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Trillion Grand Corporate Company Limited

萬泰企業股份有限公司

(Formerly known as Tai Shing International (Holdings) Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

MAJOR TRANSACTION

ACQUISITION

The Board is pleased to announce that on 17 October 2016 (after trading hours), the Purchaser and the Vendor entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share at the Consideration of HK\$280,000,000. The Consideration will be satisfied by the issuance of the Promissory Note to the Vendor by the Company upon Completion.

GEM LISTING RULES IMPLICATIONS

As certain applicable percentage ratios exceed 25% but are less than 100%, the Acquisition and transactions contemplated under the Agreement constitute a major transaction for the Company and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Shareholder had a material interest in the Agreement. Therefore, no Shareholder is required to abstain from voting at the EGM.

GENERAL

A circular containing, amongst other things, (i) details of the Acquisition; (ii) financial information of the Target Group; (iii) a valuation report on the Target Group from an independent valuer; (iv) unaudited pro forma financial information of the Enlarged Group; and (v) a notice convening the EGM and other information required under the GEM Listing Rules will be despatched to the Shareholders in due course. As additional time is required to prepare the aforesaid information, the circular is expected to be dispatched to the Shareholders on or before 17 November 2016.

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THE AGREEMENT

Date: 17 October 2016 (after trading hours)

Parties: (i) the Purchaser; and
(ii) the Vendor.

The Vendor is a company incorporated in the Marshall Islands, whose principal business is investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Share, being 1 ordinary share of US\$1.00 each in the issued share capital of the Target Company which representing 50% of its entire issued share capital.

Consideration

The Consideration for the Sale Share is HK\$280,000,000, which will be satisfied by the issuance of the Promissory Note to the Vendor by the Company upon Completion.

The Consideration was determined after arm's length negotiation between the parties with reference to (i) the preliminary assessment on the fair value of the entire issued share capital of the Target Company of not less than HK\$600,000,000 as assessed by an independent valuer; and (ii) the future prospects of the Project.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. The final fair value of the entire issued share capital of the Target Company will be included in the circular to be issued by the Company in relation to the Acquisition.

Conditions precedent

Completion shall be conditional upon and subject to:

- (i) all necessary consents, waivers, licences and approvals required to be obtained from relevant governmental authority and relevant third party on the part of the Vendor and the companies of the Target Group in respect of the Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (ii) all necessary consents, waivers, licences and approvals required to be obtained from relevant regulatory authorities and relevant third party, including but not limited to those from the Stock Exchange and/or the Securities and Futures Committee, on the part of the Purchaser in respect of the Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (iii) the passing of the necessary resolution(s) by the independent shareholders of the Company at the relevant EGM approving the Agreement, and the transactions contemplated thereunder;
- (iv) the obtaining of a PRC legal opinion (in form and substance reasonably satisfactory to the Purchaser) in relation to the transactions contemplated under the Agreement;
- (v) the Purchaser being satisfied with the results of a due diligence review and investigation on the Target Group;
- (vi) the Purchaser having obtained a final valuation report issued by such professional valuer retained or to be retained by the Company, that indicates that the value of the Target Group is not less than HK\$600,000,000;
- (vii) the warranties of the Agreement remaining true and accurate in all respects;
- (viii) the Purchaser being satisfied that there has not been any material adverse change (of effect) in respect of any member of the Target Group since the date of the Agreement;
- (ix) the Vendor having delivered to the Purchaser of (a) in respect of the Vendor, a certificate of incumbency issued within 5 Business Days prior to the date of the Completion and a certificate of good standing issued within 5 Business Days prior to the date of the Completion; and (b) in respect of the Target Company, a certificate of incumbency issued within 5 Business Days prior to the date of the Completion and a certificate of good standing issued within 5 Business Days prior to the date of the Completion; and
- (x) no “reverse takeover” (as defined under the GEM Listing Rules) having been triggered or ruled by the Listing Committee/Division of the Stock Exchange in relation to the transaction contemplated under the Agreement.

The Purchaser may waive the conditions precedent set out in (i), (iv), (v), (vii), (viii) and (ix) above at its discretion. If the conditions have not been satisfied (or, as the case may be, waived by Purchaser) on or before 4:00 p.m. on the Long Stop Date, the Purchaser shall not be bound to proceed with the purchase of the Sale Share and the Agreement (other than certain clauses) shall from the Long Stop Date become void and of no further effect and all liabilities and obligations of the parties shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the parties thereto which shall have accrued prior to such termination. In the event the Acquisition has triggered condition (x), the Agreement shall lapse and the respective rights and obligations of the Vendor and the Purchaser under the Agreement shall be released.

Completion

Subject to the conditions being fulfilled (or, where applicable, waived) under the Agreement, the Completion shall take place at or before 5:00 p.m. on the third Business Day immediately after the fulfillment (or waiver) of all the conditions, or such later date as the Vendor and the Purchaser may agree in writing.

THE SHAREHOLDERS' AGREEMENT

Pursuant to the Agreement, upon Completion, the Vendor, the Purchaser and the Target Company will enter into the Shareholders' Agreement to regulate the respective rights and obligations of the shareholders of the Target Company and the arrangements amongst themselves and the Target Company with respect to the ownership, management and operations of the Target Company. The material terms of the Shareholders' Agreement are summarised below.

Parties

- (i) The Vendor;
- (ii) The Purchaser; and
- (iii) The Target Company.

Business

Unless the shareholders of the Target Company agree in writing to change the same, the Target Group is and shall continue to be principally engaged in the businesses of developing and managing the Project.

Each of the shareholders of the Target Company shall use reasonable endeavours to promote the businesses of the Target Group. The businesses of the Target Group shall be conducted in the best interests of the Target Group on sound commercial profit making principles so as lawfully to generate the maximum maintainable profits available for distribution.

Board of Directors

The board of directors of the Target Company shall consist of not more than five directors, of which two directors shall be nominated by the Vendor and three directors shall be nominated by Purchaser.

The chairman of the board of directors of the Target Company shall be a director nominated by the Purchaser and shall have a casting vote.

Raising of Additional Capital

The board of directors of the Target Company may resolve to raise additional capital from the shareholders of the Target Company by allotting new shares in the capital of the Target Company to its shareholders, such new shares in the Target Company shall be offered to all shareholders of the Target Company on a pro-rata basis as nearly as practicable to their respective shareholding percentage in the Target Company. In the event any of the shareholders of the Target Company choose not to subscribe for any new shares in the capital of the Target Company, the other shareholder of the Target Company may elect to subscribe for such unsubscribed new shares.

Disposal of shares and pre-emptive rights

Each of the shareholders of the Target Company agrees with and undertakes to each other that it will not without the prior written consent of all other shareholders of the Target Company sell, transfer, or otherwise dispose or encumber any of its shares in the Target Company.

If any shareholder of the Target Company wishes to transfer its shares in the Target Company, it shall first offer all (but not some only) of its shares in the Target Company to the other shareholders of the Target Company in accordance with the provisions of the Shareholders' Agreement.

Anti-Dilution

The issue of any shares in the Target Company shall before issuance be offered for subscription in the first instance to the shareholders of the Target Company in proportion as nearly as practicable to their respective shareholding percentage.

THE PROMISSORY NOTE

Pursuant to the Agreement, the Company will issue to the Vendor the Promissory Note upon the Completion to settle the Consideration. Set out below are the principal terms of the Promissory Note:

Issuer: the Company

Noteholder: the Vendor

Principal amount: HK\$280,000,000

Interest:	4% per annum on the outstanding amount of the Promissory Note
Maturity date:	the third anniversary of the date of the Promissory Note or such other date as the Company and the noteholder may agree in writing
Repayment:	The Promissory Note shall be due and repayable to the noteholder (or to such other person as the noteholder may direct by written notice to the Company) on the maturity date
Early redemption:	The Company may prepay all or part of the Promissory Note together with interest accrued thereon on any banking day prior to the maturity date by giving prior written notice of one (1) clear banking day in advance to the noteholder
Transferability:	The noteholder may assign or transfer the Promissory Note or any part thereof to any third party by endorsement with the prior written consent of the Company. Noteholder may not assign the Promissory Note either in part or in whole to any connected persons (as defined in the GEM Listing Rules) of the Company or any of their associates (as defined in the GEM Listing Rules).

The Company intends to repay the outstanding amount of the Promissory Note by its internal resources, cash flow generated from the Target Group, and if necessary and appropriate, equity or debt financing.

INFORMATION ON THE TARGET GROUP

Company information

(i) The Target Company

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by the Vendor and as to 50% by an Independent Third Party. The Target Company owns the entire issued share capital of the Hong Kong Subsidiary.

(ii) The Hong Kong Subsidiary

The Hong Kong Subsidiary is an investment holding company incorporated in Hong Kong with limited liability and is wholly owned by the Target Company. The Hong Kong Subsidiary owns the entire issued share capital of the Project Company A.

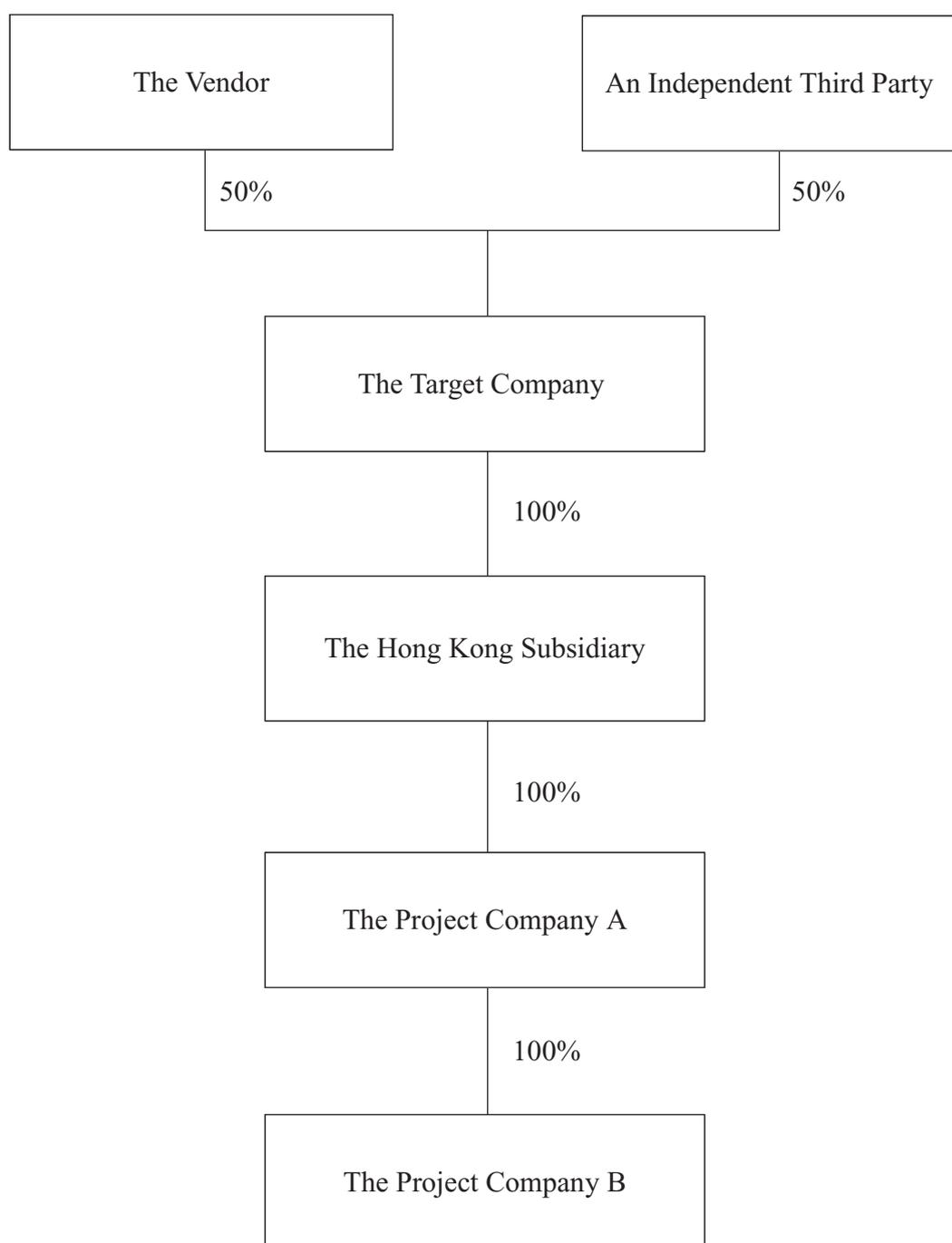
(iii) The Project Company A and the Project Company B

The Project Company A is an investment holding company incorporated in the PRC with limited liability and is wholly owned by the Hong Kong Subsidiary. The Project Company A owns the entire issued share capital of the Project Company B, which is a company incorporated in the PRC with limited liability. The Project Company A and the Project Company B are principally engaged in the operation of the Project.

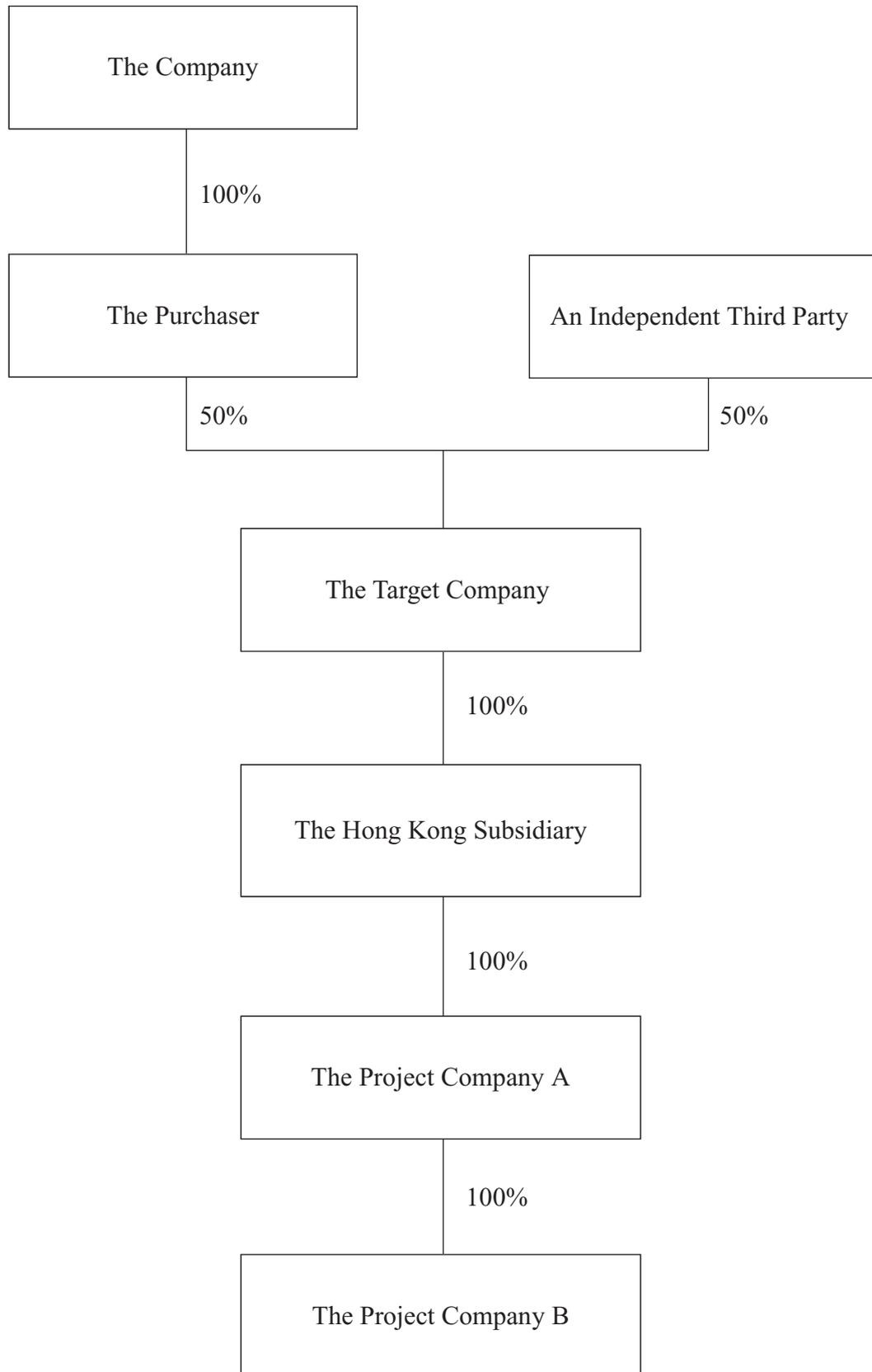
Group structure

Set out below is the shareholding structure of the Target Group before and after the Completion.

(i) As at the date of this announcement and before the Completion:



(ii) After the Completion:



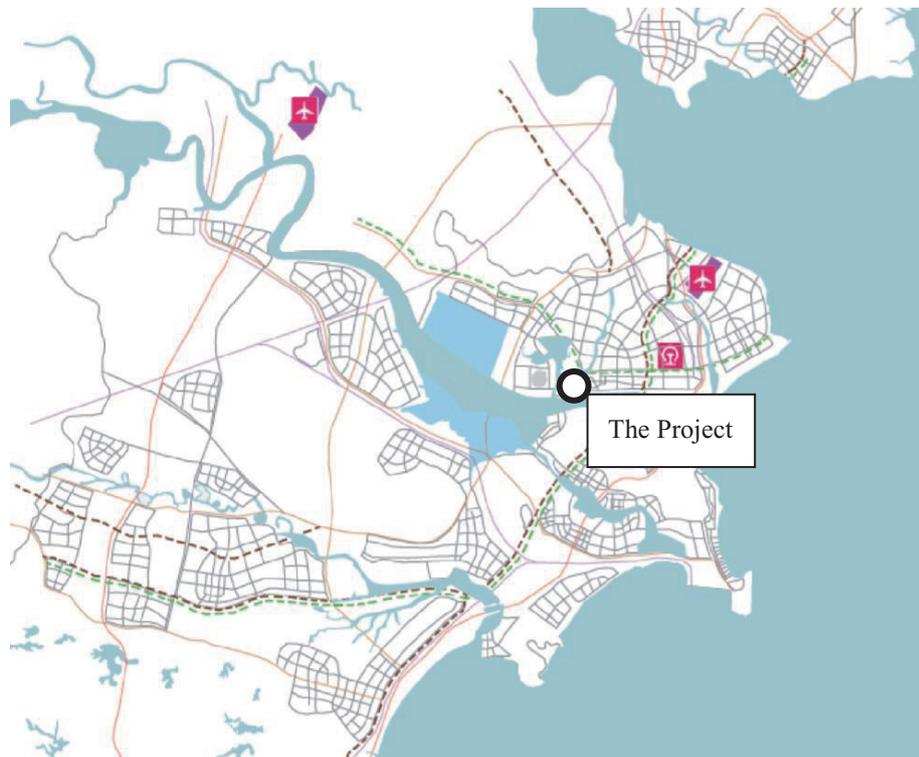
After Completion, the Company will, through the Purchaser, own 50% of the entire issued share capital of the Target Company. As the majority of the board of director of the Target Company will be appointed by the Purchaser pursuant to the Shareholders' Agreement, the Target Company and its subsidiaries will then become the indirect non-wholly owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

Business overview

The Project is named as Build-Operate-Transfer Project of Shantou City Chaoren Port Cultural Park (汕頭市潮人碼頭文化公園特許經營項目). The Project Company A has been granted an exclusive right to build and operate the Project over 42.25 years.

(i) The Project

The Project site is at the center of Shantou City, the Guangdong Province, the PRC. It is located in front of the Chao Hai Guan Bell House (潮海關鐘樓), a historical and cultural heritage listed among the Historical and Cultural Site Protected at the Provincial Level, east to Hai Jun Port (海軍碼頭), and west to Yuan Xi Di Car and Ferry Port (原西堤汽車輪渡碼頭).



Map of Shantou City and the location of the Project

According to information provided by the Vendor, the Project covers a total area of over 90,000 square meters, including a land area of approximately 55,500 square meters and water area of around 34,500 square meters. It plans to construct buildings with a total floor area of approximately 38,000 square meters, including a yacht terminal, a shopping mall, a business facility, a cultural facility, a public entertainment area and a parking area.

Upon completion of the construction, the Project Company A will be granted an exclusive right to operate the Project, including receiving lease income from the yacht terminal, the shopping mall, the business facility and the cultural facility.

- The yacht terminal has over 50 parking slots, and are merged with food and beverage, entertainment, tourism and sea-viewing facilities. The yacht terminal is the main part of the Project, and will be leased to yacht owners or high income-earner in Shantou City.
- The shopping mall is another main part of the Project, and targets to be developed into a landmark shopping mall in the city center of Shantou City. The shopping mall will generate income by leasing to stores or restaurants.
- The business facility mainly includes an exhibition mall, which can be leased for wedding, gathering, reporting or press conference.
- The cultural facility mainly includes a theater and a museum, which will be used to host chiu-chow opera and to exhibit chiu-chow cultural relics.

(ii) Development plan

The Project Company A plans to complete the construction work in 2.5 years, which costs over RMB439,000,000. The Project targets to fully operate in late 2018 or early 2019..

The construction is to be financed by borrowing from banks, financial institutions and shareholders. As at the date of this announcement, the Target Group has obtained a loan facility from an outside independent financial institution. The Target Group plans to utilize the loan facility to finance its remaining construction costs, and to repay the loan facility by future income from the Project.

(iii) Build-Operate-Transfer Agreements with the government

The Project is operated under the build-operate-transfer agreements (the “**Build-Operate-Transfer Agreements**”) with the Housing and Rural-urban Development Department of Shantou City, a government department which is responsible for the city development of Shantou.

According to the Build-Operate-Transfer Agreements, the Project Company A has been granted an exclusive right to invest RMB439,000,000 to build the Project in Chaoren Port over 2.5 years. On the other hand, the Project Company A has an exclusive right to operate the Project for 42.25 years (the “**Operation Period**”), during which the Project Company A is responsible for the Project’s operation and maintenance cost and able to benefit from its entire operating income. Once the Operation Period expires, the Project Company A should return its all rights over the Project to the government.

Financial information

Based on the information provided by the Vendor, set out below is a summary of the unaudited financial information of the Target Group for two years ended 31 December 2015:

	For the year ended 31 December 2015 <i>HK\$'000</i> <i>(unaudited)</i>	For the year ended 31 December 2014 <i>HK\$'000</i> <i>(unaudited)</i>
Revenue	0	0
Net profit/(loss) before taxation	280	(885)
Net profit/(loss) after taxation	280	(885)
		As at 31 December 2015 <i>HK\$'000</i> <i>(unaudited)</i>
Net liabilities		1,926

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is principally engaged in systems development, professional services, proprietary trading and money lending.

The Company is of the view that the Acquisition represents a good investment opportunity for the Group, as (i) the Project is operated under an exclusive right from the government, and faces little competition from nearby areas; (ii) the Project is located at the center of Shantou City, whose economy and population expand rapidly in recent years; (iii) the Consideration represents a discount to the preliminary assessment of the value of the Project; and (iv) the income stream of the Project is mainly from the leasing fees of the yacht slots and the shopping mall, which is reliable and steady, and has the potential to further increase with the growing property market in Shantou City. The Company believes that the Acquisition can expand the income base of the Group and diversify its business portfolio.

In light of the above, the Board is of the view that the Acquisition is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As certain applicable percentage ratios exceed 25% but are less than 100%, the Acquisition and transactions contemplated under the Agreement constitute a major transaction for the Company and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder had a material interest in the Agreement. Therefore, no Shareholder is required to abstain from voting at the EGM.

GENERAL

A circular containing, amongst other things, (i) details of the Acquisition; (ii) financial information of the Target Group; (iii) a valuation report on the Target Group from an independent valuer; (iv) unaudited pro forma financial information of the Enlarged Group; and (v) a notice convening the EGM and other information required under the GEM Listing Rules will be despatched to the Shareholders in due course. As additional time is required to prepare the aforesaid information, the circular is expected to be despatched to the Shareholders on or before 17 November 2016.

WARNING

Shareholders should pay attention that the Acquisition is conditional upon satisfaction of certain conditions, and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, the following terms and expressions shall have the following meanings unless the context otherwise requires:

“Agreement”	the conditional sale and purchase agreement dated 17 October 2016 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Acquisition”	the acquisition of the Sale Share by the Purchaser from the Vendor
“Board”	the board of Directors of the Company
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for the transaction of normal business
“Company”	Trillion Grand Corporate Company Limited (formerly known as Tai Shing International (Holdings) Limited), a company duly incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the GEM

“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Agreement
“Consideration”	HK\$280,000,000, being the total consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“EGM”	extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Acquisition
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Subsidiary”	Allied Star Creation Limited
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Long Stop Date”	16 April 2017 or such later date as the Vendor and the Purchaser may agree in writing
“PRC”	the People’s Republic of China
“Promissory Note”	the promissory note in the aggregate principal amount of HK\$280,000,000
“Project”	Build-Operate-Transfer Project of Shantou City Chaoren Port Cultural Park (汕頭市潮人碼頭文化公園特許經營項目)
“Project Company A”	Shantou City Li Chao Tourism Development Limited (汕頭市麗潮旅遊開發有限公司)
“Project Company B”	Shantou City Chaoren Port Yacht Club Limited (汕頭市潮人碼頭遊艇俱樂部有限公司)

“Purchaser”	Jovial Tycoon Holdings Limited, a company incorporated in the British Virgin Islands and is wholly owned by the Company
“Sale Share”	1 ordinary share of US\$1 each in the issued share capital of the Target Company, representing 50% of issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into by the Vendor, the Purchaser and the Target Company upon Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Billion Ray Investments Limited
“Target Group”	the Target Company and its subsidiaries
“US\$”	United States dollar
“Vendor”	Sminent International Limited

By Order of the Board
Trillion Grand Corporate Company Limited
Lau Kelly
Executive Director

Hong Kong, 17 October 2016

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Mr. Lau Kelly (*Chief Executive Officer*)

Mr. Leung Chung Nam

Mr. Tam Kwok Leung

Non-executive Director:

Ms. Jim Ka Man

Independent Non-executive Directors:

Dr. Wan Ho Yuen, Terence

Ms. Yeung Mo Sheung, Ann

Mr. Hau Chi Kit

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company at <http://www.trilliongrand.com>.