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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)

**ANNOUNCEMENT PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE,
RULE 13.09 OF THE LISTING RULES
AND THE INSIDE INFORMATION PROVISIONS
AND
RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (“**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong.

Reference is made to the announcement of Grand Investment International Ltd. (“**Company**”, together with its subsidiaries, the “**Group**”) dated 28 February 2017 in respect of the trading halt in shares of the Company (“**Shares**”), pending the release of an announcement in respect of inside information of the Company.

* *For identification purposes only*

POSSIBLE TRANSACTION INVOLVING SHARES OF THE COMPANY

The board (“**Board**”) of directors (“**Directors**”) of the Company wishes to advise the shareholders of the Company (“**Shareholders**”) that the Board has been informed by Mr. Lee Tak Lun, Grand Finance Group Company Limited, and Optimize Capital Investments Limited (collectively, the “**Potential Vendors**”) that they have been approached by an independent third party (“**Potential Purchaser**”) in respect of a possible acquisition (“**Possible Acquisition**”) by the Potential Purchaser of all the Shares held by the Potential Vendors which may result in a change in control of the Company. As at the date of this announcement, the Potential Vendors in aggregate hold 117,540,000 Shares, representing about 68.0% of the issued share capital of the Company. The Potential Vendors and the Potential Purchaser entered into the memorandum of understanding (“**MOU**”) on 27 February 2017 which sets forth the understanding and certain preliminary terms in relation to the Possible Acquisition amongst the parties thereto.

Possible transfer of the Shares by the Potential Vendors

Subject to a legally binding agreement (“**Definitive Agreement**”) being entered into, if the Possible Acquisition materialises, the Potential Purchaser will acquire 117,540,000 Shares from the Potential Vendors which will then give rise to an obligation on the part of the Potential Purchaser and any parties acting in concert with it to make a mandatory unconditional general offer for all the Shares (other than those already owned or agreed to be acquired by the Potential Purchaser) under Rule 26.1 of the Takeovers Code. Following completion of the Possible Acquisition, the Potential Vendors will cease to be the Shareholders and the Potential Purchaser will become a controlling shareholder of the Company. The parties to the MOU agree to use good faith and commercial and reasonable bases to negotiate and enter into the Definitive Agreement, the terms and conditions of which include, but not limited to, the undertakings, representations and warranties on the Company by the Potential Vendors and conditions precedent to the Possible Acquisition when it materialises.

Earnest Money and due diligence on the Group

The Potential Purchaser agrees to make payment of earnest money (“**Earnest Money**”) to the Potential Vendors. By paying the Earnest Money, the Potential Purchaser was granted an exclusive right to negotiate with the Potential Vendors in relation to the Possible Acquisition within two months (or such longer period as may be agreed by the parties to the MOU in writing) after the date of the MOU (“**Prescribed Period**”). During the Prescribed Period, the Potential Purchaser and its advisers are entitled to conduct a due diligence exercise on the Group.

If the Definitive Agreement is entered into and proceed to completion, the Earnest Money shall be applied as part payment of the purchase price for the Possible Acquisition.

The Earnest Money is generally non-refundable; but if there is any material breach of the exclusivity undertakings given by any of the Potential Vendors, or if any of the Vendors refuses or fails, without justifiable reasons, enter into the Definitive Agreement (which does not contain any onerous terms or conditions on the part of the Vendors) within the Prescribed Period, the Purchaser shall be entitled by written notice to the Vendors to terminate the MOU and the Earnest Money shall be refunded within three Hong Kong banks business days from the date of such termination.

Legal effect of the MOU

The provisions in the MOU in relation to, among others, the Earnest Money, due diligence, exclusivity, confidentiality and governing law and jurisdiction are legally binding. Save and except for these provisions, other provisions of the MOU are not legally binding.

Monthly update

The Potential Vendors informed the Board that the discussion is still in progress and the Possible Acquisition may, or may not, eventuate in the entering into of the Definitive Agreement. In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made as and when necessary in accordance with the Listing Rules and the Takeovers Code (if applicable).

Shareholders and potential investors of the Company should be aware that there is no certainty that the discussions mentioned in this announcement will proceed or that the same will result in the Definitive Agreement. There is no assurance that any discussions mentioned in this announcement will either materialise or eventually be consummated and the discussions may or may not lead to the making of an offer for the Shares. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares and/or other securities of the Company.

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company (as defined in the Takeovers Code) in issue comprise 172,800,000 Shares as at the date of this announcement.

Save as disclosed above, the Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares as at the date of this announcement.

Dealing disclosures

For the purpose of the Takeovers Code, the offer period commences on the date of the issue of this announcement, being 28 February 2017. The associates of the Company (including, amongst others, persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) are hereby reminded to disclose their dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 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 obligations 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 cooperation.”

For the avoidance of doubt, the meaning of “Executive” as set out above has the meaning ascribed to it under the Takeovers Code, being the executive director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of such executive director.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

TRADING HALT AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares was halted with effect from 9 a.m. on 28 February 2017 pending the release of this announcement. An application has been made by the Company to The Stock Exchange of Hong Kong Limited for the resumption of trading in the Shares with effect from 9 a.m. on 1 March 2017.

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

Hong Kong, 28 February 2017

As at the date of this announcement, the Company's 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 announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 Stock Exchange's website at www.hkexnews.hk on the "Latest Company Announcements" page for at least seven days from the day of its posting and on the Company's website at www.grandinv.com.