

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



Trillion Grand Corporate Company Limited

萬泰企業股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 85% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

The Board is pleased to announce that on 29 May 2017 (after trading hours), the Purchaser, the Company and the Vendor entered into the Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, the Sale Shares, at the Consideration of HK\$46,070,000, which will be satisfied by the issue and allotment of the Consideration Shares by the Company to the Vendor upon Completion.

Upon Completion, the Group will be interested in 85% of the issued share capital of the Target Company and the Target Group will be accounted for as indirect non-wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

GEM LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in respect of the Acquisition are more than 5% but all less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

WARNING NOTICE

As Completion is conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 29 May 2017 (after trading hours), the Purchaser, the Company and the Vendor entered into the Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, the Sale Shares, at the Consideration of HK\$46,070,000, which will be satisfied by the issue and allotment of the Consideration Shares by the Company to the Vendor upon Completion. The Sale Shares represents 85% of the issued share capital of the Target Company.

THE AGREEMENT

Date: 29 May 2017 (after trading hours)

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of each of the Company, the Purchaser and their respective connected persons.

Assets to be acquired

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares.

As at the date of this announcement, one share in the share capital of the Target Company has been issued and fully paid up and such share is held by the Vendor (representing 100% of the issued share capital of the Target Company as at the date of the Agreement). Shortly after the signing of the Agreement, the Target Company will undergo reorganisation such that 99 new shares in the share capital of the Target Company will be fully paid up by, and allotted and issued to, the Vendor. Immediately upon the Reorganisation, the Vendor shall be the sole legal and beneficial shareholder of the Target Company holding 100 shares in the share capital of the Target Company (representing 100% of the issued share capital of the Target Company upon completion of the Reorganisation).

Upon Completion, the Target Company will be beneficially owned as to 85% by the Purchaser and 15% by the Vendor.

Consideration

The Consideration in the amount of HK\$46,070,000 shall be satisfied by the issue and allotment of the Consideration Shares at HK\$2, being the Issue Price per Consideration Share, by the Company to the Vendor upon Completion.

The Consideration was arrived based on normal commercial terms after arm's length negotiations between the Purchaser, the Company and the Vendor and was determined with reference to the following factors:

- (i) the business development and future prospects of the Target Group;
- (ii) the Guaranteed Profit (as defined below); and
- (iii) the reasons and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" below.

Conditions precedent

Completion is subject to the following conditions being fulfilled or waived (as the case may be):

- (i) the completion of the Reorganisation and relevant documents evidencing such reorganisation were provided to the reasonable satisfaction of the Purchaser;
- (ii) the completion of the due diligence review and investigation on the Target Group conducted by the Purchaser to its reasonable satisfaction;
- (iii) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares;
- (iv) all necessary consents, authorisations, consent, approvals, licence, permission, order (or, as the case may be, relevant waiver of exemption) in connection with the Agreement and the transactions contemplated thereby having been obtained by the respective parties to the Agreement (including but not limited to, the necessary consent from the Stock Exchange); and
- (v) the representations, warranties and undertakings set out in the Agreement and all other representations, undertakings and warranties provided by the Vendor under the Agreement remaining true, accurate and not misleading in any respect at Completion as if repeated at Completion and at all times between the date of the Agreement and Completion.

The Purchaser may waive conditions (ii) and (v) above at its discretion. If the conditions precedent have not been satisfied (or as the case may be, waived by the Purchaser) on or before 5:00 p.m. on the Long Stop Date, the Purchaser shall not be bound to proceed with the purchase of the Sale Shares and the Agreement (other than the survival clause(s)), become void and of no further effect and, save in respect of any antecedent breaches, all liabilities and obligations of the parties to the Agreement 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.

Completion

Completion shall take place at 5:00 p.m. on the Completion Date after all the conditions of the Agreement have been fulfilled or waived or such date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Group will be interested in 85% of the issued share capital of the Target Company and the Target Group will be accounted for as indirect non-wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

PROFIT GUARANTEE AND COMPENSATION

The Vendor irrevocably and unconditionally guaranteed to the Purchaser that the audited consolidated net profit after tax (but before extraordinary and exceptional items) of the Target Group for the 12 months from the Completion Date (both dates inclusive) (the “**Period**”) shall be no less than HK\$4,000,000 (the “**Guaranteed Profit**”).

If the actual audited consolidated net profit after tax (but before extraordinary and exceptional items) of the Target Group for the Period (the “**Actual Profit**”) is less than the Guaranteed Profit, the Vendor shall compensate the Purchaser with an amount in cash in respect of the shortfall calculated according to the following formula (the “**Compensation Sum**”):

$$A = \frac{\text{Consideration} * (\text{Guaranteed Profit} - \text{Actual Profit})}{\text{Guaranteed Profit}}$$

where A is the Compensation Sum payable by the Vendor for the shortfall. For the avoidance of doubt, if the Actual Profit is negative, such amount shall be deemed to be zero. The maximum amount of the Compensation Sum payable by the Vendor shall not exceed the amount of the Consideration.

The Actual Profit shall be determined according to the audited consolidated financial statements of the Target Group for the Period (the “**Results**”) which shall be prepared by an auditor of the Target Group as nominated by the Purchaser adopting the same accounting policies applied to the consolidated financial statements of the Company and its subsidiaries. Such Results shall be issued within 3 months after the Period or any other date as agreed by the Vendor and the Purchaser.

Within 7 Business Days after the issuance of the Results and the determination of the Actual Profit, if any Compensation Sum is required to be paid to the Purchaser, such Compensation Sum shall be settled by the Vendor in cash.

THE CONSIDERATION SHARES

The Consideration Shares will be allotted and issued at the Issue Price, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

The Issue Price represents:

- (i) a discount of approximately 7.8% to the closing price per Share of HK\$2.17 as quoted on the Stock Exchange on 29 May 2017, being the date of the Agreement;
- (ii) a discount of approximately 3.0% to the average closing price per Share of HK\$2.062 as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Agreement; and
- (iii) a discount of approximately 3.3% to the average closing price per Share of HK\$2.069 as quoted on the Stock Exchange for the ten consecutive trading days immediately preceding the date of the Agreement.

The Issue Price was arrived at after arm's length negotiations between the Company, the Purchaser and the Vendor with reference to the prevailing market price of the Shares and the current market conditions. The Directors consider the Issue Price is fair and reasonable.

The Consideration Shares represent 19.32% of the number of issued Shares as at the date of this announcement and represent approximately 16.19% of the number of issued Shares as enlarged by the allotment and issue of the Consideration Shares. The Consideration Shares will be allotted and issued pursuant to the General Mandate on the date of Completion. As at the date of this announcement, no Share has been issued and allotted under the General Mandate.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion and the allotment and issue of the Consideration Shares:

Shareholders	As at the date of this announcement		Immediately upon Completion and the allotment and issue of the Consideration Shares	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
Vendor	–	–	23,035,000	16.19
Public Shareholders	<u>119,221,878</u>	<u>100.00</u>	<u>119,221,878</u>	<u>83.81</u>
Total	<u><u>119,221,878</u></u>	<u><u>100.00</u></u>	<u><u>142,256,878</u></u>	<u><u>100.00</u></u>

INFORMATION ON THE VENDOR AND THE TARGET GROUP

The Vendor is a company incorporated in the BVI with limited liability and is an investment holding company.

The Target Company is a company incorporated in the BVI with limited liability, which is wholly-owned by the Vendor immediately prior to Completion. The Target Company is an investment holding company and the Target Group is principally engaged in the business of providing multi-media related services and content in the PRC via different platforms like cable TV.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Group, the Purchaser and its connected persons.

FINANCIAL INFORMATION OF THE TARGET GROUP/COMPANY

As the Target Company is newly established, no financial statements have been prepared.

Set out below is a summary of the key financial data of the wholly-owned subsidiaries of the Target Company (the “**Operating Entities**”), being the operating entities of the Target Group, for the years ended 31 December 2015 and 31 December 2016 respectively:

	For the year ended 31 December 2015 (audited) approximately HK\$'000	For the year ended 31 December 2016 (unaudited) approximately HK\$'000
Turnover	21,000	12,000
Net profit/(loss) before taxation	3,600	(31,000)
Net profit/(loss) after taxation	3,600	(31,000)

According to the unaudited consolidated financial statements of the Operating Entities for the year ended 31 December 2016, the Operating Entities recorded an unaudited consolidated net liabilities of approximately HK\$30 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the businesses of systems development, professional services, proprietary trading and money lending.

In view of the growing penetration and the expansion of multi-media segment, the Directors are optimistic to such business segment. In addition, consumers are moving beyond traditional media, the multi-media platform is an option used by many companies to brand and market their products. As such, the multi-media platform is playing an increasingly vital role in business marketing strategy. Having considered that the Target Group is equipped with experience in the industry with diversified clientele and being specialized in the provision of multi-media related services and content in the PRC via different platform together with the Company's experience in systems development, the Directors believe that the prospect of the Target Group will be promising.

Apart from the existing businesses, the Group has been actively searching for potential business opportunities so as to diversify the Group's business into a new line of business with growth potential and to broaden its source of income that can bring return to the Shareholders. The Directors consider the Acquisition is in line with the Group's business diversification strategy above and represents an attractive investment opportunity for the Group to further expand and diversify its business portfolio and tap into the media retail industry with growth potential so as to broaden its source of income.

Upon Completion, the Group will continue to develop its existing businesses.

The Directors consider that the terms of the Agreement (including the Consideration) and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in respect of the Acquisition are more than 5% but all less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

WARNING NOTICE

As Completion is conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	the proposed acquisition of 85% of the issued share capital of the Target Company pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 29 May 2017 entered into among the Purchaser, the Company and the Vendor in relation to the Acquisition
“associates”	has the same meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Business Day(s)”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Trillion Grand Corporate Company Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement

“Completion Date”	the fifth Business Day after the date of fulfillment (or waiver) of all the conditions set out in the Agreement
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the consideration for the Acquisition, being HK\$46,070,000
“Consideration Shares”	23,035,000 new Shares to be issued to the Vendor at an issue price of HK\$2 per new Share for full settlement of the Consideration
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 30 August 2016. Under this general mandate, the Directors are allowed to allot and issue up to 23,844,375 Shares. As at the date of this announcement, no Share has been issued and allotted under the General Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the GEM Listing Rules)
“Issue Price”	HK\$2 per Consideration Share
“Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“Long Stop Date”	31 July 2017 or such later date as the Vendor and the Purchaser may agree in writing
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Purchaser”	Noble One Investments Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of the Company
“Reorganisation”	the proposed allotment and issuance of 99 new shares of US\$1 each in the share capital of the Target Company to, and credited as fully paid by, the Vendor (representing 100% of the issued share capital of the Target Company) after the signing of the Agreement
“Sale Shares”	85 ordinary share(s) of the Target Company, representing 85% of the issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.001 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Full Wealthy International Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Vendor immediately prior to Completion
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Full Times Investments Limited, a company incorporated in the BVI with limited liability
“%”	per cent

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

Hong Kong, 29 May 2017

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. Wong Kam Kwan

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 at least 7 days from the date of its posting and on the website of the Company at <http://www.trilliongrand.com>.