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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)

MAJOR TRANSACTION

TERMINATION OF THE FIRST AGREEMENT

Reference is made to the announcement of the Company dated 17 October 2016 in relation to the First Agreement. The Board hereby announced that on 30 December 2016 (after trading hours) the Purchaser and the Vendor entered into the Termination Deed pursuant to which the parties mutually agreed to forthwith irrevocably, unconditionally and absolutely terminate the First Agreement. Each of the Purchaser and the Vendor further agreed to release and discharge each of them from all future obligations and liabilities whatsoever owing to the other of them under the First Agreement.

THE SECOND AGREEMENT

The Board further announced that on 30 December 2016 (after trading hours) and after termination of the First Agreement, the Purchaser and the Vendor entered into the Second Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares at the Consideration of HK\$100,000,000. The Consideration will be satisfied by 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 Second 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 Second 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 27 January 2017.

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.

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Major terms of the Second Agreement are summarized as below:

Date: 30 December 2016 (after trading hours)

Parties: the Purchaser; and

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 Second Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, being 2 ordinary shares of US\$1.00 each in the capital of the Target Company which representing 20% of its entire issued share capital.

Consideration

The Consideration for the Sale Shares is HK\$100,000,000, which will be satisfied by the issuance of the Promissory Note to the Vendor (or its nominee) by the Company upon Completion.

The Consideration was determined after arm's length negotiation between the parties with reference to the fair value of the Sale Shares amounted to HK\$101,000,000 as of 30 November 2016 as assessed by Access Partner Consultancy & Appraisals Limited, an independent valuer appointed by the Company, based on income approach.

The following assumptions have been adopted by Access Partner Consultancy & Appraisals Limited to sufficiently support the conclusion of value, including, but not limited to:

General Market Assumptions

- There will be no major changes in the political, legal, fiscal, technological, economic and market conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Group;
- There will be no major changes in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no material changes in the relevant market return, market risk and exchange rates that would impact the Target Group's business operation;
- There will be no material changes in the Exclusive Right granted by the Shantou government that would impact the Target Group's business operation;
- There will be no material changes in the number of tourists travelling to Shantou that would impact the Target Group's business operation;
- There will be no material changes regarding the outlook of the shopping malls located near the Project operate by the Target Group;
- The membership fees, admission fees of the marina club and the museum operate by the Target Group will not differ materially from those of present or expected;

- The facilities surrounding the Project location will not differ materially from those of expected;
- The rental fees of the shopping malls operated by the Target Group will not differ materially from those of present or expected;
- The supply and demand, both domestically and internationally, of the shopping mall, the marina club and Chaoshan Cultural Museum operated by the Target Group will not differ materially from those of present or expected;
- The market prices and the relevant costs, both domestically and internationally, of the marina club operated by the Target Group will not differ materially from those of expected; and
- The market data, industrial information and statistical figures obtained from publicly available sources and Bloomberg Terminal are true and accurate.

Target Group-specific Assumptions

- The Target Group has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits, business certificates, licenses and legal approvals to operate the business in the localities in which the Target Group operates or intends to operate would be officially obtained upon expiry;
- The Target Group has obtained the exclusive right to build the Project over 2.5 years and will operate for 42.25 years and the core operation of the Target Group will not differ materially from those of present or expected;
- The information provided and the representations made by the management of the Target Group with regard to the Target Group's financial and business affairs are accurate and reliable;
- The financial projection in respect of the Target Group have been prepared on a reasonable basis that have been arrived at after due and careful consideration by the Management;
- The Target Group currently has, or will have, adequate human capital and capacity required for the marina club, Chaoshan Cultural Museum and shopping boulevard of the Target Group, and the required human capital and capacity will be acquired in a timely manner that will not affect the operation of the Target Group;
- The Target Group has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time;
- The construction cost of the Project operated by the Target Group will not differ materially from those of present or expected;
- The terms of the upcoming rental contracts will not differ materially from those of present or expected;

- The senior management of the Target Group will implement only those prospective financial and operational strategies that will maximize the efficiency of the operation of the Target Group;
- The senior management of the Target Group has sufficient knowledge and experience in respect of the operation of the Target Group, and the turnover of any director, management or key person will not affect the operation of the Target Group;
- The senior management of the Target Group has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Target Group;
- The senior management of the Target Group has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Target Group;
- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of the Target Group as of the date of valuation;
- The exclusive right agreement between the Target Group and the Shantou government have been signed in 2013 and the corresponding construction and payment terms will not differ materially from those of present or expected;
- The Project under existing plans or contracts will be completed as schedule and it will not arise any legal or financial issue that will affect the operation of the Target Group; and
- The property management will be outsourced, and the terms for the Project under contracts will not differ materially from those of present or expected;

In the event actual events do not accord with one or more of the above assumptions, the resulting value of the Target Company may vary substantially from the figure as set out above.

Further information of compliance with Rule 19.62 of the GEM Listing Rules will be included in the circular to be despatched to the Shareholders.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Second Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

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 Second 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 Second 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 Shareholders at the EGM approving the Second 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 Second 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 Sale Shares is not less than HK\$100,000,000;
- (vii) the warranties of the Second 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 Second 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 Division of the Stock Exchange in relation to the transaction contemplated under the Second 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 Shares and the Second 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 trigger condition (x), the Second Agreement shall lapse and the respective rights and obligations of the Vendor and the Purchaser under the Second Agreement shall be released.

Completion

Subject to the conditions being fulfilled (or, where applicable, waived) under the Second 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 Second Agreement, upon Completion, the Vendor, the Purchaser, the remaining shareholder of the Target Company 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 summarized below.

Parties

- (i) the Vendor;
- (ii) the Purchaser;
- (iii) the remaining shareholder of the Target Company; and
- (iv) the Target Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the remaining shareholder of the Target Company and its ultimate beneficial owners are Independent Third Parties.

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 endeavors 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 three directors, of which one director shall be nominated, appointed and removed as requested by each of the shareholders from time to time. The chairman of the board of directors of the Target Company shall be a director nominated by the Purchaser or the remaining shareholder of the Target Company 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, and 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 chooses not to subscribe for any new shares in the capital of the Target Company, the other shareholders 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 new shares in the Target Company shall 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.

Dividends

The shareholders of the Target Company shall procure that 50% of the net profit for each financial year shall be declared as dividends payable to shareholders of the Target Company, unless with prior written consent of all the shareholders to the otherwise.

THE PROMISSORY NOTE

Pursuant to the Second Agreement, the Company will issue to the Vendor (or its nominee) 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 (or its nominee)
- Principal amount:** HK\$100,000,000
- 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, dividend 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 is principally engaged in the business of investment holding, and 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 is principally engaged in the business of investment holding, and owns the entire issued share capital of the Project Company A.

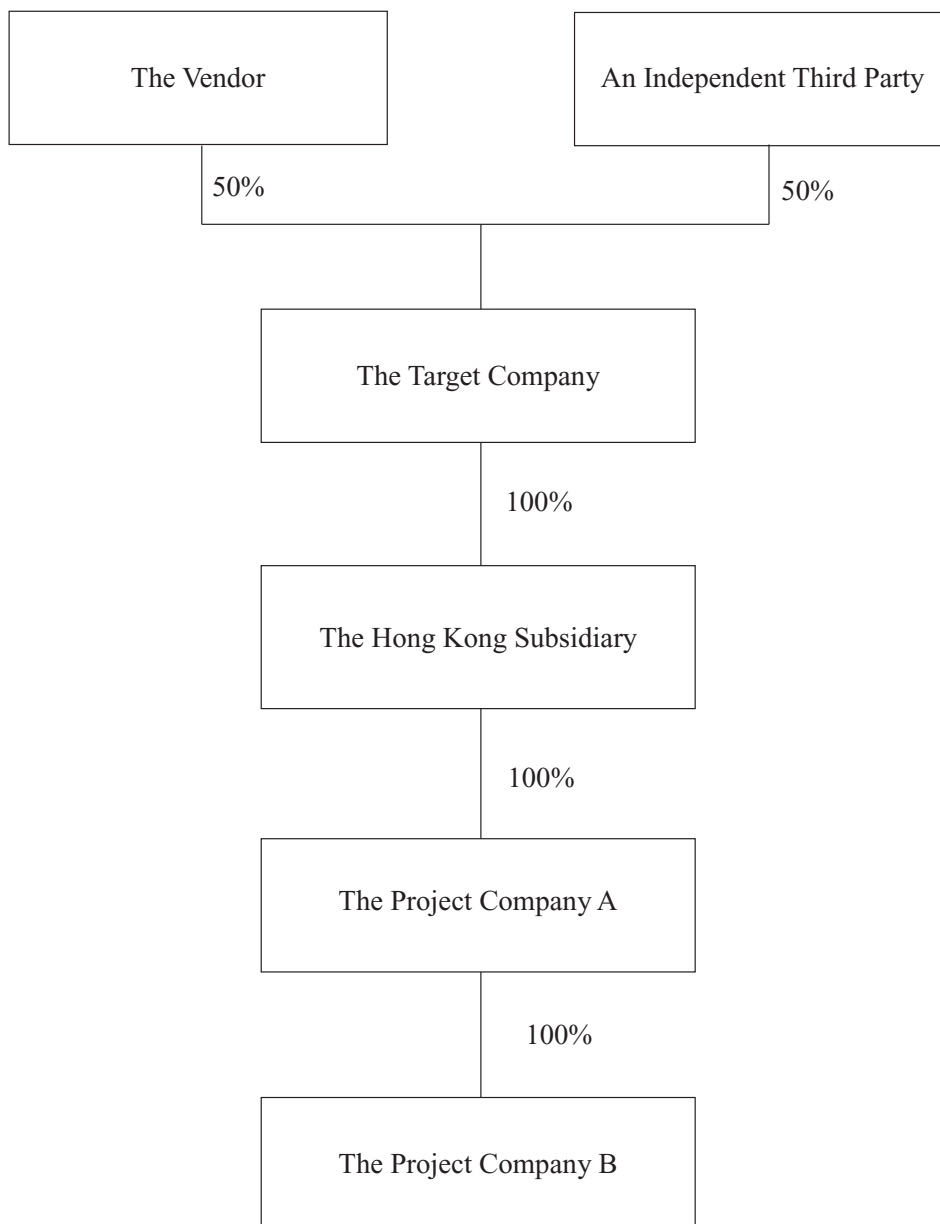
(iii) The Project Company A and the Project Company B

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 an investment holding 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.

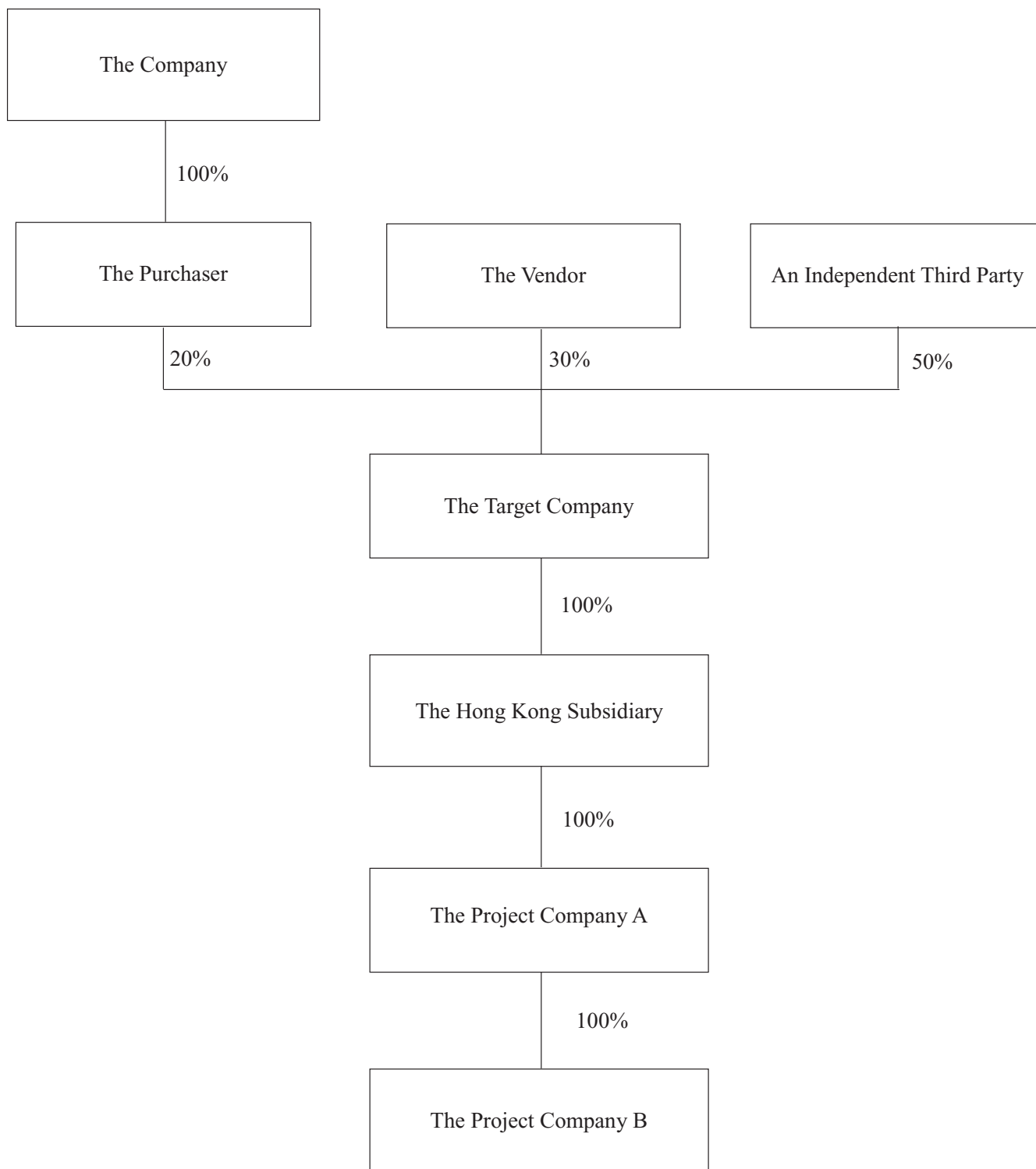
Group structure

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:



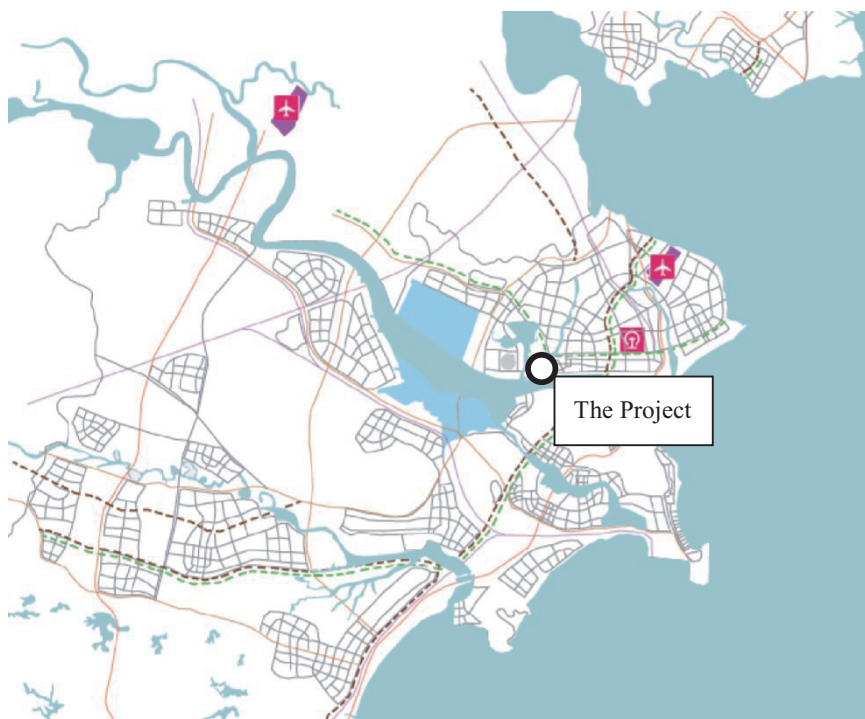
After the Completion, the Company will, through the Purchaser, own 20% of the entire issued share capital of the Target Company. The Company's 20% interest in the Target Company and its subsidiaries will then be accounted for as an associate in the financial statements of the Group. Financial results of the Target Group will not 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 Fujian 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 (collectively, the “**Facilities**”).

- 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 for the Facilities in 2.5 years, which costs over RMB439,000,000. The Project targets to fully operate in late 2018 or early 2019. The construction for the Facilities 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 for the Facilities, and to repay the loan facility by future income from the Project.

The Facilities has been designed by Guangdong New Chang An Construction Design Limited* (廣東新長安建築設計院有限公司) (the “**Designer**”), and is proposed be constructed by Guangdong Province Dong Chu Construction Limited* (廣東省東楚建設有限公司, the “**Contractor**”). The Designer has over 20 years’ experience in construction design and urban planning. The Contractor has over 10 years’ experience in the construction, and is qualified as a general contractor of housing construction project (房屋建築工程施工總承包), a general contractor of public utility (市政公用工程施工總承包) and a professional contractor of building decoration project (建築裝修裝飾工程專業承包). The Contractor will be responsible for construction works, installment works, outdoor ancillary facilities works, outdoor plantation works, electricity system, port construction, sea bed clearance, indoor decoration, building surface clearance, etc. The Contractor will charge around RMB432 million.

(iii) Management

The Project Company A has engaged Lask Vigers Asset Management Limited (the “**Property Manager**”), a professional property and facility manager, for the daily management of the Project. The Property Manager has over 10 years’ experience in the property and facility management in the PRC. The Property Manager will be responsible for maintenance, repair and management of the building, hygiene and clearance of the public area, safeguard of the Project, collection of rent and management fee, etc. The term of the engagement is 10 years, from 1 August 2018 to 1 August 2028. The Property Manager will charge around RMB8 million per year.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of the Designer, the Contractor and the Property Manager and their respective ultimate beneficial owners are Independent Third Parties.

In addition to the Property Manager, the Project Company A has already formed a management team for its operation. The management team includes:

Mr. Hu Jia Bao, aged 52, is the chairman of the Project Company A. Mr. Hu is the honorary chairman of Shantou Federation of Returned Overseas Chinese* (汕頭市歸國華僑聯合會). Mr. Hu is experienced in the investment area and has an extensive network in Shantou City.

Mr. Du Jian Ping, aged 60, is the deputy general manager of the Project Company A. Mr. Du is a member of Humanity Resource Research Facility of Chinese Academy of Management Science *(中國管理科學研究院人文資源研究院), a member of Guangdong Province Tourism Culture Promotion Committee* (廣東省旅遊文化傳播委員會), and a consultant of Shantou City Tourism Council* (汕頭市旅遊協會). Mr. Du has over 40 years' experience in the landmark and tourism management.

(iv) 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 (the “**Authorizer**”), a government department which is responsible for the city development of Shantou City. Details of the Build-Operate-Transfer Agreements are summarized as follows:

Granting Special Permission of the Project

- The Authorizer, in accordance with the Build-Operate-Transfer Agreements, grants the Project Company A the special permission to exclusively invest, build, operate and maintain the Project. The Authorizer cannot grant the special permission of the Project to a third party, whether wholly or partly.
- Signing and effecting the Build-Operate-Transfer Agreements between the parties should be regarded as the Authorizer having granted the special permission of the Project to the Project Company A.
- The Project Company A is granted the special permission of the Project.

Special Operation Period

- The special operation period of the Project granted by the government is 42.25 years, from the end of the construction period of 2.5 years to the end of the operation period when the Project Company A returns the special permission to the Authorizer.
- During the construction period and the special operation period, the Project Company A should be responsible for operation fees, and the investment, construction, operation, maintenance and transferring of the Project, in accordance relevant PRC laws, regulations, rules and standards and the terms of the Build-Operate-Transfer Agreements.

The Ownership Rights of the Project's Facilities

- During the special operation period, all ownership rights of the Project's facilities should belong to the Project Company A.
- The Project Company A should not pledge the Project's assets, facilities and equipment, either for refinancing the Project or any other purposes.
- During the construction period and the operation period, the Authorizer should provide the land, whose purpose is for the Project, to the Project Company A for its use. All other rights of the land, other than for the usage, should always belong to the Authorizer. The Project Company A should not pledge the land for mortgages.

Special Permission of the Project

- During the operation period, the Project Company A should not in any ways transfer the special permission of the Project, or lease, pledge or charge the special permission or related benefits to any other third party.
- After the Project completes construction and begins commercial operation, and in the case the Project is normally operating, the Project Company A can transfer part or whole of its shares or change its shareholding, provided a confirmation from the Authorizer is granted.

Operation Model of the Project

- The Project is operated by a build-operate-transfer model, being that the Project Company is responsible for financing, construction, operation, management, maintenance and debt repayment of the Project.
- By the end of the operation period, the Project Company A should, in accordance with the Build-Operate-Transfer Agreements and free of charge, return a complete and normally-operating Project to a nominee of the Shantou Government.

Investment of the Project

- Total construction investment from the Project Company A should not be less than RMB 439 million. The actual investment cost should be audited and confirmed by Shantou City Finance Department (汕頭市財政局). In the case that the actual investment cost from the Project Company A is less than RMB439 million, the Authorizer has the right to deduct the period of the special permission.

Operation of the Project

- The Project Company A confirms that the general operation mode of the Project should be yacht club, retail store, restaurants, entertainment, in addition of public walking ways, near-water platforms, square, parking slots, etc. The Project Company A should operate the Project strictly under the operation mode, and grant the Authorizer's agreement before modifying the operation mode.

Rights of the Authorizer

- The Authorizer has the rights to review the design of the Project, to supervise or check the quality control, method, operation situation and safety of the Project, and to assist other departments to audit and control the costs.
- If the Project or its any part is found to damage the public safety, the Authorizer can restrict the operation of the Project or take any actions, until the Authorizer believes the Project can meet the standards of public safety.
- The Authorizer has the rights to check all buildings and facility usage of the Project at any time. If finding any damages, the Authorizer should notify the Project Company A to conduct maintenance works within a time limit. If the Project Company A's maintenance works is overtime or outside the design requirements, the Authorizer has the right to halt the operation, until the maintenance works are completed.
- Any of the following cases, if not caused by the breach of the Authorizer or force majeure, should be a breach of the Project Company A, and the Authorizer has the rights to issue a written notice, which is effective immediately, to the Project Company A to terminate the Build-Operate-Transfer Agreements and withdraw the special permission:
 - Without a prior written confirmation from the Authorizer or without any justifiable reason, the Project has halted its construction, operation or maintenance for over 15 days;
 - The Project Company A has applied for a bankruptcy;
 - Borrowers or loan providers have declared, in accordance with investment agreements, that the Project Company A has breached agreements and lost its ability to repay loans;
 - During the early period of the construction period, no building plan has been provided to the Authorizer in accordance with the requirements;
 - During the construction period, the construction has not followed the building plan reviewed by the Authorizer;
 - Upon completion of the construction, the total investment cost has not fulfilled the requirements;

- The Project’s building have not fulfilled the standards required by the city planning department, and have not been modified as required;
- The total investment has not been over RMB150 million during the first year of the construction period;
- The construction period has been longer than the requirement of the Authorizer;
- The Project Company A has failed to pay tax in time.

Obligation of the Authorizer

- During the construction period and the operation period, the Authorizer should assist the Project Company to grant all related permission from the government.
- During the construction period and the operation period, the Authorizer should provide the land, whose purpose is for the Project, to the Project Company A for its usage.

Rights of the Project Company A

- The Project Company A has the right to construct, operate and maintain the Project.

Obligation of the Project Company A

- During the operation period, the Project Company A should normally operate the Project, save for force majeure.
- The Project Company A should be responsible for the financing, construction, operation, management and maintenance of all buildings, green lands, water systems and facilities of the Project. By the end of the operation period, the Project Company A should, free of charge, transfer all buildings, green lands, water systems and facilities of the Project to the Authorizer.
- The Project Company A should apply for and be granted all permission as required by the nation, the province and the city.
- During the operation period, the Project Company A should guarantee that the area of the public facility be not less than the approved plan. Public facilities and public area should be open to public as required.
- The Project Company A should guarantee that number of the public parking slots for yacht club should not be less than 2.
- During the operation period, all area, save for the yacht club and certain exhibition halls of the museum, should be freely open to the public.
- The Project Company A should pay tax during operation.

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	For the year ended 31 December 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</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 ENTERING INTO THE SECOND AGREEMENT

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 abovementioned, the Purchaser entered into the First Agreement with the Vendor. Notwithstanding, the Company further considered that a scale down of investment can retain certain investment potential of the Project for Company, but at the same time, significantly reduce the risk exposure. Therefore, the Purchaser entered into the Termination Deed and the Second Agreement to scale down its investment in the Project. As at the date of this announcement and save for the 20% interests to be acquired under the Second Agreement, the Company has no intention to increase its investment in the Project.

As at the date of this announcement, the Company has not intended to, or entered, or proposed to enter, into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, and negotiation (whether concluded or not) with an intention to dispose of/downsize the existing businesses of the Group.

In light of the above, the Board is of the view that entering into the Termination Deed and the Second Agreement are 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 Second 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 Second 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 27 January 2017.

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:

“Acquisition”	the acquisition of the Sale Shares 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 Second Agreement
“Consideration”	HK\$100,000,000, being the total consideration for the Sale Shares
“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 and any adjourned meeting(s) thereof
“First Agreement”	the conditional sale and purchase agreement dated 17 October 2016 entered into between the Purchaser and the Vendor in respect of 50% of the entire issued share capital of the Target Company and terminated by the Termination Deed
“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\$100,000,000
“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 Shares”	2 ordinary shares of US\$1 each in the capital of the Target Company, representing 20% of entire issued capital of the Target Company
“Second Agreement”	the conditional sale and purchase agreement dated 30 December 2016 entered into between the Purchaser and the Vendor in respect of the Acquisition
“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 including the HK Subsidiary, Project Company A and Project Company B
“Termination Deed”	the deed dated 30 December 2016 and entered into by the Purchaser and the Vendor to terminate the First Agreement

“US\$” United States dollar

“Vendor” Sminent International Limited

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

Hong Kong, 30 December 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

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>.