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**BLUE CANARY
CONSULTING GROUP LIMITED**

(Incorporated in Samoa with limited liability)



大唐投資國際有限公司*
GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

JOINT ANNOUNCEMENT

(1) SALE AND PURCHASE OF SHARES OF

GRAND INVESTMENT INTERNATIONAL LTD.;

(2) MANDATORY UNCONDITIONAL CASH OFFER JOINTLY BY

CONVOY INVESTMENT SERVICES LIMITED AND

LEGO SECURITIES LIMITED FOR AND

ON BEHALF OF BLUE CANARY CONSULTING GROUP LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF GRAND INVESTMENT INTERNATIONAL LTD.

(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY BLUE CANARY CONSULTING GROUP LIMITED,

RENOWN FUTURE LIMITED AND

TREASURE ISLE GLOBAL LIMITED);

AND

(3) RESUMPTION OF TRADING

**Financial adviser to the Offeror,
Renown Future Limited and Treasure Isle Global Limited**



THE SALE AND PURCHASE AGREEMENT

The Company has been informed that on 27 March 2017 (before trading hours), the Vendors and the Purchasers entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and the Purchasers agreed to purchase the Sale Shares, being 117,540,000 Shares in aggregate, representing approximately 68.02% of the entire issued share capital of the Company as at the date of this joint announcement, for a consideration of HK\$213,922,800 in total, equivalent to HK\$1.820 per Sale Share, of which the Offeror agreed to acquire 3,456,042 Sale Shares, representing approximately 2.00% of the entire issued share capital of the Company as at the date of this joint announcement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchasers and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. Completion took place on 27 March 2017, being the same day of the signing of the Sale and Purchase Agreement.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to Completion, the Concert Group did not hold, own, control or have direction over any Shares, options, derivatives, warrants, convertible securities or voting rights of the Company or any other relevant securities. Immediately upon Completion and as at the date of this joint announcement, the Concert Group are interested in 117,540,000 Shares in aggregate, representing approximately 68.02% of the entire issued share capital of the Company, of which the Offeror owned 3,456,042 Sale Shares, representing approximately 2.00% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Purchasers are required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror, Renown Future and Treasure Isle Global).

As at the date of this joint announcement, the Company has 172,800,000 Shares in issue. The Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares, as at the date of this joint announcement.

Convoy Investment and Lego Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will jointly make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer ShareHK\$1.820 in cash

The Offer Price of HK\$1.820 per Offer Share is same as the purchase price per Sale Share under the Sale and Purchase Agreement which was arrived at after arm's length negotiations between the Purchasers and the Vendors. The Offer will be unconditional in all respects.

It is the Concert Group's intention to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

The Purchasers have paid the consideration under the Sale and Purchase Agreement from their own resources. The Offeror intends to finance and satisfy the consideration payable by the Offeror under the Offer by an unsecured loan facility granted by Convoy Investment to the Offeror pursuant to a facility agreement.

Lego Corporate Finance, the financial adviser to the Offeror, Renown Future and Treasure Isle Global in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lu Fan, Dr. Chow Yunxia, Carol and Mr. Lam Chi Wai, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined in a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among other things, (i) details of the Offer (including the expected timetable and terms and conditions of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the relevant Form of Acceptance, will be despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code, within 21 days after the date of this joint announcement or such later date as may be permitted by the Takeovers Code and agreed by the Executive and in compliance with the requirements of the Takeovers Code and other applicable regulations.

Shareholders are encouraged to read the Composite Document carefully, including but not limited to the letter of recommendation of the Independent Board Committee and the letter of advice of the independent financial adviser, as to whether the terms of the Offer are fair and reasonable so far as the Shareholders are concerned and its acceptance before deciding whether or not to accept the Offer.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 27 March 2017 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 31 March 2017.

WARNING

Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

Reference is made to the Company's announcement dated 28 February 2017 in relation to, among other things, the entering into of the MOU between the Offeror as potential purchaser and the First Vendor, the Second Vendor and the Third Vendor as potential vendors, in connection with a possible acquisition of all the Shares held by the Vendors.

The Company has been informed that on 27 March 2017 (before trading hours), the Vendors and the Purchasers entered into the Sale and Purchase Agreement, details of which are set out below:

SALE AND PURCHASE AGREEMENT

Date 27 March 2017

Parties (i) the First Vendor, the Second Vendor and the Third Vendor (as vendors); and
(ii) the Offeror, Renown Future and Treasure Isle Global (as purchasers).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchasers and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Vendors agreed to sell and the Purchasers agreed to purchase the Sale Shares, being 117,540,000 Shares in aggregate, representing approximately 68.02% of the entire issued share capital of the Company as at the date of this joint announcement, for a consideration of HK\$213,922,800 in total, equivalent to HK\$1.820 per Sale Share, of which the Offeror agreed to acquire 3,456,042 Sale Shares, representing approximately 2.00% of the entire issued share capital of the Company as at the date of this joint announcement. The Sale Shares were sold free from all encumbrances, option, right to acquire, right of pre-emption, mortgage, charge, pledge, lien, hypothecation, title retention, right of set off, claim, counterclaim, trust arrangement or other security, any equity or restriction or other adverse rights and interests of all kinds and descriptions and together with all rights attaching to the Sale Shares as at Completion, including the right to all dividends and distributions which may be declared, paid or made at any time on or after the Completion Date.

The Sale Shares represent the entire holding of Shares by the Vendors immediately prior to the entering into of the Sale and Purchase Agreement.

Consideration for the Sale Shares

The consideration for the Sale Shares is HK\$213,922,800 in total, equivalent to HK\$1.820 per Sale Share, which was agreed between the Purchasers and the Vendors after arm's length negotiations. A deposit of HK\$22,000,000 was paid by the Offeror in cash upon entering into of the MOU. The remaining balance of the consideration, being HK\$191,922,800 was paid by the Purchasers in cash on the Completion Date.

Completion

Completion took place on 27 March 2017, being the same day of the signing of the Sale and Purchase Agreement. Immediately following Completion and as at the date of this joint announcement, the Vendors ceased to be holders of any Shares.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to Completion, the Concert Group did not hold, own, control or have direction over any Shares, options, derivatives, warrants, convertible securities or voting rights of the Company or any other relevant securities.

Immediately after Completion and as at the date of this joint announcement, the Concert Group are interested in 117,540,000 Shares in aggregate, representing approximately 68.02% of the entire issued share capital of the Company, of which the Offeror owned 3,456,042 Sale Shares, representing approximately 2.00% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Purchasers are required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror, Renown Future and Treasure Isle Global).

Convoy Investment and Lego Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will jointly make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer ShareHK\$1.820 in cash

The Offer will be unconditional in all respects.

Comparisons of value

The Offer Price of HK\$1.820 per Offer Share is the same as the purchase price per Sale Share under the Sale and Purchase Agreement which was arrived at after arm's length negotiations between the Purchasers and the Vendors and represents:

- (i) a premium of approximately 102.2% over the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on 27 February 2017 (being the last trading day prior to commencement of the Offer Period);
- (ii) a premium of approximately 5.8% over the closing price of HK\$1.72 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 5.8% over the average closing price of approximately HK\$1.72 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately up to and including the Last Trading Day;
- (iv) a premium of approximately 5.8% over the average closing price of approximately HK\$1.72 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately up to and including the Last Trading Day;
- (v) a premium of approximately 30.6% over the average closing price of approximately HK\$1.394 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately up to and including the Last Trading Day; and
- (vi) a premium of approximately 911.1% over the net asset value per Share of approximately HK\$0.180, calculated based on the unaudited consolidated net asset value of the Company as at 28 February 2017, divided by the total number of issued Shares as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period prior to the commencement of the Offer Period on 28 February 2017 and up to and including the Last Trading Day, the highest closing price of the Shares was HK\$1.00 per Share as quoted on the Stock Exchange from 19 January 2017 to 9 February 2017 and the lowest closing price of the Shares was HK\$0.720 per Share as quoted on the Stock Exchange on 1 September 2016.

Value of the Offer

As at the date of this joint announcement, the Company has 172,800,000 Shares in issue. The Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares, as at the date of this joint announcement.

As at the date of this joint announcement, excluding the 117,540,000 Shares held by the Concert Group, the number of Shares subject to the Offer is 55,260,000. Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$1.820 per Offer Share for 55,260,000 Offer Shares, the Offer would be valued at approximately HK\$100,573,200.

Confirmation of financial resources

The Purchasers have paid the consideration under the Sale and Purchase Agreement from their own resources. The Offeror intends to finance and satisfy the consideration payable by the Offeror under the Offer by an unsecured loan facility granted by Convoy Investment to the Offeror pursuant to a facility agreement.

Lego Corporate Finance, the financial adviser to the Offeror, Renown Future and Treasure Isle Global in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

Dealing and interest in the Company's securities

Save for the acquisition of the Sale Shares, the Concert Group has not dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to 28 February 2017 (being the date of commencement of the Offer Period) and up to the date of this joint announcement.

Other arrangements

The Offeror confirms that as at the date of this joint announcement:

- (i) save for the Sale Shares, none of the Concert Group owned, controlled or had direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company;
- (ii) neither the Concert Group has received any irrevocable commitment to accept or reject the Offer;
- (iii) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Concert Group;
- (iv) save and except for the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (v) there is no agreement or arrangement to which the Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Concert Group has borrowed or lent;

- (vii) there is no agreement, arrangement or understanding (including any compensation arrangement) existing between any member of the Concert Group on the one hand and any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company (including the Vendors and parties acting in concert with any of them) having any connection with or dependence upon the Offer; and
- (viii) save for the consideration for the Sale Shares paid to the Vendors pursuant to the Sale and Purchase Agreement upon Completion, each of the Purchasers, their respective nominees or representatives has not or will not pay any other consideration in whatever form to the Vendors, their nominees or representatives, their ultimate beneficial owners and/or parties acting in concert with any of them in connection with the Sale and Purchase Agreement or otherwise.

The Purchasers confirmed that, save as disclosed in this joint announcement, there is no other arrangement among any member of the Purchasers in connection with the sale and purchase of the Sale Shares and/or the Offer.

Effect of accepting the Offer

By validly accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all liens, charges and encumbrance and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Lego Corporate Finance, Lego Securities, Convoy Investment and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the sole responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such overseas jurisdictions).

If the receipt of the Composite Document by Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the date of this joint announcement:

	Immediately prior to Completion		Immediately upon Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
First Vendor	67,380,000	38.99	–	–
Second Vendor	35,180,000	20.36	–	–
Third Vendor	14,980,000	8.67	–	–
Sub-total of the Vendors	117,540,000	68.02	–	–
Offeror	–	–	3,456,042	2.00
Renown Future	–	–	88,129,080	51.00
Treasure Isle Global	–	–	25,954,878	15.02
Sub-total of the Concert Group	–	–	117,540,000	68.02
Public Shareholders	55,260,000	31.98	55,260,000	31.98
Total	172,800,000	100.00	172,800,000	100.00

INFORMATION ON THE PURCHASERS

The Offeror is a company incorporated in Samoa with limited liability and is principally engaged in investment holding. As at the date of this joint announcement, save for entering into the MOU, the Sale and Purchase Agreement and entering into the facility agreement with Convoy Investment in relation to the Offer, the Offeror did not engage in any other business activities.

As at the date of this joint announcement, the Offeror is wholly owned by Dr. Chan who is also the sole director of the Offeror. Dr. Chan obtained his doctorate degree in Business Administration from Warnborough College, Ireland in 2016 and received his Postgraduate Diploma in Legal Practice from the University of Oxford, England in 2011. He was graduated from the University of London with a bachelor degree of Laws in 2007 and from The Hong Kong Polytechnic University with a bachelor degree of Arts with a major in Business Studies in 2006. Dr. Chan is currently a practicing chartered legal executive lawyer in England. Dr. Chan was a licensed person for types 1, 2, 4 and 9 regulated activities under the SFO and currently is the director and the substantial shareholder of a corporation licensed by the SFC to carry out in type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Dr. Chan has extensive experience in corporate finance and the legal and financial services fields both in PRC and Hong Kong and was involved in several merger and acquisition transactions and initial public offerings.

Renown Future is a company incorporated in British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this joint announcement, save for entering into the Sale and Purchase Agreement, Renown Future did not engage in any other business activities. As at the date of this joint announcement, the entire issued capital of Renown Future is beneficially owned as to 20% by Mr. Wang, 20% by Mr. Liu, 20% by Mr. Yan, 20% by Mr. Ji and 20% by Mr. He who is also the sole director of Renown Future.

Mr. Wang has extensive experience in real estate and commercial trade in the PRC. He has served as a general manager for a real estate enterprises in the PRC for over 10 years. Currently, Mr. Wang is a senior business manager of a private commercial trade company in the PRC to provide advice and support in business development and project investment in the PRC.

Mr. Liu has extensive experience in corporate management in international trading and logistics fields. Currently, Mr. Liu is a managing director of a private company engaged in providing international trading and logistics services in the PRC.

Mr. Yan obtained his bachelor degree from Renmin University of China (中國人民大學) and has extensive experience in general corporate management. Over the past 6 years, Mr. Yan has served as a senior manager for several enterprises in the PRC. Currently, Mr. Yan is a managing director of a private company engaged in food and beverage management business mainly in the PRC.

Mr. Ji has extensive experience in corporate banking and credit risk management. From 2002 to 2015, Mr. Ji has served as a sub-branch manager for the department of the credit marketing and risk management of Shanghai Pudong Development Bank (上海浦東發展銀行) in the PRC. Since 2015, Mr. Ji has been employed by a private investment company in the PRC as a managing director to provide advice and support to investors entering and expanding into the PRC market.

Mr. He has extensive experience in marketing, public relations and the news and media industry. Mr. He has gained his honor as a national level photographer and director (國家一級攝影師兼導演) in the PRC and served for a prominent television station in the PRC for over 29 years. Since 2005, Mr. He is a founder and a chairman of a private media company in the PRC.

Treasure Isle Global is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this joint announcement, save for entering into the Sale and Purchase Agreement, Treasure Isle Global did not engage in any other business activities. As at the date of this joint announcement, the entire issued capital of Treasure Isle Global is beneficially owned as to 50% by Mr. Zhang and 50% by Mr. Li who is also the sole director of Treasure Isle Global.

Mr. Zhang has extensive experience in the investment fund management in the PRC. Mr. Zhang has worked for a fund investment management company in the PRC as a general manager for over 10 years to help the said company develop and grow its project investments in both the PRC and Hong Kong.

Mr. Li obtained his bachelor degree in financial engineering from the University of Science and Technology Beijing (北京科技大學) in the PRC. Mr. He has extensive experience in financial services industry in the PRC. Mr. Li has worked for Cinda Securities Company Limited (信達證券股份有限公司) for over 4 years. Since 2015, Mr. Li has been a founder of private enterprises in the PRC engaged in cross-border investment and financial management projects, primarily in Hong Kong and the PRC and other emerging markets.

FUTURE INTENTIONS OF THE CONCERT GROUP REGARDING THE COMPANY

Following the close of the Offer, it is the intention of the Concert Group that the Company will continue to focus on the development of its existing business, namely, investing in listed and unlisted enterprises established in Hong Kong, the PRC and the United States of America and does not intend to introduce any major changes to the existing investment of the Company immediately after the Completion and the Offer. The Concert Group will regularly review the investments and financial position of the Company for the purpose of formulating investment plans and strategies for the future investment of the Company. The Concert Group has no intention to discontinue the employment of the employees, including the existing investment manager of the Company (save for a change in the composition of the Board as detailed below and a change in the company secretary) or to dispose of or re-deploy the assets of the Company other than those in its ordinary course of business. For the avoidance of doubt, the connected transactions between the Company and the associates of the Vendors as disclosed in the annual report of the Company for the year ended 31 March 2016 will not be discontinued as a result of the change in control or the Offer.

Public float and maintaining the listing status of the Company

The Concert Group intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The Directors who will be nominated by the Concert Group and appointed as Directors and the Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that not less than 25% of the Shares will be held by the public.

For the avoidance of doubt, the Offer Shares to be tendered by the Independent Shareholders upon valid acceptance of the Offer will be retained by the Offeror. In case there is less than 25% of the Shares held by the public following the close of the Offer, the Offeror will place down the Shares held by it in order that there will be 25% of the issued Shares held by the public.

The Stock Exchange has stated that, if, at the close of the Offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

Proposed change of Board composition

The Board is currently made up of six Directors, comprising three executive Directors (being Ms. Lee Wai Tsang Rosa, Dr. Huang Zhijian and Mr. Lee Wai Wang, Robert) and three independent non-executive Directors (being Mr. Lu Fan, Dr. Chow Yunxia, Carol and Mr. Lam Chi Wai).

It is intended that all of the existing Directors, except Ms. Lee Wai Tsang Rosa, will resign from the Board at the earliest time permitted under the Takeovers Code.

The Concert Group intends to nominate new Directors to the Board with effect from the date immediately after the date on which the Composite Document is posted or such other date as permitted under the Takeovers Code. Details of the new Directors will be disclosed in the Composite Document.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

INFORMATION ON THE COMPANY

The Company is incorporated in Bermuda and is an investment holding company. The Company principally engages in investing in listed and unlisted enterprises established in Hong Kong, the PRC and the United States of America. The Company was listed on the Stock Exchange on 2 April 2004 pursuant to Chapter 21 of the Listing Rules.

The following table is a summary of certain financial information of the Company for the two financial years ended 31 March 2016 and the six months ended 30 September 2016 as extracted from the Company's annual report for the year ended 31 March 2016 and the interim report for the six months ended 30 September 2016 respectively:

	Year ended 31 March		For the six months ended 30 September
	2015	2016	2016
	(audited)	(audited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gain/(loss) on investments	117	(1,349)	332
Profit/(loss) before tax	1,131	(11,922)	(3,240)
Profit/(loss) after tax	1,131	(11,922)	(3,240)

	As at 31 March		As at 30 September
	2015	2016	2016
	(audited)	(audited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net assets	48,087	36,165	32,925

GENERAL

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lu Fan, Dr. Chow Yunxia, Carol and Mr. Lam Chi Wai, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

Composite Document

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined in a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among other things, (i) details of the Offer (including the expected timetable and terms and conditions of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the relevant Form of Acceptance, will be despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code, within 21 days after the date of this joint announcement or such later date as may be permitted by the Takeovers Code and agreed by the Executive and in compliance with the requirements of the Takeovers Code and other applicable regulations. Further announcement will be made when the Composite Document together with the Form of Acceptance are despatched.

Shareholders are encouraged to read the Composite Document carefully, including but not limited to the letter of recommendation of the Independent Board Committee and the letter of advice of the independent financial adviser, as to whether the terms of the Offer are fair and reasonable so far as the Shareholders are concerned and its acceptance before deciding whether or not to accept the Offer.

Disclosure of dealings

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code. The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 27 March 2017 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 31 March 2017.

WARNING

Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“acting in concert”	has the same meaning as ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning as ascribed to it under the Takeovers Code
“Billion Sky”	Billion Sky Limited, the entire issued capital of which is beneficially owned as to 59.55% by Win Key
“Board”	the board of Directors
“Company”	Grand Investment International Ltd., a company incorporated in the Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1160)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which Completion took place, being 27 March 2017
“Composite Document”	the composite offer and response document to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code, containing, among other things, details of the Offer, the acceptance and transfer forms, the recommendation of the Independent Board Committee and the advice of the independent financial adviser

“Concert Group”	the Offeror, Renown Future, Treasure Isle Global and parties acting in concert with any of them
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules and the term “connected” shall be construed accordingly
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Convoy Investment”	Convoy Investment Services Limited, a licensed corporation to carry out in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO
“Director(s)”	director(s) of the Company
“Dr. Chan”	Dr. Chan Man Fung (陳文鋒)
“Executive”	has the same meaning as ascribed to it under the Takeovers Code
“First Vendor”	Mr. Lee Tak Lun, a controlling shareholder of the Company and one of the Vendors. He is the father of Ms. Lee Wai Tsang, Rosa and Mr. Lee Wai Wang, Robert, both being executive Directors
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer
“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

“Independent Board Committee”	the independent board committee of the Board, comprising all of the independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Offer
“Independent Shareholders”	Shareholders other than the Concert Group
“Jumbo China”	Jumbo China Holdings Limited, the entire issued capital of which is beneficially owned as to 79.31% by Billion Sky
“Last Trading Day”	24 March 2017, being the last full trading day immediately prior to suspension of trading in the Shares pending the release of this joint announcement
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the financial adviser to the Offeror, Renown Future and Treasure Isle Global
“Lego Securities”	Lego Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 27 February 2017 and entered into between the Vendors and the Offeror in respect of the possible acquisition of all the Shares held by the Vendors
“Mr. He”	Mr. He Luling (賀魯玲)
“Mr. Ji”	Mr. Ji Qiang (季強)

“Mr. Li”	Mr. Li Bohan (李博翰)
“Mr. Liu”	Mr. Liu Wei (劉瑋)
“Mr. Wang”	Mr. Wang He (王賀)
“Mr. Yan”	Mr. Yan Xu (嚴旭)
“Mr. Zhang”	Mr. Zhang Jianming (張劍鳴)
“Offer”	the mandatory unconditional cash offer to be jointly made by Convoy Investment and Lego Securities for and on behalf of the Offeror for the Offer Shares in accordance with the Takeovers Code
“Offer Period”	the period commenced since 28 February 2017, being the date of first issuance of an announcement by the Company in relation to the Offer under Rule 3.7 of the Takeovers Code and ending on the date of the close of the Offer in accordance with the Takeovers Code
“Offer Price”	the price at which for each of the Offer Share will be made, being HK\$1.820 per Offer Share
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror, Renown Future and Treasure Isle Global
“Offeror”	Blue Canary Consulting Group Limited, a company incorporated in Samoa with limited liability and is wholly-owned by Dr. Chan
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China

“Purchasers”	the Offeror, Renown Future and Treasure Isle Global
“Renown Future”	Renown Future Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued capital of which is beneficially owned as to 20% by Mr. Wang, 20% by Mr. Liu, 20% by Mr. Yan, 20% by Mr. Ji and 20% by Mr. He
“Sale Shares”	an aggregate of 117,540,000 Shares acquired by the Purchasers pursuant to the Sale and Purchase Agreement, which represents approximately 68.02% of the total issued share capital of the Company as at the date of this joint announcement
“Second Vendor”	Grand Finance Group Company Limited, a company incorporated in Hong Kong, the entire issued capital of which is beneficially owned as to 58% by Jumbo China, 28% by Bright Pearl Limited and 14% by Win Key
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 27 March 2017 entered into between the Vendors and the Purchasers in relation to the sale and purchase of the Sale Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Third Vendor”	Optimize Capital Investments Limited, a company incorporated in the British Virgin Islands and is wholly-owned by the First Vendor
“Treasure Isle Global”	Treasure Isle Global Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued capital of which is beneficially owned as to 50% by Mr. Li and 50% by Mr. Zhang
“Vendors”	the First Vendor, the Second Vendor and the Third Vendor
“Win Key”	Win Key Investments Limited, which is wholly-owned by the First Vendor
“%”	per cent

By order of the sole director of
Blue Canary Consulting Group Limited
Chan Man Fung
Director

By order of the Board
Grand Investment International Ltd.
Lee Wai Tsang, Rosa
Chairman and Executive Director

Hong Kong, 31 March 2017

As at the date of this joint announcement, the Board comprises six directors of the Company: Ms. Lee Wai Tsang Rosa, Dr. Huang Zhijian and Mr. Lee Wai Wang, Robert as executive Directors; and Mr. Lu Fan, Dr. Chow Yunxia, Carol and Mr. Lam Chi Wai as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Concert Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Concert Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Dr. Chan Man Fung. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company and the Vendors) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Company and the Vendors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

* For identification purposes only