



Trillion Grand Corporate Company Limited

萬泰企業股份有限公司

(Incorporation in the Cayman Islands with limited liability)

(Stock Code: 8103)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE “GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

This announcement, for which the directors (the “Directors”) of Trillion Grand Corporate Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.

HIGHLIGHTS

- Turnover for the nine months ended 31 December 2017 amounted to approximately HK\$182.8 million representing an increase of approximately 73.9% over the corresponding period in 2016.
- Loss attributable to owners for the nine months ended 31 December 2017 amounted to approximately HK\$47.7 million (2016: loss of approximately HK\$27.3 million).
- Loss per share for the nine months ended 31 December 2017 was approximately 35.37 HK cents (2016: loss per share 24.69 HK cents).
- The Board does not recommend the payment of any dividend for the nine months ended 31 December 2017 (2016: Nil).

The board of Directors (“Board”) of the Company is pleased to present the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 31 December 2017, together with the unaudited comparative figures for the corresponding periods in 2016, are as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

		Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
		2017	2016	2017	2016
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover		58,113	77,934	182,820	105,153
Revenue	4	15,413	11,234	33,718	28,754
Other income and gain		1,550	93	3,535	5,911
Subcontractors cost		(16,206)	(9,197)	(28,211)	(25,660)
Net gain/(loss) on change in fair value of financial assets at fair value through profit or loss		3,734	(13,685)	(8,901)	(3,210)
Loss on disposal financial assets at fair value through profit or loss	5	(1,011)	(9,616)	(6,840)	(13,036)
Depreciation of plant and equipment		(175)	(159)	(524)	(794)
Amortisation of intangible asset		(1,081)	—	(2,383)	—
Other expenses		(4,940)	(5,713)	(15,154)	(13,845)
Staff cost, including Directors' emoluments		(2,773)	(1,234)	(7,062)	(3,816)
Finance costs	6	(6,576)	(617)	(18,456)	(1,293)
Share of loss of an associate		(51)	—	(144)	—
Loss before taxation		(12,116)	(28,894)	(50,422)	(26,989)
Income tax expenses	7	178	—	393	—
Loss for the period	8	(11,938)	(28,894)	(50,029)	(26,989)
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of foreign operations		(678)	953	(1,905)	1,776
Total comprehensive expense for the period attributable to owners of the Company		(12,616)	(27,941)	(51,934)	(25,213)

	<i>Notes</i>	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
		2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Profit/(loss) for the period attributable to:					
— Owners of the Company		(11,007)	(29,238)	(47,709)	(27,333)
— Non-controlling interests		(931)	344	(2,320)	344
		(11,938)	(28,894)	(50,029)	(26,989)
Total comprehensive income/(expense) for the period attributable to:					
— Owners of the Company		(11,685)	(28,285)	(49,614)	(25,557)
— Non-controlling interests		(931)	344	(2,320)	344
		(12,616)	(27,941)	(51,934)	(25,213)
Loss per share					
— basic (HK cents)	10	(7.74)	(24.52)	(35.37)	(24.69)
— diluted (HK cents)	10	(7.74)	(24.52)	(35.37)	(24.69)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Unit B, 29/F, CKK Commercial Centre, 289–295 Hennessy Road, Wanchai, Hong Kong. The Company's shares are listed on GEM.

2. BASIS OF PREPARATION

The Group's unaudited condensed consolidated financial statements for the nine months ended 31 December 2017 has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. The principal accounting policies applied in preparing the unaudited condensed consolidated financial statements for the nine months ended 31 December 2017 are set out in note 3.

3. PRINCIPAL ACCOUNTING POLICIES

The amounts included in the unaudited condensed consolidated financial statements for the nine months ended 31 December 2017 has been computed in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

The accounting policies used in the unaudited condensed consolidated financial information for the nine months ended 31 December 2017 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2017.

The unaudited condensed consolidated financial information for the nine months ended 31 December 2017 has been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

4. REVENUE

Revenue represents income arising from systems development, professional services rendered, money lending business, proprietary trading business, property investment and over the top ("OTT") services, net of sales related taxes if any.

An analysis of the revenue by principal activities of the operations of the Group during the reporting periods is as follows:

	UNAUDITED			
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from provision of				
— Systems development	2,932	8,835	8,846	18,615
— Professional services fees	1,643	1,942	5,684	9,314
Proprietary trading	1,125	76	3,231	76
Money lending	15	381	288	749
Rental income arising from property investment	600	—	1,800	—
OTT services	9,098	—	13,869	—
	15,413	11,234	33,718	28,754
Proceeds from sales of financial assets at fair value through profit or loss	42,700	66,700	149,102	76,399
Turnover	58,113	77,934	182,820	105,153

5. OTHER INCOME AND GAIN

	UNAUDITED			
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income	13	4	19	12
Imputed interest income	—	—	—	204
Sundry income	1	84	30	306
Reversal of impairment loss in respect of				
— trade receivables	1,536	5	3,427	40
— other receivables	—	—	59	5,349
	1,550	93	3,535	5,911

6. FINANCE COSTS

	UNAUDITED			
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank borrowing repayable within one year	483	—	1,302	—
Interest on promissory note payable	1,214	86	3,410	86
Interest on bonds	409	367	1,158	1,043
Interest on short term loan	4,457	20	12,559	20
Others	13	144	27	144
	<u>6,576</u>	<u>617</u>	<u>18,456</u>	<u>1,293</u>

7. INCOME TAX EXPENSES

- (a) Hong Kong profit tax has not been provided for in the unaudited condensed consolidated financial information as there was no estimated assessable profit derived from Hong Kong during the nine months ended 31 December 2017 and 2016.
- (b) Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the standard tax rate is 25%.

8. LOSS FOR THE PERIOD

Loss for the period has arrived at after charging:

	UNAUDITED			
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Staff costs				
Salaries and other benefits	2,655	1,197	6,759	3,685
Retirement benefits scheme contributions	118	37	303	131
	<u>2,773</u>	<u>1,234</u>	<u>7,062</u>	<u>3,816</u>
Amortisation of intangible assets	1,081	—	2,383	—
Auditors' remuneration	175	158	525	473
Depreciation	175	159	524	794
Operating leases	1,331	1,243	3,878	3,748

9. DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2017 (2016: Nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss

	UNAUDITED			
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the purpose of basic loss per share (loss for the period attributable to owners of the Company)	<u>(11,007)</u>	<u>(29,238)</u>	<u>(47,709)</u>	<u>(27,333)</u>

Number of shares

	UNAUDITED			
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>142,256,878</u>	<u>119,221,878</u>	<u>134,885,678</u>	<u>110,695,707</u>

11. ACQUISITION OF SUBSIDIARIES

On 28 June 2017, the Group acquired 85% of the issued share capital of Full Wealthy International Limited and its subsidiaries (collectively the “FWI Group”) for consideration of HK\$46,070,000 which was satisfied by issuance of 23,035,000 consideration shares at an issue price of HK\$2 per share. FWI Group is principally engaged in provision of multi-media related services and content in the Greater China via different platforms. The acquisition was completed on 28 June 2017.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	Fair value recognised on acquisition HK\$'000
Plant and equipment	121
Intangible asset	39,903
Trade receivables	2,000
Prepayment and other receivables	16,056
Bank balances and cash	1,562
Deferred tax asset	11,462
Trade payables	(19,815)
Other payables and accruals	(43,149)
Other loans	(10,662)
Deferred tax liabilities	(6,584)
Total identifiable net liabilities at fair value	(9,106)
Non-controlling interest	1,366
	(7,740)
Goodwill arising on acquisition	55,192
Satisfactory by issuance of consideration shares at fair value	47,452

Goodwill arose in the acquisition of FWI Group because the cost of the combination included in relation to the benefits of revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible asset.

The fair value of the acquired identifiable assets is provisional pending receipt of the final valuations for those assets. Deferred tax of HK\$6,584,000 has been provided in relation to these fair value adjustments.

	<i>HK\$'000</i>
Bank balances and cash acquired from the subsidiaries	1,562
Net cash inflow for the acquisition of subsidiaries	1,562

12. RESERVES

	Share Premium <i>HK\$'000</i>	General Reserve <i>HK\$'000</i>	Capital Reserve <i>HK\$'000</i>	Exchange Translation Reserve <i>HK\$'000</i>	Accumulated Losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2016 (audited)	452,396	3,056	1,200	7,676	(549,419)	(85,091)	—	(85,091)
Profit/(loss) for the period	—	—	—	—	(27,333)	(27,333)	344	(26,989)
Exchange difference arising on translation of foreign operations	—	—	—	1,776	—	1,776	—	1,776
Total comprehensive income/(expense) for the period	—	—	—	1,776	(27,333)	(25,557)	344	(25,213)
Issue of shares upon — Placement of shares	11,306	—	—	—	—	11,306	—	11,306
Share placement expenses	(341)	—	—	—	—	(341)	—	(341)
Capital reorganisation	—	—	—	—	99,252	99,252	—	99,252
Capital reorganisation expenses	(227)	—	—	—	—	(227)	—	(227)
Non-controlling interests arising from business combination (<i>note 13</i>)	—	—	—	—	—	—	18	18
At 31 December 2016 (unaudited)	463,134	3,056	1,200	9,452	(477,500)	(658)	362	(296)
At 1 April 2017 (audited)	463,135	3,056	1,200	9,519	(489,853)	(12,943)	2,197	(10,746)
Loss for the period	—	—	—	—	(47,709)	(47,709)	(2,320)	(50,029)
Exchange difference arising on translation of foreign operations	—	—	—	(1,905)	—	(1,905)	—	(1,905)
Total comprehensive income/(expense) for the period	—	—	—	(1,905)	(47,709)	(49,614)	(2,320)	(51,934)
Acquisition of subsidiary	—	—	—	—	—	—	(1,366)	(1,366)
Issue of consideration shares	46,047	—	—	—	—	46,047	—	46,047
At 31 December 2017 (unaudited)	509,182	3,056	1,200	7,614	(537,562)	(16,510)	(1,489)	(17,999)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS PERFORMANCE AND PROSPECT

System development and professional services

The Company was facing the fierce competition of thermal powered electricity supply market in the PRC in 2017 and management expects this phenomenon will continue in the foreseeable future. This was explained by the PRC government promoting the use of renewable and/or clean energy with direct subsidies and has implemented the benchmark for reduction of omission of carbon dioxide in various cities in the PRC. As a result, the number and amount of new contracts have decreased. Therefore, system development in thermal powered electricity supply industry recorded a decrease in revenue compared with the corresponding period in 2016. Professional services recorded a decrease in revenue compared with the corresponding period in 2016 due to decrease in demand from data center services. In view of the change of business environment, the Company has strategically broadened our professional services in cyber security services and solutions.

Our professional service team can provide services and solutions in cyber security, including ramp up model advisory, physical and cyber security assessments, build and design of secured IT architecture, implementation of security devices and IT business policy controls.

Our professional service team specializes in enterprise cyber security solutions and risk management, providing a full range of security services and solutions to corporations in the Greater China and Asia Pacific region.

Our Professional Service Team also provide a series of highly skilled services including all level Penetration testing, complete coverage of Vulnerability management as well as DDoS protection.

Our MSS team can provide a full scale security Managed Security Services, from Firewall healthiness, critical patch management, Attack and Alert, incident management and change management, to endpoint management in order to cover the end-user machines.

Proprietary trading business

In relation to the Group's proprietary trading business, the global market has shown a stable upward trend in 2017. Asian market including Hong Kong has attracted favorable capital inflow across the world. However, the market is still filled with a lot of uncertainties such as slow global economic growth and international political controversies. The Group record a loss in financial assets at fair value through profit or loss for the nine months ended 31 December 2017. The Group will adopt a prudent approach in identifying opportunities in securities investment which will create value

and will be beneficial to the Group and Shareholders. The Group also maintains a risk management policy in which key risk factors such as government and politic risks, country risks, price risks, interest rate risks, currency risks and economic risks have been identified and will be closely monitored. The turnover in proprietary trading business recorded approximately HK\$149.1 million for the nine months ended 31 December 2017 (2016: HK\$76.4 million). The securities investment portfolio amounted to approximately HK\$74.0 million as at 31 December 2017 (2016: HK\$31.8 million).

Money lending business

Though the loan and credit market became very active and intense competition existed during the past few years as a result of the rapid booming housing market in Hong Kong and the global low interest rate environment, the Board is confident that through its long established relationship, history, reputation, network and synergy, the Group is able to participate in the market share of the money lending business and it will become one of the driver of its future profits of the Group. In view of the above, the Board will invest more resources into the business once financing resources have been obtained. In addition to the consumable loan, the Company is planning to offer a variety of loan products to secured mortgage loans to individual, unsecured loan, small and medium sized enterprises loans, debts consolidation loan and corporate loans. Despite the above, the money lending business is suffering from political risk, regulatory risk, credit risk, economic risk and industry risk. The interest income in money lending business recorded approximately HK\$0.3 million for the nine months ended 31 December 2017 (2016: HK\$0.4 million). The loan portfolio amounted HK\$0.5 million as at 31 December 2017 (2016: HK\$10 million).

Property investment

The property located in Southern District in Hong Kong was generated HK\$1.8 million rental income for the nine months ended 31 December 2017 (2016: HK\$ Nil). The Group believes that there will be increasing demand for office space in the area where the Property is located which is driven by the establishment of the South Island Line (East).

OTT Services

Upon completion of the acquisition of FWI Group on 28 June 2017, it is principally engaged in the business of providing multi-media related services and content in the PRC via different platforms. In view of the growing penetration and the expansion of multi-media segment, the Group is optimistic to such business segment. In addition, consumers are moving beyond traditional media, the multi-media platform is an option used by many companies to brand and market their products. As such, the multi-media platform is playing an increasingly vital role in business marketing strategy. Having

considered that the FWI Group is equipped with experience in the industry with diversified clientele and being specialized in the provision of OTT services of video-on-demand in Hong Kong and Taiwan via its own digital video rental platform.

FUTURE PROSPECTS

The Group will continue to seek for opportunities to create shareholders' value through investments into and/or acquiring interests in companies or projects that have promising outlooks and prospects. The Group is broadening its perspective beyond the IT sector and potentially also investing into and/or acquisitions in other industries (including renewable energy and other "green" businesses, the financial industry, and more traditional non-IT businesses) so long as such investments can deliver value and are beneficial to the Company and its shareholders as a whole. It goes without saying that the Company will also continue to focus on existing businesses to bring further value to shareholders.

FINANCIAL PERFORMANCE

During the nine months ended 31 December 2017, the Group recorded a turnover of approximately HK\$182.8 million (2016: HK\$105.2 million) representing an increase of approximately 73.9% as compared to that of the corresponding period in 2016. The increase in turnover was due to increase in the proceeds received from disposal of listed securities. Net loss on change in fair value of financial assets at fair value through profit or loss increased to approximately HK\$8.9 million as compared to loss approximately HK\$3.2 million of the corresponding period in 2016 as a result of uncertainties in global securities market. Finance cost increased to approximately HK\$18.5 million as compared to approximately HK\$1.3 million of the corresponding period in 2016, representing an increase of approximately 1,327.4% as compared to that of the corresponding period in 2016. The increase in finance cost was due to increase in interest on bank borrowing, short term loans and promissory notes. Loss attributable to the owners of the Company was approximately HK\$47.7 million for the nine months ended 31 December 2017 (2016: approximately HK\$27.3 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the nine months ended 31 December 2017, the Company has made the following issue for cash of equity securities:

On 28 June 2017, a total of 23,035,000 consideration shares have been issued at the price of HK\$2 per share pursuant to the terms and conditions of the sale and purchase agreement to acquire 85% of issue share capital of FWI Group at the consideration of HK\$46.07 million.

The Board continues to look for opportunities to attract more investors, extend the shareholders base, reduce the accumulated loss and improve the flexibility of fund raising.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Pursuant to the announcement of the Company dated 17 October 2016, the wholly owned subsidiary of the Company as the purchaser and the vendor has entered into the sale and purchase agreement to acquire 50% of issued share capital of Billion Ray Investments Limited and its subsidiary (collectively the “BRI Group”) at the consideration of HK\$280 million (“First Agreement”). On 30 December 2016, the purchaser and the vendor has entered into a Termination Deed pursuant to which the parties mutually agreed to forthwith irrevocably, unconditionally and absolutely terminate the First Agreement. After termination of the First Agreement, the purchaser and the vendor entered into a Second Agreement to acquire 20% of issued capital of BRI Group at the consideration of HK\$100 million. The consideration will be satisfied by issuance of the promissory note to the vendor by the Company upon Completion. The BRI Group is principally engaged in the operation of the project, a 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 BRI Group has been granted an exclusive right to build and operate the Project over 42.25 years. The acquisition was completed on 9 May 2017.

Pursuant to the announcement of the Company dated 29 May 2017, the wholly owned subsidiary of the Company as the purchaser and the vendor has entered in to the sale and purchase agreement to acquire 85% of issued share capital of FWI Group at the consideration of HK\$46.07 million. The consideration will be satisfied by the issue and allotment of the 23,035,000 new shares at an issue price of HK\$2 per share by the Company upon completion. The FWI Group is principally engaged in the business of providing multi-media related services and content in the Greater China via different platforms like cable TV. The acquisition was completed on 28 June 2017.

Company	Nine months ended 31 December 2017	As at 31 December 2017	
	Realised and unrealised gain/(loss) HK\$'000	Market Value HK\$'000	Approximate percentage of financial assets at fair value through profit or loss
Goldin Financial Holdings Limited (“GF”)	1,522		
Goldin Properties Holdings Limited	2,758		
Inno-Tech Holdings Limited (“IT”)	2,728		
Code Agriculture (Holdings) Limited	(10,254)		
CNC Holdings Limited (“CNC”)	143		
Solartech International Holdings Limited (“SI”)	224		
Others	(3,961)		
Net realised loss	(6,840)		
GF	7,438	35,793	48.4%
IT	(17,990)	5,632	7.6%
CNC	(1,479)	2,123	2.9%
Celebrate International Holdings Limited (“CI”)	(275)	8,256	11.2%
Solartech International Holdings Limited (“SI”)	3,264	9,570	12.9%
Others	141	12,631	17.0%
Net unrealised loss	(8,901)	74,005	100.0%
	(15,741)	74,005	100.0%

GF is principally engaged in the provision of factoring services, financial investments, winery and wine related business, property developments and investments.

IT is principally engaged in buses and bus stations advertising business in the PRC and event management and marketing services.

CNC is principally engaged in the provision of waterworks engineering services for the public sector in Hong Kong, television broadcasting business in the Asia-Pacific region (excluding the PRC) in return for advertisement and related revenue and large outdoor display screen advertisement in the PRC.

CI is principally engaged in trading of food and beverage, money lending, provision of health care services, securities investment and trading and property investment.

SI is principally engaged in manufacturing and trading of cables, wires and copper rods, trading of metallurgical grade bauxite and properties investment.

Save as disclosed above, the Company has not completed any material acquisitions or disposal during the period.

Pursuant to the announcement of the Company dated 11 December 2017, the wholly owned subsidiary of the Company, the vendor has entered into the sale and purchase agreement to sell entire issued share capital of Cicero Capital Limited and its subsidiary (collectively the “CCL Group”) at the cash consideration of HK\$145 million. On 26 January 2018, both vendor and the purchaser have entered into a termination agreement to terminate the sale and purchase agreement.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SECURITIES

As at 31 December 2017, none of the Directors and chief executive of the Company were interested in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (“SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the required standard of dealing by the Directors under the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

Long positions in underlying shares of equity derivatives and debentures of the Company

As at 31 December 2017, no long positions of the Directors and chief executive of the Company in the underlying shares of equity derivatives and debentures of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Short positions in shares, underlying shares of equity derivatives and debentures of the Company

As at 31 December 2017, no short positions of the Directors and chief executive of the Company in the shares, underlying shares of equity derivatives and debentures of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Save as disclosed above, as at 31 December 2017, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares of equity derivative and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by the Directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors, as at 31 December 2017, the person (other than a director or chief executive of the Company) who have interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, were as follows:

Name of the shareholders	Capacity	Number of shares held	Approximate percentage of shareholding (note 1)
Full Times Investments Limited (note 2)	Beneficial owner	36,815,000	25.88%
New Smart International Creation Limited (note 2)	Beneficial owner	320,000	0.22%

Notes:

1. As at 31 December 2017, the issued share capital of the Company was 142,256,878 shares.
2. Full Times Investment Limited and New Smart International Creation Limited are wholly owned by HMV Digital China Group Limited whose shares are listed on the GEM of the Stock Exchange.

Long position in underlying shares of the Company

As at 31 December 2017, no long positions of other persons or substantial shareholders in the underlying shares of equity derivatives of the Company and its associated corporations were recorded in the register.

Short positions in underlying shares of the Company

As at 31 December 2017, no short positions of other persons or substantial shareholders in the underlying shares of equity derivatives of the Company and its associated corporations were recorded in the register.

As at 31 December 2017, the Directors were not aware of any person who had an interest or short position in the underlying shares (including interests in options, if any) of the Company as recorded in the register required to be kept under Section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Group was a party and in which a Director of the Group had a material interest, whether directly or indirectly, subsisted at the nine months ended 31 December 2017 or at any time during such period.

DIRECTORS' COMPETING INTERESTS

As at 31 December 2017, none of the Directors or substantial shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules and the Corporate Governance Code (the "Code").

The audit committee of the Company reviews the internal accounting procedures, considers and reports to the Board with respect to other auditing and accounting matters, including selection of independent auditors, fees to be paid to the independent auditors and the performance of the independent auditors.

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017 have been reviewed by the audit committee of the Company.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Code contained in Appendix 15 of the GEM Listing Rules as its own code on corporate governance practices. In the opinion of the Directors, the Company has complied with the code provisions as set out in the Code and there have been no material deviations from the Code during the period.

LITIGATION

On 4 April 2014, the Company was served with a sealed copy of a petition (the “Petition”) issued by Metal Winner Limited (“MWL”) in Companies (Winding-up) Proceedings No. 83 of 2014 in the High Court of Hong Kong (the “Winding-up Proceedings”) under which MWL (a) claimed that the Company was indebted to MWL in the sum of HK\$5,700,000; and (b) petitioned that the Company be wound up by the Court. As at the date of this announcement, this Petition was dismissed by the High Court of Hong Kong. Separately, there are two other parties who claimed the Company was indebted to them. After investigation, the Company found that the alleged debts claimed by these two parties arose from certain dealings between a former director of the Company and these two parties. The nature and mechanism of these dealings were the same or very similar to that of MWL’s. In the Winding-up Proceedings, the court has found that there was an illegal scheme perpetrated on the Company by the aforesaid former director and MWL was a party to that scheme. In gist, the illegal scheme was that the aforesaid former director obtained loans from the counterparty and the Company was falsely made as a borrower to answer the repayment obligation. The Company commenced legal proceedings in the High Court (the “Injunction Proceedings”) against these two parties seeking an injunction to restrain them from presenting any petition for the winding-up of the Company or to apply to substitute MWL as petitioner in the Winding-up Proceedings (the “Restrained Acts”). The two parties gave an undertaking to the court not to do the Restrained Acts until the resolution of the Injunction Proceedings.

After the Winding-up Proceedings were dismissed by court, the Company also managed to resolve the Injunction Proceedings by way of a consent order after the two parties were willing to give further undertaking to the court not to present any petition for the winding-up of the Company pending determination of the Writ of Summons to be issued (if any) by them against the Company for recovery of the said alleged debts and/or the determination of any counterclaims or the Writ of Summons to be issued (if any) by the Company against them for declaratory relief that the said alleged debts are void or unenforceable.

On 19 February 2016, the Company has been served with a sealed copy of the Writ of Summons (the “Writ”) issued by one of the two parties sued in the Injunction Proceedings (the “Plaintiff”). Under the statement of claim endorsed on the Writ, the Plaintiff claims against the Company for a total sum of HK\$16,600,000 allegedly due on the dishonoured cheques issued by the Company and interest thereon.

In view of the Court’s favourable findings in the Winding-up Proceedings and the striking similarity between the case of the Plaintiff and that of MWL in the Winding-up Proceedings, the Company believes that it has strong merits in defending the Plaintiff’s claims and in counter-claiming such alleged debts are void and unenforceable. Therefore, the Company will vigorously contend the Plaintiff’s claims and will seek legal advice to take all appropriate steps in the legal proceedings to safeguard the Company’s interest.

On 15 December 2017, a consent order made by the High Court of Hong Kong, the Plaintiff has wholly discontinued the legal action against the Company and the Company has wholly discontinued its counterclaim against the Plaintiff and another co-defendant in the legal action. No compensation or damages was paid or payable by the Company to the Plaintiff or any other person (or vice versa) in connection with the legal action and the aforesaid discontinuation of the legal action.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the nine months period ended 31 December 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

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

Hong Kong, 12 February 2018

As at the date of this announcement, the Board comprises the following Directors are:

Executive Directors:

Mr. Lau Kelly (*Chief Executive Officer*)

Mr. Leung Chung Nam

Ms. Ho Chi Na

Independent non-executive Directors:

Dr. Wan Ho Yuen, Terence

Mr. Hau Chi Kit

Mr. Yuen Koon Tung

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 “Latest Company Announcements” page on the GEM website at [www. hkgem.com](http://www.hkgem.com) and on the website of the Company at <http://www.trilliongrand.com> for 7 days from the date of this posting.