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**GRANDE**  
**THE GRANDE HOLDINGS LIMITED**  
**嘉域集團有限公司**

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

(Stock Code: 186)

**ANNOUNCEMENT REGARDING THE SETTLEMENT AGREEMENT  
AND RESUMPTION OF TRADING**

This announcement is made by The Grande Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

**Background**

Reference is made to the announcements of the Company:

- (i) dated 20 November 2008, 24 December 2008, 21 January 2009, 10 February 2009 and 19 February 2009 respectively, regarding the summons for injunction orders (the “**Injunction Application**”) by Akai Holdings Limited (in compulsory liquidation) and its sixteen subsidiaries and/or associate companies (collectively, the “**Plaintiffs**”) against, inter alia, the Company, the six subsidiaries of the Company and a director of the Company, Mr. Christopher Ho (the “**Director**”), and the orders made consequential upon the Injunction Application;
- (ii) dated 9 September 2009, regarding an application made by the Plaintiffs for an order to appoint receivers against, inter alia, Accolade Inc. (“**Accolade**”) (the controlling shareholder as defined under the Listing Rules of the Company) (the “**Receivership Application**”); and
- (iii) dated 29 September 2009, regarding an application made by the Plaintiffs for an order to restrict the disposal of assets by the Company.

## **The Settlement**

On 3 October 2009, the Company and all the other defendants in the court proceedings entered into a settlement agreement with the Plaintiffs (the “**Settlement Agreement**”) to settle the court proceedings in HCCL No.37 of 2005 and HCCL No.40 of 2005 and any appeals arising therefrom (the “**Proceedings**”) and to prevent any further litigation involving the parties arising out of or relating to the Proceedings. The Proceedings constitute all the court proceedings involving the Company, the relevant subsidiaries of the Company, the Director and the Plaintiffs or relating to the affairs of the Plaintiffs.

Pursuant to the Settlement Agreement, the Plaintiffs agreed to adjourn each step of the Proceedings. The Company, without admission of liability, will take up a maximum amount of US\$125 million plus interest payable to the designated bank account of the Plaintiffs, depending on the time of payment, consequent upon the settlement arrangement. The terms of the Settlement Agreement are agreed to be on a confidential basis. Upon full payment of the settlement amount in accordance with the Settlement Agreement which will happen in the next 12 months, the Plaintiffs shall release, inter alia, the Company, the relevant subsidiaries of the Company and the Director from all claims and liabilities relating to or arising from the Proceedings or the affairs of the Plaintiffs, save for any breach of the terms of the Settlement Agreement. The Settlement Agreement, in the Board’s view, is in the best interest of the Company and the shareholders as a whole.

## **Court Hearing**

Following the Settlement Agreement, on 15 October 2009, the Court granted an Order to stay the orders made pursuant to the Injunction Application and the Receivership Application in relation to, inter alia, the Company’s controlling shareholder and the Director with immediate effect.

## **Effect of the Settlement Agreement on Financial Position of the Company**

The Company will account for the entire settlement amount that it is obliged for in its financial results for the year ending 31 December 2009. Such amount is substantial to the Company’s financial position. In order to sustain the Company’s operations, Accolade is committed pursuant to a letter of commitment dated 15 October 2009 (the “**Letter of Commitment**”) to assist in funding and financing the Company to meet its financial obligations under the Settlement Agreement by way of loans which are unsecured and bear annual interest at the USD prime rate published by The Hong Kong and Shanghai Banking Corporation Limited. Accolade will not call for repayment on such loans to be advanced to the Company unless the Company has arranged for alternative sources of funds and/or has generated sufficient funds to finance its continuing operations after repayment.

The transaction as contemplated under the Letter of Commitment constitutes financial assistance provided by a connected person of the Company. The financial assistance provided by Accolade for the Company is on normal commercial terms (or better to the Company) where no security over the assets of the Company is granted in respect of the financial assistance. As such, such transaction is exempted from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(4) of the Listing Rules.

### **Resumption of Trading**

Trading in the shares of the Company has been suspended from 9:30 a.m. on 5 October 2009 pending the release of this announcement. The Company has made an application to The Stock Exchange of Hong Kong Limited to resume trading in the shares of the Company with effect from 9:30 a.m. on 16 October 2009.

By order of the Board of Directors of  
**The Grande Holdings Limited**  
**Christopher W. Ho**  
*Chairman and Executive Director*

Hong Kong, 16 October 2009.

*As at the date of this announcement, the board of directors of the Company comprises: Mr. Christopher W. Ho, Mr. Adrian C. C. Ma, Mrs. Christine L. S. Asprey and Mr. Paul K. F. Law as executive directors; Mr. Michael A. B. Binney as non-executive director; and Mr. Herbert H. K. Tsoi, Mr. Henry C. S. Chong and Mr. Martin I. Wright as independent non-executive directors.*