

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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 is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or other securities of the Company.



Trillion Grand Corporate Company Limited
萬泰企業股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

SUBSCRIPTION OF CONVERTIBLE BONDS
UNDER THE GENERAL MANDATE

THE SUBSCRIPTION AGREEMENT

On 17 August 2018 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Bonds in the aggregate principal amount of HK\$45,000,000. Completion is subject to the conditions precedent as set out in the paragraph headed “Conditions of the Subscription” in this announcement. Details terms of the Bonds are set out in the paragraph headed “Terms of the Bonds” in this announcement.

Under the terms and conditions of the Bonds, the Bonds will bear coupon interest at the rate of 4% per annum. The Bonds are convertible into new Shares at a Conversion Price of HK\$1.94 per Share (subject to adjustments). The maturity of the Bonds will be the date falling on the first anniversary of the date of issue of the Bonds.

The Conversion Shares of 23,195,876 Shares represent (i) approximately 16.31% of the existing issued share capital of the Company at the date of this announcement; and (ii) approximately 14.02% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The gross proceeds and net proceeds from the issue of the Bonds will be HK\$45,000,000 and approximately HK\$44,500,000 respectively. The Group intends to use the net proceeds as to (i) approximately HK\$19,500,000 for general working capital of the Group; and (ii) approximately HK\$25,000,000 for repayment of debts.

THE SUBSCRIPTION AGREEMENT

Date

17 August 2018 (after trading hours)

Parties

Issuer : the Company

Subscriber : Topful Holdings Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

The Subscriber is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding.

Subscription

Pursuant to the Subscription Agreement, the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe, for the Bonds in the aggregate principal amount of HK\$45,000,000, which may be converted into 23,195,876 Shares based on the initial Conversion Price of HK\$1.94 upon full conversion.

Terms of the Bonds

The principal terms of the Bonds are summarised below:

Issuer : The Company

Principal amount : HK\$45,000,000

Conversion price : An initial conversion price of HK\$1.94 per Conversion Share (subject to adjustment).

Conversion period : The period commencing on the date of issue of the Bonds up to and including the Maturity Date.

Maturity date : One year from the date of issue of the Bonds (the "**Maturity Date**").

Interest rate : The Bonds shall carry coupon interest at the rate of 4% per annum payable annually in arrears.

- Transferability : The Bonds may not be transferred to any person which is not a subsidiary or holding company of the Bondholder without the prior written consent of the Company. The Bonds (or any part thereof) may not be assigned or transferred to a connected person (as defined in the GEM Listing Rules) of the Company without prior written consent of the Company.
- Early redemption : The Company may not request to repaid or prepaid the outstanding principal amount of the Bonds prior to the Maturity Date.
- Status : The obligations of the Company arising under the Bonds constitute general, unsubordinated, direct, unconditional and unsecured obligations of the Company and shall at all times rank equally among themselves and *pari passu* with all present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.
- Adjustments to the Conversion Price : The Conversion Price will be adjusted upon occurrence of, among others, any of the following events: (i) consolidation or subdivision; (ii) capitalisation of profits or reserves; (iii) capital distributions; (iv) issue of rights or options or warrants for new Shares at less than 90% of the market price; (v) issue of securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares at less than 90% of the market price; or (vi) issues of Shares at less than 90% of the market price.

The maximum number of Conversion Shares issuable upon conversion of the Bonds shall be subject to such number of Shares which may be permissible to be issued under the General Mandate. If there is any adjustment event occurred which leads to the number of Conversion Shares issuable under the Bonds to exceed the General Mandate, then the Bondholder shall be entitled to convert the Bonds into such number of Conversion Shares subject to the General Mandate based on the adjusted Conversion Price and any outstanding principal amount of the Bonds shall be redeemed by the Company on the maturity date in accordance with the terms therein.

Number of Conversion Shares

The Conversion Shares of 23,195,876 Shares represent (i) approximately 16.31% of the existing issued share capital of the Company at the date of this announcement; and (ii) approximately 14.02% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Conversion Price

The Conversion Price of HK\$1.94 per Conversion Share represents:

- (1) a premium of approximately 2.11% over the closing price of HK\$1.90 per Share as quoted on the Stock Exchange on 17 August 2018, being the date of the Subscription Agreement; and
- (2) a premium of 2.65% over the average of the closing prices of HK\$1.89 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 16 August 2018, being the last trading day immediately before the date of the Subscription Agreement.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares. The Directors consider that the Conversion Price and the terms and conditions of the Bonds and the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking of the Conversion Shares

The Conversion Shares when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares then in issue.

Voting rights

The Bondholder will not be entitled to attend or vote at any meetings of the Shareholders of the Company by reason only it being the Bondholder.

Conditions of the Subscription

Completion is conditional upon the fulfillment of the following conditions:

- (i) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange and such approval and permission remaining in full force and effect; and
- (ii) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained.

If the conditions are not fulfilled by 10:00 a.m. on the date falling 2 months from the date of the Subscription Agreement or such later date as may be agreed between the Company and the Subscriber, the Subscription Agreement shall automatically terminate and the Company and the Subscriber will have no claim against the other for costs, damages, compensation or otherwise under the Subscription Agreement.

Completion of the Subscription

Completion shall take place on the third Business Day after the conditions of the Subscription are fulfilled (or such other date as may be agreed between the Company and the Subscriber).

General Mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 28,451,375 Shares. As at the date of this announcement, (i) no Shares were allotted and issued pursuant to the General Mandate; and (ii) the General Mandate is sufficient for the allotment and issue of the Conversion Shares. As such, the Conversion Shares will be issued under the General Mandate, and the issue of the Conversion Shares is not subject to approval by the Shareholders.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No listing of the Bonds will be sought on the Stock Exchange or any other stock exchanges.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the professional services, money lending business, proprietary trading business and over the top services.

The Directors are of the view that the Subscription represents a good opportunity to raise additional funds for the Company and provides a good opportunity to strengthen the Company's financial position. If the Bonds are converted into Shares, it will enlarge the Shareholder and capital bases of the Company.

Based on the above, the Directors consider that the terms and conditions of the Subscription Agreement as well as the terms of the Bonds are fair and reasonable, on normal commercial terms, and in the interests of the Group and the Shareholders as a whole.

The gross proceeds and net proceeds from the issue of the Bonds will be HK\$45,000,000 and estimated to be approximately HK\$44,500,000 respectively. Based on the estimated net proceeds from the issue of the Bonds and a total of 23,195,876 new Shares to be issued at the initial conversion price upon exercise of the conversion rights of the Bonds in full, the net subscription price per new Share would be approximately HK\$1.92.

The estimated net proceeds from the issue of the Bonds of approximately HK\$44,500,000 be used by the Group as to (i) approximately HK\$19,500,000 for general working capital of the Group; and (ii) approximately HK\$25,000,000 for repayment of debts.

FUND RAISING ACTIVITY BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activity in the past twelve months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the conversion of the Bonds in full.

Shareholders	As at the date of this announcement		Immediately after conversion of the Bonds in full	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
HMV Digital China Group Limited (“ HMV Digital ”) (<i>Note 1</i>)	39,435,000	27.72	39,435,000	23.83
<i>Public shareholders</i>				
The Subscriber	—	—	23,195,876	14.02
Other public shareholders	<u>102,821,878</u>	<u>70.28</u>	<u>102,821,878</u>	<u>62.15</u>
Total	<u>142,256,878</u>	<u>100.00</u>	<u>165,452,754</u>	<u>100.00</u>

Notes:

- 39,435,000 Shares refer to the aggregate of (a) 36,815,000 Shares held by Full Times Investments Limited (“**Full Times**”), (b) 1,180,000 Shares held by New Smart International Creation Limited (“**New Smart**”) and (c) 1,440,000 Shares held by HMV Digital itself. Both Full Times and New Smart are direct wholly-owned subsidiaries of HMV Digital (stock code: 8078), whose shares are listed on the GEM.

DEFINITIONS

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

“Board”	the board of Directors
“Bonds”	the 4% interest bearing convertible bonds in an aggregate principal amount of HK\$45,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Bondholder”	the person who is for the time being the holder of the Bonds
“Business Day”	a day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Trillion Grand Corporate Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange
“Completion”	completion of the Subscription
“Conversion Price”	an initial conversion price of HK\$1.94 per new Share (subject to adjustment) at which the holders of the Bonds may subscribe for the new Share(s)
“Conversion Shares”	Shares to be issued upon the exercise of the conversion rights attaching to the Bonds
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 18 July 2017
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons (as defined under the GEM Listing Rules) of the Company
“Subscriber”	Topful Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which the beneficial owner is Tang Yu Ming, Nelson
“Subscription”	the subscription by the Subscriber for the Bonds pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 17 August 2018 and entered into between the Company and the Subscriber in relation to the Subscription
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 17 August 2018

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

Executive Directors:

Mr. Lau Kelly (*Chief Executive Officer*)

Ms. Ho Chi Na

Mr. Yuen Koon Tung

Independent Non-executive Directors:

Dr. Wan Ho Yuen, Terence

Mr. Hau Chi Kit

Mr. Ma Stephen Tsz On

Mr. Ho Siu King, Stanley

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its publication and is available for reference on the website of the Company at www.trilliongrand.com.