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大唐投資國際有限公司*

GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

**VERY SUBSTANTIAL DISPOSAL
REGARDING
THE DISPOSAL OF THE EQUITY INTEREST IN
TIANJIN YISHANG FRIENDSHIP HOLDINGS COMPANY LTD.
AND
RESUMPTION OF TRADING**

DISPOSAL OF SALE INTEREST IN TIANJIN YISHANG

On 1 December 2017 (after trading hours), the Company and the Purchaser entered into the TJYS Share Transfer Agreement pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase all the Sale Interest (being all the 8,711,964 shares, representing approximately 3.955% of the entire equity interest, in Tianjin Yishang held by the Company) at a cash consideration of HK\$15,000,000 (equivalent to approximately RMB12,750,000) subject to and upon the principal terms and conditions contained in the TJYS Share Transfer Agreement as disclosed in this announcement.

As one or more of the applicable percentage ratios in respect of the TJYS Disposal as calculated under Rule 14.07 of the Listing Rules exceed(s) 75%, the TJYS Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

A circular containing, among other things, further details of the TJYS Disposal and a notice convening the Special General Meeting to approve the TJYS Disposal is expected to be despatched to the Shareholders on or before 30 January 2018 in accordance with the requirements of the Listing Rules.

Completion of the TJYS Disposal contemplated under the TJYS Share Transfer Agreement is subject to fulfilment of the Conditions disclosed in this announcement and may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Monday, 4 December 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Tuesday, 5 December 2017.

INTRODUCTION

On 1 December 2017 (after trading hours), the Company entered into the TJYS Share Transfer Agreement with the Purchaser pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase all the Sale Interest at the consideration and subject to and upon the principal terms and conditions as summarised below.

THE TJYS SHARE TRANSFER AGREEMENT

Date:

1 December 2017

Parties:

Vendor : Company

Purchaser : Trade Power Group Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an investment holding company and its sole ultimate beneficial owner (namely Mr. Fan Shi Hoo) are Independent Third Parties.

The Purchaser was introduced to the Company by business acquaintances. To the best of the Directors' knowledge, Mr. Fan is a businessman of strong financial means with wide social circle and has engaged or has investment in the textile and other businesses.

Assets to be disposed of under the TJYS Share Transfer Agreement

The Sale Interest (being all the 8,711,964 shares, representing approximately 3.955% of the entire equity interest, in Tianjin Yishang held by the Company) is one of the available-for-sale investments of the Company within its existing investment portfolios.

Immediately following completion of the TJYS Disposal, the Company will have no equity interest in Tianjin Yishang.

Disposal Consideration

HK\$15,000,000 (equivalent to approximately RMB12,750,000).

The Disposal Consideration is payable in cash by the Purchaser to the Company as to (i) HK\$7,500,000 within five (5) working days from the date of approval of the TJYS Disposal contemplated under the TJYS Share Transfer Agreement having been obtained from the Shareholders by the Company and (ii) the remaining HK\$7,500,000 within five (5) working days from the date on which the last Condition precedent to the Disposal Completion as disclosed below having been satisfied.

The Consideration was determined based on normal commercial terms and after arm's length negotiations between the Company and the Purchaser with reference to such factors including primarily the fair market value of the Sale Interest as at 31 December 2016 of HK\$15,882,000 (equivalent to approximately RMB13,500,000), the historical business and financial performance of the TJYS Group and the lack of marketability of the minority stake in and control of a non-listed group of companies.

Conditions precedent to the Disposal Completion

The Disposal Completion is conditional upon satisfaction of the following Conditions:

- (i) all consents, permission, authorisations and approvals (including but not limited to those required from the relevant governmental and/or regulatory authorities, directors, shareholders and third parties (if applicable)) necessary for giving effect to the TJYS Disposal having been obtained;
- (ii) the due compliance by the Company of all applicable legal and regulatory requirements (including but not limited to the Listing Rules) necessary for completion of the TJYS Disposal; and
- (iii) the alteration of the articles of TJYS to reflect the change of the shareholder of the Sale Interest from the Company to the Purchaser having been effected by TJYS after satisfaction of the Conditions referred to in (i) and (ii) above.

None of the Conditions can be waived by any of the parties to the TJYS Share Transfer Agreement.

If the Conditions have not been fulfilled on or before the Longstop Date, the TJYS Share Transfer Agreement will have no further force and effect, and none of the parties to the TJYS Share Transfer Agreement will have any rights or obligations towards each other in connection with the TJYS Share Transfer Agreement except for any antecedent breach.

Disposal Completion

Subject to the Conditions precedent to the Disposal Completion having been satisfied on or before the Longstop Date, it is agreed by the parties to the TJYS Share Transfer Agreement that the Disposal Completion will become effective on the date on which the last Condition precedent to the Disposal Completion having been satisfied.

INFORMATION ON THE TJYS GROUP

Tianjin Yishang is a sino-foreign enterprise established in the Tianjin Province, the PRC on 6 January 2006. The existing total registered capital of Tianjin Yishang is RMB220,277,235 (comprising 220,277,235 shares). The principal business activities of the TJYS Group are the operation of department stores and home retail shops in the Tianjin Province (and nearby cities) of the PRC.

The investment by the Company in Tianjin Yishang is accounted for as available-for-sale investments in the financial statements of the Company.

Ms. Lee Wai Tsang, Rosa, one of the Directors, is appointed as a director of Tianjin Yishang to represent the interests of the Company in Tianjin Yishang and is connected with one of the existing minority shareholders of Tianjin Yishang (which holds approximately 3.955% equity interest in Tianjin Yishang).

FINANCIAL INFORMATION RELATING TO THE TJYS GROUP

The following is a summary of the consolidated results of the TJYS Group for the years ended 31 December 2015, 31 December 2016 and for the six months ended 30 June 2017 which were prepared under China Accounting Standards for Business Enterprises:

	Year ended 31 December 2015 RMB'000 (Audited)	Year ended 31 December 2016 RMB'000 (Audited)	Six months ended 30 June 2017 RMB'000 (Unaudited)
Turnover	3,228,487	2,937,449	2,133,574
Profit/(Loss) before taxation	360	34,589	15,337
Taxation	(184)	(8,606)	4,615
Profit/(Loss) after taxation	176	25,983	19,952

The net asset value of the TJYS Group as at 31 December 2016 was approximately RMB748,187,000 (equivalent to approximately HK\$880,220,000) and the attributable value of the Sale Interest was approximately RMB29,591,000 (equivalent to approximately HK\$34,813,000).

The unaudited net asset value of the TJYS Group as at 30 September 2017 was approximately RMB756,116,000 (equivalent to approximately HK\$889,548,000) and the attributable value of the Sale Interest was approximately RMB29,904,000 (equivalent to approximately HK\$35,182,000).

The unaudited net carrying amount of the Sale Interest as at 30 September 2017 was approximately HK\$9,435,000.

REASONS FOR AND BENEFITS OF THE TJYS DISPOSAL

The Company is an investment company under Chapter 21 of the Listing Rules. It is principally engaged in investing in listed and unlisted enterprises established in Hong Kong and the PRC with potential for earnings growth and capital appreciation.

The Directors consider that the department stores industry (in which the TJYS Group has been engaging) has continued its long-term decline over the past years due to, among other factors, the increasing rising competition from e-commerce which has imposed pressure on industry revenue. The deteriorating trend is expected to continue. From the Company's perspective, the above industry or business environment will diminish the growth or investment potential of its available-for-sale investment.

The Directors consider that the TJYS Disposal will allow the Company to realise its investment and increase the amount of cash flow for new investment opportunities with better returns if and when attractive opportunities arise.

Accordingly, the Directors consider that the terms (including the Disposal Consideration) of the TJYS Share Transfer Agreement are on normal commercial terms, fair and reasonable and the TJYS Disposal contemplated under the TJYS Share Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE TJYS DISPOSAL

Subject to and upon the Disposal Completion, the Company will cease to have any interest in the TJYS Group.

It is estimated that the Company will recognise an unaudited gain on the TJYS Disposal upon completion of the TJYS Share Transfer Agreement of approximately HK\$4,395,000 for the year ending 31 March 2018 (which was calculated with reference to the cost of the Sale Interest of approximately HK\$9,435,000 and after deducting the estimated transaction costs and the PRC Corporate Income Tax payable for the gain on the TJYS Disposal).

The actual gain (or loss) as a result of the TJYS Disposal to be recorded by the Company is subject to audit and will be assessed after the Disposal Completion.

INTENDED USE OF PROCEEDS FROM THE TJYS DISPOSAL

The Company, as an investment company under Chapter 21 of the Listing Rules, is invariably seeking suitable investment opportunities from time to time. The estimated net proceeds of HK\$13.8 million derived from the TJYS Disposal (which was calculated based on the difference between the Disposal Consideration and the estimated transaction costs and the PRC Corporate Income Tax payable for the gain on the TJYS Disposal) will mainly be used by the Company for other investment opportunities. As at the date of this announcement, there is no present investment target(s) identified by the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the TJYS Disposal as calculated under Rule 14.07 of the Listing Rules exceed(s) 75%, the TJYS Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

A circular containing, among other things, further details of the TJYS Disposal and a notice convening the Special General Meeting to approve the TJYS Share Transfer Agreement and the TJYS Disposal contemplated under it is expected to be despatched to the Shareholders on or before 30 January 2018 to allow sufficient time to prepare and finalise the circular including, among other matters, compiling the financial information and indebtedness statement of the Company and such other information as required under the applicable Listing Rules for inclusion in the circular.

To the best of the Directors' knowledge, none of the Shareholders has a materially different interest in the TJYS Disposal contemplated under the TJYS Share Transfer Agreement. No Shareholder is required to abstain from voting in respect of the resolution(s) approving the TJYS Share Transfer Agreement and the TJYS Disposal contemplated under it at the Special General Meeting.

Completion of the TJYS Disposal contemplated under the TJYS Share Transfer Agreement is subject to fulfilment of the Conditions disclosed in this announcement above and may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Monday, 4 December 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Tuesday, 5 December 2017.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Grand Investment International Ltd., an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange

“Condition(s)”	the condition(s) precedent to completion of the TJYS Disposal contemplated under the TJYS Share Transfer Agreement as summarised in “ <i>THE TJYS SHARE TRANSFER AGREEMENT – Conditions precedent to the Disposal Completion</i> ” in this announcement above
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal Completion”	completion of the TJYS Disposal
“Disposal Consideration”	the consideration for the sale and purchase of the Sale Interest from the Company to the Purchaser (that is, HK\$15,000,000 (equivalent to approximately RMB12,750,000))
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party (ies)”	Independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 March 2018 (or such later date as the parties to the TJYS Share Transfer Agreement may mutually agree)
“percentage ratios”	the applicable percentage ratios set out in Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Trade Power Group Limited, the purchaser under the TJYS Share Transfer Agreement
“RMB”	Renminbi Yuan, the lawful currency of the PRC

“Sale Interest”	the equity interest held by the Company in Tianjin Yishang (being 8,711,964 shares, representing approximately 3.955% of the entire equity interest, in Tianjin Yishang), the subject matter of the TJYS Disposal under the TJYS Share Transfer Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the Company
“Shareholder(s)”	holder(s) of Shares
“Special General Meeting”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the TJYS Share Transfer Agreement and the TJYS Disposal contemplated under it
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Yishang”	天津一商友誼股份有限公司 (Tianjin Yishang Friendship Holdings Company Ltd.*), a sino-foreign enterprise incorporated in the PRC on 6 January 2006
“TJYS Disposal”	the disposal by the Company of the Sale Interest to the Purchaser pursuant to the terms and conditions of the TJYS Share Transfer Agreement
“TJYS Group”	Tianjin Yishang and its subsidiary(ies)
“TJYS Share Transfer Agreement”	the conditional share transfer agreement dated 1 December 2017 entered into between the Company and the Purchaser regarding the TJYS Disposal
“%”	per cent.

For the purpose of this announcement, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rates of RMB1.00 to HK\$1.1765.

By Order of the Board
Grand Investment International Ltd.
He Luling
Chairman

Hong Kong, 4 December 2017

As at the date of this announcement, the Board comprises Ms. Lee Wai Tsang, Rosa as executive Director; Mr. He Luling (Chairman) as non-executive Director, and Ms. Ma Yin Fan, Ms. Yan Yan and Mr. Xu Yanfa as independent non-executive Directors.

* *For identification purposes only*