28 September **2017**

Grand Group Investment PLC

("Grand Group", the "Company" or the "Group")

Interim Results

Grand Group Investment PLC (AIM:GIPO), a provider of expansion capital and value added services to China-based SMEs with high growth potential, today announces its interim results for the period from 1 January 2017 to 30 June 2017(the "period").

Financial Highlights

- Total assets stand at RMB 315.5 million, and net assets at RMB 297.8 million (approximately £36 million and £34 million respectively). This compares to RMB 316.1 million and RMB 299.6 million at 31 Dec 2016.
- The company's cash position is RMB 260 million (approximately £29m). This compares to RMB 62.7 million at 30 June 2016.
- There was a loss for the period of RMB 1.8 million (approximately £0.2 million). This compares to loss of RMB 2.2 million for the same period in 2016.
- NAV per share as at 30 June 2017 stood at RMB 8.77 (vs RMB 8.82 at 31 December 2016).

*The illustrative exchange rate as at 30 June 2017 was 1 GBP: 8.83 RMB

Chairman's Statement

The first half of 2017 has been a peaceful but challenging year for Grand Group. In the first six months, we continued to receive the payments from our previous investments whilst busily looking at new potential investments that fits Grand's investing policy and have potential to bring good return for the company and shareholders. In order to be able to identify more investment opportunities in the market, Grand Group decided to expand its investing policy in the last AGM.

Grand will now expand its investing policy to invest in companies operating not only within the Greater China Region, but in the Asean region, Europe and North America as well. The regional strategy is now to seek investments that not only have a China focus, but potential to expand into other markets around the world as well. The Company will not invest in the natural resource or real estate sectors. In addition to its initial focus on the Education Technology ("EdTech") space, the Company will now consider investments in Financial Technology ("Fin Tech") and the broader Media Sector, where the management team have significant experience and expertise, with a specific emphasis on opportunities in the Financial Media space.

So far, Grand has been reviewing several projects within the expanded investing policy and walking to select the most appropriate ones to invest. Our goal is to make some good and substantial investments within the year 2017.

Yang Xiao

Executive Chairman

28 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2017

	Note	**30 June 2017 RMB'000**	**31 December 2016** RMB'000	**30 June 2016** RMB'000
Unrealised loss on unquoted financial assets	8	**-**	-	-
Gain on disposal of unquoted financial assets		**-**	21,760	-
Investment income		**-**	-	-
Other income		**-**	500	-
Administrative expenses		**(2,139)**	(4,130)	(2,259)
Financial income/ (expenses)		**327**	186	39
Profit /(Loss) before tax		**(1,812)**	18,316	(2,220)
Taxation	10	**-**	(4,579)	-
Profit /(Loss) after tax		**(1,812)**	13,737	(2,220)
Other comprehensive income		**-**	-	-
Total comprehensive profit /(loss) for the year		**(1,812)**	13,737	(2,220)
Attributable to:				
Equity holders of the parent		**(1,812)**	13,737	(2,220)
Non-controlling interests		**-**	-	-
		RMB	RMB	RMB
Earnings per share	12			
Basic		**(0.05)**	0.40	(0.07)
Diluted		**(0.05)**	0.39	(0.07)

GRAND GROUP INVESTMENT PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six month period ended 30 June 2017

	Note	30June2017 RMB'000	31 December 2016 RMB'000
Assets			
Non-current asset:			
Unquoted financial assets at fair value through profit or loss	8	**-**	-
Current assets:			
Other receivable	8	**55,210**	175,210
Cash and cash equivalents	13	**260,304**	140,844
		315,514	316,054
Total assets		**315,514**	316,054
Equity and liabilities			
Shareholders' Equity:			
Share capital	15	**14**	14
Share premium		**66,936**	66,936
Contributed capital		**196,000**	196,000
Warrants reserve	17	**13,283**	13,283
Retained earnings		**21,557**	23,369
Equity attributable to owners of the Company		**297,790**	299,602
Non-controlling interest		**10**	10
Total equity		**297,800**	299,612
Non-current liability:			
Deferred tax liability	11	**-**	-
Current liabilities:			
Other payable and accruals		**16,497**	15,451
Amounts due to shareholders	14	**1,217**	991
		17,714	16,442
Total liabilities		**17,714**	16,442
Total equity and liabilities		**315,514**	316,054

These financial statements were approved by the Board of Directors for issue on 28 SEP 2017 and signed on its behalf by:

Yang Xiao	Zhou Jiang
Executive director	*Executive director*

GRAND GROUP INVESTMENT PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2017

	Share capital RMB'000	Share Premium RMB'000	Contributed capital RMB'000	Warrants reserve RMB'000	Retained earnings RMB'000	Sub-Total RMB'000	Non-controlling Interest RMB'000	Total Equity RMB'000
At 31 December 2014	**10**	**-**	**196,000**	**-**	**204,975**	**400,985**	**-**	**400,985**
Issued share capital	4	66,936	-	-	-	66,940	-	66,940
Issued warrants	-	-	-	13,283	-	13,283	-	13,283
Total comprehensive loss for the year	-	-	-	-	(195,343)	(195,343)	-	(195,343)
Non- controlling interest	-	-	-	-	-	-	10	10
At 31 December 2015	**14**	**66,936**	**196,000**	**13,283**	**9,632**	**285,865**	**10**	**285,875**
Total comprehensive profit for the year	-	-	-	-	13,737	13,737	-	13,737
At 31 December 2016	**14**	**66,936**	**196,000**	**13,283**	**23,369**	**299,602**	**10**	**299,612**
Total comprehensive profit for the year	-	-	-	-	1,812	1,811	-	13,737
At 30 June 2017	**14**	**66,936**	**196,000**	**13,283**	**21,557**	**297,790**	**10**	**297,800**

GRAND GROUP INVESTMENT PLC

CONSOLIDATED CASH FLOW STATEMENT

For the six month period ended 30 June 2017

	Note	**30 June 2017 RMB'000**	31 December 2016 RMB'000
Cashflows from operating activities			
Profit /(Loss) before tax		**(375)**	18,316
Adjustments:			
Unrealised loss on unquoted financial assets	8	**-**	-
Finance income		**-**	(21,760)
Warrant expenses		**-**	-
Increase in other payables and accruals		**689**	(287)
Net cash outflow from operating activities		**314**	(3,731)
Cash flows from investing activity			
Dividend received from unquoted financial assets at fair value through profit or loss		**-**	-
Cash received from disposal of financial assets	8	**120,000**	90,000
Acquisition of unquoted financial assets at fair value through profit or loss	8	**-**	-
Net cash inflow / (outflow) from investing activity		**120,000**	90,000
Cash flows from financing activities			
Cash proceeds from issue of shares		**-**	-
Amounts (repay) / from shareholders		**226**	(12,057)
Net cash (outflow) / inflow from financing activities		**226**	(12,057)
Net increase in cash and cash equivalents		**120,540**	74,212
Cash and cash equivalents at the beginning of year		**140,844**	66,632
Cash and cash equivalents at the end of year		**261,384**	140,844

1. GENERAL INFORMATION

Grand Group Investment Plc ("Grand Group" or the "Company") was incorporated and domiciled in the British Cayman Islands on 4 March 2014 and its registered office is 89 Nexus Way, Camana Bay, KY1-9007, British Cayman Islands. The principal place of business is Room 2023, South Building, Lihu Technology Innovation Center, No.11, Wuhu Road, Wuxi City, Jiangsu Province, People's Republic of China.

The Company's shares were listed on the AIM, a market operated by the London Stock Exchange on 27 January 2015.

The company is a value-added and technology innovation private equity investment vehicle, which principally focuses on investing in small & medium sized enterprises in the People's Republic of China.

2. RECENT ACCOUNTING PRONOUNCEMENTS

(a) New interpretations and revised standards effective for the year ended 30 June 2017

The Group has adopted the new interpretations and revised standards effective for the year ended 30 June 2017. The adoption of these interpretations and revised standards had no impact on the disclosures and presentation of the financial statements during the year.

(b) Standards and interpretations in issue but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements, which the Group reasonably expects to be applicable at a further date, are listed below. The Group does not intend to adopt those standards until they become effective.

			Effective for accounting period on or after:
IFRS (amended)	7	Financial Instruments: Disclosure	1 January 2018
IFRS 9		Financial Instruments	1 January 2018
IFRS 15		Revenue from contracts with customers	1 January 2018

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements.

3. ACCOUNTING POLICIES

a) Basis of Preparation

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS"), which collective term includes all applicable individual IFRS, International Accounting Standards ("IAS") and Interpretations issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

The financial information has been prepared on the going concern basis and under the historical cost convention, except for the revaluation of certain financial assets, which have been measured at fair value.

The financial information is presented in Renminbi ("RMB"), rounded to the nearest thousand, unless otherwise stated.

b) Basis of consolidation

The consolidated financial statements comprise the results of the Company and its subsidiaries altogether (the "Group") for the year ended 30 June 2017. Subsidiaries are all entities over which the Company exercises control or owns greater than 50 per cent of the voting rights during the year. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full on consolidation.

c) Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred and included in operating expenses before finance costs.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

d) Foreign currency translation

(i) Functional and presentation currency

The financial statements of the Group are presented in the currency of the primary environment in which the Company operates (its functional currency). The Directors have considered the currency to which the underlying investments are exposed. On balance, the Directors believe RMB best represents the functional currency of the Company. Therefore, the books and records are maintained in RMB and for the purpose of the financial statements the results and financial position of the Group are presented in RMB, which is also the presentation currency of the Group.

(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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

e) Financial Instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Unquoted financial assets at fair value through profit or loss

Classification

The Group classifies its unquoted equity interests as financial assets at fair value through profit or loss. These financial assets are designated by the Directors as at fair value through profit or loss at inception.

Financial assets designated as at fair value through profit or loss at inception are those that are managed as part of an investment portfolio and their performance evaluated on a fair value basis in accordance with the Group's investment strategy.

Recognition/derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Group commits to purchase or sell the investment.

A fair value through profit or loss asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when rights are realised, expire or are surrendered and the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership. Fair value through profit or loss assets that are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Group has transacted an unconditional disposal of the assets.

Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed through profit or loss. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value in accordance with IFRS13 'Fair value measurement'. For determining a suitable valuation technique the company applies International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the period in which they arise.

Impairment of financial assets

An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment loss on financial assets is recognised when there is objective evidence that the Group will not be able to collect all the amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

f) Financial Instruments (Cont'd)

Financial liabilities

The Group's financial liabilities include amounts due to shareholders and other payable and accruals. Financial liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. All financial liabilities are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short term (having maturity within 3 months at inception) highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Revenue recognition

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

- Dividend income is recognised when the Group's right to receive payment is established.

i) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

j) Earnings per share

Basic earnings per share is computed using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares during the period plus the dilutive effect of dilutive potential ordinary shares outstanding during the year.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial information are in the following areas:

Valuation of unquoted investments

In estimating the fair value for an investment, the Group applies a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable market-data. Carrying values are dealt with in Note 8.

5. FINANCIAL RISK MANAGEMENT

a) Categories of financial instruments

The carrying amounts of the Group's financial assets and liabilities as at the end of each reporting year are as follows:

	30 June2017	2016
	RMB'000	RMB'000
Financial asset		
Cash and cash equivalents	**260,304**	140,844
Other receivables	**55,210**	175,210
Investments	**-**	-
	315,514	316,054
Financial liabilities		
Other payables and accruals	**16,497**	15,451
Amounts due to shareholders	**1,217**	991
	17,714	16,442

b) Fair value measurement

i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from inputs that are not based on observable market data.

	Fair value measurement as at 30 June2017		
	Level 1	**Level 2**	**Level 3**
	RMB'000	**RMB'000**	**RMB'000**
Unquoted financial assets at fair value through profit or loss	**-**	**-**	**-**

	Fair value measurement as at 31 December 2016		
	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000
Unquoted financial assets at fair value through profit or loss	-	-	-

The Group did not hold any Level 1 or Level 2 financial assets at fair value through profit or loss in the period.

c) Financial risk management objectives and policies

The Group is exposed to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The risk management policies employed by the Group to manage these risks are discussed below. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

i) Interest rate risks

All cash holdings and cash equivalents are held in accounts with variable rates. The Group does not have any borrowings and therefore is not materially exposed to interest rate rise.

ii) Currency risks

Since the Group operates primarily within its local currency with little exposure to currency fluctuations, management considers that foreign currency exposure is not significant to the Group.

c) Financial risk management objectives and policies (Cont'd)

iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 30 June2017, the Group's exposure to credit risk is mainly from the collectability of other receivable from the original shareholder of the investments the Group disposed in 2016. As of the report date, the debtor's repayments complied with the agreements and management consider that the debtor have satisfactory credit quality. Besides, the Group's cash balances were placed with reputable banks.

iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities.

	Within 1 year	**More than 1 year but less than 5 years**	**More than 5 years**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
As at 30June 2017				
Other payables and accruals	16,497	-	-	16,497
Amounts due to shareholders	1,217	-	-	1,217
	17,714	**-**	**-**	**17,714**

	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2016				
Other payables and accruals	15,451	-	-	15,451
Amounts due to shareholders	991	-	-	991
	16,442	-	-	16,442

The Group's financial liabilities are primarily comprised of expected tax payables to PRC local tax authority.

6. SEGMENT REPORTING

The Group has adopted IFRS 8, "Operating Segments". IFRS 8 defines operating segments as those activities of an entity about which separate financial information is available and which are evaluated by the Board of Directors to assess performance and determine the allocation of resources. The Board of Directors are of the opinion that under IFRS 8 the Group has only one operating segment, being the equity investment located in PRC. The Board of Directors assess the performance of the operating segment using financial information which is measured and presented in a manner consistent with that in the Financial Statements. Segmental reporting will be reviewed and considered in light of the development of the Group's businesses over the next reporting period.

7. INVESTMENT IN SUBSIDIARIES

Details of the Group's subsidiaries at 31 December 2016 are as follows:

Name of subsidiary	Place of incorporation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Directly held				
Great International Wealth & Wisdom Holding Ltd	Hong Kong	100%	100%	Investment holding
Indirectly held				
Grand (Wuxi) Investment Management Co Ltd	PRC	100%	100%	Investment holding
Wuxi Gaoruibode Management Consulting Co., Ltd	PRC	99%	99%	Dormant

As announced on 30 September 2016, the Group disposed of all the investments: Victory and JXT, for detail, please refer to Note 8.

8. UNQUOTED FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30June2017	2016
	RMB'000	RMB'000
At 1 January	**-**	243,440
Additions	**-**	-
Fair value change through profit or loss	**-**	-
Disposal	**-**	(243,440)
At 31 December	**-**	-

The Group is outside the scope of IAS 28 "Investments in associates" on the basis it is a private equity investment vehicle. The Group has therefore elected to measure its investment at fair value through profit or loss in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

On 30 September 2016, the Company announced that it has contracted for the sale of its entire holdings in each of Wuxi Victory Media and Culture Co., ("Victory") and Wuxi Jin Xun Tong Technology Limited ("JXT") on the following terms:

In respect of Victory, the sale of the Group's 33 per cent shareholding for a total consideration of RMB 235.2 million, to be settled in cash by instalments, with RMB 20.0 million paid within 10 working days of signature of the agreement, followed by ten monthly instalments of RMB 20.0 million with a final payment of RMB 15.2 million payable before 30 September 2017. This represents a premium of RMB 39.2 million to the Company's original April 2014 investment of RMB 196 million.

As at 30 June2017 installments had been received in a timely fashion and RMB 55.2 million was outstanding.

9. STAFF COSTS AND KEY MANAGEMENT EMOLUMENTS

	30June2017	31 December 2016
	RMB'000	RMB'000
(a) Staff costs		
Wages and salaries	**346**	481
Social security costs	**10**	13
	356	494
(b) Key management emoluments		
Remuneration	**1,080**	2,305
	1,436	2,799

The remuneration of the key management were as follows:

	30June2017	2016
	RMB'000	RMB'00 0
Executive Directors		
Xiao Yang	250	500
Jiang Zhou	225	450
Ying Ying Gu	-	146
Chuang Li	250	500
Non Executive Directors		
James Newman	180	360
J. Mark Hemmann	135	270
Stephen Roberts	40	79
	1,080	2,305

10. TAXATION

(a) Recognised in the statement of comprehensive income

	30June2017	31 December 2016

	RMB'000	RMB'000
Corporation tax		
Current year charge	-	4,579
Deferred Enterprise Income Tax credit (see note 11)	-	-
Income Tax expense / (credit) attributable to the Group	-	4,579

Under current British Cayman Island law, the Company is not obligated to pay any taxes in the British Cayman Islands on either income, profits or capital gains.

According to the PRC Enterprise Income Tax Law and its Detailed Implementing Rules, a foreign company established out of China where management is located inside China will be regarded as a Tax Resident Enterprise in China and subject to tax in China. Management is defined as the management and control on the overall production/business operation, personnel, books and records, and assets of the Company.

(b) Reconciliation of taxation

Tax expense for the year can be reconciled to the profit / (loss) per the consolidated statement of comprehensive income as follows:

	30June2017 RMB'000	31 December 2016 RMB'000
Profit / (Loss) before tax	-	18,316
Tax at the EIT rate of 25% (2016: 25%)	-	4,579
Tax effect of non-deductible expenses	-	-
Tax charge for the year	-	4,579

11. DEFERRED TAX LIABILITY

Under PRC Enterprise Income Tax Law unrealised gains on investment fair value reflected through profit or loss are not taxable in China. However, if Grand Group Investment Plc would be regarded as a Tax Resident Enterprise in China, it will have PRC tax exposure on the gains realised at transfer of shares in the future. The 2015 deferred tax liability is based on the tax rate and tax base that are consistent with the manner of recovery or settlement of the asset i.e. through sale, and has been determined based on a PRC corporate income tax rate of 25%.

	RMB'000
At 31 December 2014	71,000
Credit to statement of comprehensive income	(64,140)
At 31 December 2015	**6,860**
Reclassified to current income tax payable on sale of investments	**(6,860)**
At 31 December 2016	-
At 30 June 2017	-

12. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to owners of the Parent by the weighted average number of ordinary shares outstanding the year.

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

	30June2017	31 December 2016
	RMB'000	RMB'000
Profit / (Loss)		
Profit / (Loss) attributable to owners of the Group	**(1.812)**	13,737
	Number of shares	
Shares		
Basic		
Weighted average number of ordinary shares in issue at the end of the year	**33,952,631**	33,952,631
	RMB	RMB
Earnings per share	**(0.05)**	0.40
	Number of shares	
Diluted		
Weighted average number of ordinary shares in issue at the end of the year	**33,952,631**	33,952,631
Effect of dilutive potential ordinary shares – warrants (note 17)	**1,697,631**	1,697,631
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**35,650,262**	35,650,262
	RMB	RMB
Diluted earnings per share	**(0.05)**	0.39

There is no difference between the basic and diluted earnings per share for 2015, as the warrants were anti-dilutive in 2015.

13. CASH AND CASH EQUIVALENTS

	30June2017	2016
	RMB'000	RMB'000
Cash at bank equivalents	**260,304**	140,844

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The China government has imposed foreign exchange controls on Renminbi that currency flows in and out of the China are restricted.

14. AMOUNTS DUE TO SHAREHOLDERS

	30June2017	2016
	RMB'000	RMB'000
Shareholders' loan	**1,217**	991

The shareholders' loan as at 30 June 2017 is unsecured, interest free and repayable on demand.

15. SHARE CAPITAL

	Number of shares	Nominal value	
		GBP	Equivalent to RMB
Authorised			
Ordinary shares of GBP 0.00004 each (note i)	**625,000,000**	**25,000**	**250,000**
Issued and fully paid			
At 31 December 2014	25,000,000	1,000	10,000
Issue of shares upon placing (note ii)	8,952,631	358	3,580
At 31 December 2016 and 30 June 2017	**33,952,631**	**1,358**	**13,580**

Note:

i) The Company was incorporated in Cayman Islands on 4 March 2014 and was authorised to issue 25,000 shares of £1.00 (approximately RMB 10) each.

On 4 September 2014, it was resolved to subdivide the Company's share capital by a ratio of 1:25,000. The resulting authorised and issued share capital amounts to 625,000,000 shares and 25,000,000 shares respectively.

The issued shares have nominal value of each share of £0.00004 and are fully paid at par. There are no restrictions on the distribution of dividends and the repayment of capital.

ii) On 27 January 2015, a total of 8,952,631 ordinary shares of £0.00004 each were issued by way of placing with institutional and other investors at a placing price of £0.825 per placing share for cash consideration £7.1 million (before expenses) (equivalent to RMB 70 million) on the AIM market of the London Stock Exchange. The excess of the placing price over the par value of the shares issued was credited to the share premium account.

Funds received were deposited in the bank account of Grand Wuxi Limited, the Company's wholly owned subsidiary. WOFE status was granted to this entity in May 2015, with effective ownership being transferred to the Company on 9 February 2015 through its new 100% interest in Great International Wealth and Wisdom, registered in Hong Kong.

16. CONTRIBUTED CAPITAL

	30 June 2017	2016

	RMB'000	RMB'000
Contributed capital	**196,000**	196,000

The capital reserve arose as a result of capital contributions made by the shareholders of the Company in transferring effective control and beneficial ownership of their interests in Victory under the VIE Agreements in 2014.

17. WARRANT RESERVE

On 21 January 2015, the Company granted 1,697,631 warrants. Pursuant to the instrument, the warrant holder was entitled to subscribe for 1,697,631 Ordinary shares as is equal to 5%, of the fully diluted share capital of the Company on admission at an exercise price of £0.00004, until the fifth anniversary of the Company's admission to trading on AIM. None of the above warrants have been exercised as at 31 June 2017.

Details of the warrant movements in the year are as follows:

	Exercise price	No. of warrant	RMB'000
At the beginning of 2016	£0.00004	1,697,631	13,283
Granted		-	-
At the end of 30June2017		1,697,631	13,283

The charge for the year ended 31 December 2015 of RMB13,283,000 has been charged to profit and loss in the Statement of Comprehensive Income with a corresponding credit to Warrant Reserve at 31 December 2015. No other changes occurred during 2016.

Valuation

Upon admission of the Company's shares to the AIM, the warrant holder could convert those warrants into the ordinary shares at once by paying the exercise price only, which would be disposable at the current trading price. As there was no other vesting condition, the valuation of the warrants was not subject to any adjustments and was considered the same as the market price of the underlying convertible shares at the date of admission to the AIM.

18. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the balance between debt and equity.

The capital structure of the Group as at 30 June 2017 consisted of shareholders' loans of RMB 1,217,000 (Note 14) and equity attributable to the equity holders of the Company, comprising paid in capital of RMB66.950M, contributed capital of RMB196M, warrants reserve of RMB13.283M and retained earnings of RMB21.557M (disclosed in the statement of changes in equity).

The Group reviews the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the repayment of existing debt.

The Group monitors capital using the net debt-to-capital ratio, details of which as at 30 June 2017 and 31 December 2016 were as follows:

	30 June 2017	2016
	RMB'000	RMB'000
Amounts due to shareholders	**1,217**	991
Less: bank balances and cash	**(260,304)**	(140,844)
Net debt	**(259,087)**	(139,853)
Equity	**297,790**	299,602

19. RELATED PARTY TRANSACTIONS

The remuneration of the Directors and Officers, the key management personnel of the Group, is set out in aggregate in note 9b.

20. LEGAL REPRESENTATIVE

Every business established in China, whether domestic or foreign, is required to have a legal representative. He/she is the main principal of the Company and is the employee with the legal power to represent - and enter into binding agreements- on behalf of the Company in accordance with the law or articles of association of the Company. The legal representative is authorised to perform all acts regarding the general administration of a Company according to the Company's aims and objectives, which includes:

- Acting to conserve the company's assets;
- Executing powers of attorney on the company's behalf;
- Authorizing legal representation of and litigation by the company; and
- And executing any legal transactions that are within the nature and scope of that company's business.

In China, every company is required to have a "chop", or company seal, which will be in the custody of the legal representative. Control of the chop is important in order to minimise risks. The legal representative's chop is required on numerous company documents and is regarded as a signature. The legal representative can, by using the chop, bind the company. If a legal representative is to be changed, such a change has to be chopped and approved by the outgoing legal representative. The Company's legal representative in China is Mr. Xiaoyong Wu.

21. EVENTS AFTER REPORTING PERIOD

As of the report day, no material subsequent events noted.