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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)

CLARIFICATION ANNOUNCEMENT
2015 ANNUAL RESULTS

The Provisional Liquidators of The Grande Holdings Limited (In Liquidation) (the "Company") refer to the Company's announcement dated 22 April 2016 (the "Results Announcement") in relation to the annual results of the Company and its subsidiaries for the year ended 31 December 2015.

Due to clerical and rounding errors during the final proof reading of the Results Announcement, certain figures of administrative expenses, other expenses, accrued liabilities and other payables, reserves and non-controlling interests were mis-stated.

The Revised Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Revised Consolidated Statement of Financial Position of the Company and its subsidiaries for the year ended 31 December 2015 and their relevant notes are attached to this announcement for clarification purpose.

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

Hong Kong, 29 April 2016

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

A) REVISED 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		**(98)**	(118)
Allowance for doubtful debts		**(4)**	(1)
Goodwill written-off		**(13)**	–
Impairment loss recognised in respect of brands and trademarks		**(213)**	(75)
Other expenses		**(23)**	(33)
Finance costs		**–**	–
LOSS BEFORE TAXATION	7	**(235)**	(44)
Income tax	6	**(16)**	(37)
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)

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

For the year ended 31 December

	Notes	**2015** **HK$ million**	2014 HK$ million (Restated)
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)

B) REVISED 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		**3,337**	3,408	3,404
Tax liabilities		**88**	83	82
Provision for legal claims		**452**	452	452
		3,887	3,961	3,952
NET LIABILITIES		**(2,853)**	(2,602)	(2,467)

B) REVISED 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		**(4,384)**	(4,221)	(4,125)
DEFICIENCY OF EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**(3,165)**	(3,002)	(2,906)
NON-CONTROLLING INTERESTS		**312**	400	439
TOTAL DEFICIENCY OF EQUITY		**(2,853)**	(2,602)	(2,467)

C) RELEVANT NOTES TO THE AMENDED RESULTS ANNOUNCEMENT

(i) Page 10 of the Results Announcement

3. GOING CONCERN BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2015, the Group had net current liabilities of approximately HK$3,315 million (2014: HK$3,295 million) and net liabilities of approximately HK$2,853 million (2014: HK$2,602 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.

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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)	Adjustments	2014 (restated)
	HK$ million	*HK$ million*	*HK$ million*
Other expenses	–	33	33
Administrative expenses	109	9	118
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)	(134)	(3,408)
Accumulated deficit	(4,062)	(93)	(4,155)	(4,113)	(135)	(4,248)
Non-controlling interests	441	(2)	439	402	(2)	(400)
Total deficiency of equity	(2,372)	(95)	(2,467)	(2,465)	(137)	(2,602)

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7. LOSS BEFORE TAXATION

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

	2015 **_HK$ million_**	2014 *HK$ million* (Restated)
(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

	2015	2014
	HK$ million	*HK$ million*
		(Restated)
(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**	7
Cost of inventories recognised as expense	**310**	456
Write down of inventories	**11**	15
Liquidators' fee and professional fees	**10**	21
Restructuring costs	**13**	17
Interest income	**(2)**	(3)

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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	**4**	4