments, deposits and other receivables	38	–	38	40	(3)	37
Accrued liabilities and other payables	(3,309)	(95)	(3,404)	(3,274)	(135)	(3,409)
Accumulated deficit	(4,062)	(95)	(4,157)	(4,113)	(135)	(4,248)
Total deficiency of equity	(2,372)	(95)	(2,467)	(2,465)	(138)	(2,603)

5. REVENUE

Revenue represents the net invoiced value of goods sold after allowances for returns and trade discounts, and licensing income from the Group's brands and trademarks, but excludes intra-group transactions.

An analysis of the Group's revenue by principal activity for the year is as follows:

	2015 HK$ million	2014 HK$ million
By principal activity:		
Sales of goods	**361**	540
Licensing income	**83**	123
	444	663

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	2015 HK$ million	2014 HK$ million
Current tax		
Overseas	**(2)**	34
Under/(over) provision in prior year		
Overseas	**13**	(14)
Deferred tax		
Overseas	**5**	17
	16	37

7. LOSS BEFORE TAXATION

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

		2015	2014
		HK$ million	*HK$ million*
(a)	Staff costs		
	Directors' and chief executive officers' emoluments	**–**	–
	Other staff costs		
	– Salaries and other benefits	**37**	37
	– Retirement benefits costs	**5**	5
		42	42
(b)	Other items		
	Depreciation of owned plant and equipment	**–**	1
	Operating lease rentals in respect of land and buildings	**9**	7
	Auditor's remuneration		
	– Current year	**12**	5
	Cost of inventories recognised as expense	**321**	471
	Write down of inventories	**11**	15
	Liquidators' fee	**10**	21
	Restructuring costs	**13**	17
	Interest income	**(2)**	(3)

8. LOSS PER SHARE

(a) Basic loss per share

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

	2015	2014
	HK$ million	*HK$ million*
		(Restated)
Loss:		
Loss attributable to shareholders of the Company used in the basic loss per share calculation	**(163)**	(93)

	2015	2014
	Number of ordinary ***shares*** ***million***	Number of ordinary *shares* *million*
Shares:		
Weighted average number of ordinary shares for the purposes of calculating basic loss per share	**460.2**	460.2

(b) Diluted loss per share

Diluted loss per share equals basic loss per share as the Company has no dilutive potential ordinary shares in existence during both years ended 31 December 2015 and 2014.

9. ACCOUNTS AND BILLS RECEIVABLE

The Provisional Liquidators considered that the carrying amounts of accounts and bills receivable approximate their fair values.

The aged analysis of accounts and bills receivable (net of allowance for doubtful debts) is as follows:

	2015	2014
	HK$ million	*HK$ million*
0 – 3 months	**37**	109

In addition, some of the unimpaired accounts and bills receivable are past due as at the end of the reporting period. The aged analysis of accounts and bills receivable past due but not impaired is as follows:

	2015	2014
	HK$ million	*HK$ million*
0 – 3 months	**5**	4

10. ACCOUNTS AND BILLS PAYABLE

The aged analysis of accounts and bills payable is as follows:

	2015	2014
	HK$ million	*HK$ million*
0 – 3 months	**3**	10
3 – 6 months	**–**	1
Over 6 months	**5**	5
	8	16

11. EVENTS AFTER THE REPORTING PERIOD

By a letter dated 28 June 2013 (the "Letter"), the Stock Exchange informed the Company that the resumption proposal dated 21 June 2013 has not satisfactorily demonstrated sufficiency of operations or assets under Rule 13.24 of the Listing Rules and the Stock Exchange has decided to place the Company in the third stage of delisting under Practice Note 17 to the Listing Rules with effect from 11 July 2013. The third stage of delisting will expire on 10 January 2014. At the end of the third stage of delisting, the Stock Exchange intends to cancel the listing if the Company fails to provide a viable resumption proposal.

It is set out in the Letter that the Stock Exchange requests the Company to submit a viable resumption proposal to address the following issues at least 10 business days before the aforesaid expiry date of the third stage of delisting, among other things, that:

(i) demonstrate sufficient operations or assets as required under Rule 13.24 of the Listing Rules;

(ii) publish outstanding financial results and address any audit qualifications;

(iii) demonstrate sufficient working capital for at least twelve months from resumption date; and

(iv) demonstrate adequate and effective internal control system to meet the obligations under the Listing Rules.

According to an announcement made by the Stock Exchange on 11 July 2013, the Company has a period of six months to submit a viable resumption proposal to the Stock Exchange. If the Company has not submitted a viable resumption proposal as requested, the Stock Exchange intends to cancel the listing of the Company on the expiry of the six months from the date of that announcement (i.e. by 10 January 2014).

The winding-up petition against the Company was originally scheduled to be heard by the High Court on 3 August 2011. Upon several applications by the Provisional Liquidators, the High Court has consecutively adjourned the hearing of winding-up petition against the Company to a further date. The hearing of the petition was finally rescheduled to 3 September 2013 and a winding-up order was granted against the Company by the High Court on 12 September 2013.

On 12 November 2013, the Provisional Liquidators received a preliminary restructuring proposal from Sino Bright. The Provisional Liquidators received a revised restructuring proposal from Sino Bright on 2 December 2013.

On 20 December 2013, the Company submitted the resumption proposal of Sino Bright to the Stock Exchange. During January 2014 to June 2014, the Company on various occasions and at the request of the Stock Exchange submitted further information to the Stock Exchange in respect of the resumption proposal.

On 2 May 2014, the Company, the Provisional Liquidators and Sino Bright entered into the Restructuring Agreement to implement the restructuring proposal. Under the terms of the Restructuring Agreement, all existing businesses and operations of the Group, including the operations of Emerson and the licensing operations related to Akai, Sansui and Nakamichi trademarks, will be retained.

On 11 June 2014, the Company received a summons issued by Sino Bright which seeks an order for the removal of the Provisional Liquidators of the Company. A summons seeking equivalent orders has also been served by another creditor of the Company on 17 June 2014 (collectively, the "Removal Summonses").

The court hearing for the Removal Summonses scheduled to be heard on 16 November 2015 has been vacated.

On 9 July 2014, the Provisional Liquidators submitted an updated resumption proposal (the "Updated Resumption Proposal") to the Stock Exchange, involving, *inter alia*, the capital reorganisation, creditors' schemes of arrangement in accordance with Section 99 of the Companies Act and section 670 of the Hong Kong Companies Ordinance and a proposed open offer. The Updated Resumption Proposal consolidates the resumption proposal and subsequent submissions made by the Company to the Stock Exchange, to reflect the terms of the Restructuring Agreement as amended from time to time in implementing the restructuring proposal.

By a letter dated 29 May 2015, the Stock Exchange has decided to allow the Company to proceed with the Updated Resumption Proposal subject to satisfying the following conditions (the "Resumption Conditions") by 21 December 2015:

(i) completion of all transactions contemplated under the Updated Resumption Proposal, including the open offer, the creditors' schemes of arrangements and the appointment of compliance officer; and

(ii) inclusion in the Shareholders' Circular:

  (a) the Group's profit forecast for the year ending 31 December 2015 together with reports from the auditor and the financial adviser under paragraph 29(2) of Appendix 1b; and

  (b) an audited balance sheet of the Group as at 31 December 2014 adjusted to reflect the effects of completion of the Updated Resumption Proposal and a comfort letter from its auditor under Rule 4.29 of the Listing Rules.

The Listing Committee may modify the Resumption Conditions as set out above if the Company's situation changes.

On 14 December 2015, the Company, the Provisional Liquidators, Sino Bright and McVitie Group Holdings Limited entered into an amended and restated restructuring agreement to amend and formalise certain terms of the Restructuring Agreement, pursuant to which, the parties agree to, *inter alia*, (i) set the number of creditor shares to 4,142,045,880 shares (assuming no creditor accept the cash alternative offered by the Company) to be allocated to the scheme creditors in proportionate to their respective admitted claims; (ii) formalise the terms of the open offer of new shares on the basis of five (5) offer shares for every two new shares held on the open offer record date by the qualifying shareholders; and (iii) formalise the arrangement in relation to the related restructuring costs and expenses.

In addition, the Company made an extension application to the Stock Exchange on 14 December 2015 to seek an additional six months for the Company to fully satisfy the Resumption Conditions. By a letter dated 22 December 2105, the Stock Exchange agreed to extend the deadline for the Company to fully satisfy the Resumption Conditions to 11 May 2016.

Jonten Hopkins CPA Limited resigned as and its of the Group on 19 January 2016 and Crowe Horwath (HK) CPA Limited has been appointed as the new and its of the Group work effect from 21 January 2016 to fill the casual vacancy.

On 19 February 2016, Mr. Christopher W Ho has resigned as an executive director of the Company. Mr. Tang Hoi Nam and Mr. Eduard William Rudolf Helmuth Will have been appointed as executive directors of the Company.

On 4 March 2016, the Company and Sino Bright entered into an underwriting agreement. Pursuant to which Sino Bright conditionally undertakes to the Company, among other things, to underwrite the offer shares to be offered by the Company not subscribed by the qualifying shareholders on a fully underwritten basis, being not more than 1,150,568,300 offer shares.

On 9 March 2016, the shareholders' circular describing (i) the proposed restructuring of the Company and the creditors' schemes of arrangement; (ii) open offer underwriting arrangement; (iii) election and re-election of directors; (iv) the adoption of new bye-laws; and (v) notice of special general meeting was dispatched to the shareholders.

On 14 March 2016, both the Hong Kong Scheme and Bermuda Scheme were approved in the creditors' scheme meetings.

On 1 April 2016, the resolutions to approve (i) capital reorganisation; (ii) adoption of new Bye-laws; (iii) creditor schemes of arrangement; (iv) open offer; and (v) election and re-election of directors were all passed in the special general meeting.

The creditors' schemes of arrangement became effective on 15 April 2016.

The capital reorganization to (i) cancel the existing authorized but unissued share capital of the Company in the amount of HK$53,977,268; (ii) reduce the par value of each of the issued shares of HK$0.10 each to HK$0.01 each; (iii) reduce the share premium account of the Company by the amount of HK$1,173,000,000; and (iv) subject to and immediately following the event (ii) and (iii), increase the Company's authorized share capital from HK$4,602,273.20 to HK$200,000,000; became effective on 17 April 2016.

According to the revised timetable as announced on 7 April 2016, it is expected that if all the Resumption Conditions can be completed on 11 May 2016, then the shares of the Company will be resumed trading on 13 May 2016.

DIVIDENDS

The Provisional Liquidators do not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

BUSINESS REVIEW AND PROSPECTS

For the year ended 31 December 2015 (the "current year"), the revenue of the Group was HK$444 million as compared to HK$663 million for 2014 (the "corresponding year"). The Group recorded a net loss attributable to shareholders of the Company of HK$164 million for the current year, as compared to a loss of HK$93 million for the corresponding year.

The Group comprises the Emerson operations and Licensing operations for Akai, Sansui and Nakamichi brands.

(a) Emerson

The trade name "Emerson" dates back to 1912 and is one of the oldest and most well respected brand in the consumer electronics industry. Emerson has been focusing on offering a broad variety of current and new consumer electronics products and household appliances at low to medium-priced levels to customers.

Emerson's revenue for the current year was HK$401 million as compared to HK$608 million for the corresponding year. It recorded an operating loss of HK$8 million for the current year as compared to an operating profit of HK$40 million for the corresponding year. Emerson has also entered into distribution and license agreements with third party licensees that allow the licensees to sell various products bearing the Emerson trademarks into defined geographic areas.

(b) Licensing

This segment has the responsibility of managing the global licensing operations of Akai, Sansui and Nakamichi brands. The Group's strategy is to qualify and appoint exclusive licensees for each brand in different geographical regions, granting them the rights to source, market, promote and distribute approved branded products with their own resources, expertise and knowledge in the respective markets.

The revenue of this segment was HK$44 million for the current year as compared to HK$55 million for the corresponding year. The operating profit for the current year was HK$25 million which comprised mainly the net licensing income received from the licensees, as compared to an operating profit of HK$39 million for the corresponding year.

Notwithstanding the net loss attributable to shareholders of the Company of HK$164 million recorded by the Group during the current year (as compared to a net loss of HK$93 million for the corresponding year), the Provisional Liquidators are of the view that the loss does not affect the Group's existing business and its normal operation. The Group will continue to operate its branded distribution business as usual.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the Group had a current ratio of approximately 0.15 as compared to that of approximately 0.17 at 31 December 2014.

As at 31 December 2015, the Group had HK$474 million cash and bank balances. The Group's working capital requirements were mainly financed by internal resources.

The Group had inventories of approximately HK$36 million as at 31 December 2015, representing an increase of HK$1 million as compared to the previous year.

All the interest bearing borrowings of the Company have been accounted for as non-interest bearing borrowings with effect from 12 September 2013, the date of the winding-up order. As a result, the Group's gearing ratio as at 31 December 2015 was 0% which is calculated based on the Group's net borrowings of HK$nil (calculated as total interest-bearing borrowings less cash and bank balances) divided by the total deficiency of equity of HK$2,854 million.

As at 31 December 2015, the Group had net current liabilities of HK$3,316 million as compared to HK$3,296 million at 31 December 2014.

CHARGES ON GROUP ASSETS

As at 31 December 2015, certain of the Group's assets with a total carrying value of approximately HK$23 million were pledged to secure banking and other borrowing facilities granted to the Group.

TREASURY POLICIES

The Group's revenues are mainly in US dollars and major borrowings and payments are in either US dollars or HK dollars. The Group is not exposed to any significant currency risk exposure since the HK dollar is linked with the US dollar.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 31 December 2015 was approximately 50. The Group remunerates its employees mainly based on industry practice, individual's performance and experience. Apart from the basic remuneration, a discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as to an individual's performance. Other benefits include medical and retirement schemes.

CORPORATE GOVERNANCE

As the Company has been under the control of the Provisional Liquidators and a full board of directors has not been constituted, the current directors of the Company are therefore unable to comply with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules (the "CG Code").

However, upon resumption of trading in the shares of the Company, the Company will ensure that the CG Code shall be complied with.

MODEL CODE FOR SECURITIES TRANSACTIONS BY SOLE DIRECTOR

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the director of the Company. Given that the Company is in liquidation and the trading of the Company's shares were suspended since 30 May 2011, the Company is not aware of any non-compliance with the required standards as set out in the Model Code during the year ended 31 December 2015.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

EXTRACTS FROM INDEPENDENT AUDITORS' REPORT

BASIS FOR DISCLAIMER OF OPINION

Opening balances and corresponding figures

The consolidated financial statements for the year ended 31 December 2014 were audited by another auditor who expressed a disclaimer of opinion as a result of the limitation of scope encountered in respect of their audit of (1) amounts due to former related companies, (2) amounts due to former associates and (3) accounts and bills payable.

The predecessor auditors also disclaimed their opinion on the consolidated financial statements for the year ended 31 December 2013 as a result of the limitation of scope encountered in respect of their audit of (1) amounts due to former related companies, (2) amounts due to former associates, (3) accounts and bills payable and (4) tax liabilities. Moreover, as the audit of several subsidiaries for the years ended 31 December 2011 and 2012 was not completed by the component auditors, the carrying amount of the balances due from subsidiaries as at 31 December 2013 was derived by aggregating the opening balances as at 1 January 2013 and the net movement resulting from the transactions during the year ended 31 December 2013. There were no satisfactory audit procedures for the predecessor auditor to ascertain the existence, accuracy, presentation and completeness of the opening balances and corresponding figures shown in the consolidated financial statements for the year ended 31 December 2013.

Our opinion on the current year's consolidated financial statements is modified because of the possible effect of these matters on the current year's figures and corresponding figures.

Scope limitation – amounts due to former related companies

Included in the accrued liabilities and other payables of approximately HK$3,335 million in the consolidated statement of financial position as at 31 December 2015 were amounts due to former related companies of approximately HK$13 million which represented the current account with the former related companies.

No direct confirmation has been received or sufficient evidence is available for us to verify the existence, completeness and accuracy of the amounts due to these former related companies as at 31 December 2015. There were no other alternative audit procedures that we could adopt to verify that these amounts were fairly stated in the financial statements as at 31 December 2015.

Scope limitation – amounts due to former associates

Included in the accrued liabilities and other payables of approximately HK$3,338 million in the consolidated statement of financial position as at 31 December 2015 were amounts due to two former associates, Sansui Electric Co., Ltd ("Sansui Electric") and Sansui Sales Pte. Limited ("Sansui Sales") of HK$44 million and HK$522 million respectively.

Sansui Electric has been put into the Civil Rehabilitation Procedures ("CRP") in Japan with effect from 15 May 2012. On 27 December 2012, the Japan Court endorsed and approved the CRP and discharged the court supervisor. On 4 July 2014, a bankruptcy petition was presented against Sansui Electric and on 9 July 2014, Sansui Electric was put into bankruptcy and a bankruptcy trustee had been appointed. Confirmation has been received from the bankruptcy trustee. However, due to the lack of evidence, the bankruptcy trustee failed to confirm whether the outstanding balance is correct.

No direct confirmation has been received or sufficient evidence is available for the amount due to Sansui Sales.

In the absence sufficient appropriate audit evidence, we were unable to verify the existence, completeness and accuracy of the amounts due to former associates as at 31 December 2015. There were no other alternative audit procedures that we could adopt to verify if these amounts were fairly stated in the financial statements as at 31 December 2015.

Scope limitation – accrued liabilities and other payables

Included in the accrued liabilities and other payables of approximately HK$3,338 million in the consolidated statement of financial position as at 31 December 2015 were accounts payable of approximately HK$5 million which was long outstanding for many years.

No direct confirmation has been received or sufficient evidence is available for us to verify the existence, completeness and accuracy of the accounts payable as at 31 December 2015. There were no other alternative audit procedures that we could adopt to verify if these amounts were fairly stated in the financial statements as at 31 December 2015.

Material uncertainty related to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements which explains that a proposal for the resumption of trading of the Company's shares and the restructuring of the Group (the "Resumption Proposal") was submitted to The Stock Exchange of Hong Kong Limited on 9 July 2014. The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Group will be successfully completed, and that, following the restructuring, the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis of preparation of these financial statements.

Any adjustments that might have been found to be necessary in respect of the above matters would have a significant effect on the Group's accumulated deficit as at 1 January 2014, 31 December 2014 and 31 December 2015 and of its financial performance and cash flows for the years ended 31 December 2014 and 2015, the Group's financial as at 1 January 2014, 31 December 2014 and 31 December 2015 and the related disclosures in the consolidated financial statements.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the financial position of the Group as at 31 December 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

AUDIT COMMITTEE

Following the resignation of the Company's sole independent non-executive director on 12 March 2013, there has been no replacement of members at the audit committee. No audit committee is therefore maintained as required by Rule 3.21 of the Listing Rules. As a result, the consolidated financial statements of the Group for the current year ended 31 December 2015 have not been reviewed by an audit committee.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.grandeholdings.com). The annual report for the year ended 31 December 2015 containing all relevant information required by Appendix 16 to the Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

For and on behalf of
The Grande Holdings Limited
(In Liquidation)
Roderick John Sutton
and
Fok Hei Yu
Joint and Several Provisional Liquidators
Acting as agents without personal liability

Hong Kong, 22 April, 2016

As at the date of this announcement, the Board comprises two executive Directors, Mr. Tang Hoi Nam and Mr. Eduard William Rudolf Helmuth Will.