



**Trillion Grand Corporate Company Limited**

**萬泰企業股份有限公司**

(Formerly known as Tai Shing International (Holdings) Limited)

*(Incorporation in the Cayman Islands with limited liability)*

**(Stock Code: 8103)**

**FIRST QUARTERLY REPORT  
FOR THE THREE MONTHS ENDED 30 JUNE 2016**

## **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.**

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*This report, for which the directors (the “Directors”) of Trillion Grand Corporate Company Limited (formerly known as Tai Shing International (Holdings) 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 report 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 report misleading.*

## **HIGHLIGHTS**

- Revenue from continuing operations for the three months ended 30 June 2016 amounted to approximately HK\$4.3 million representing an increase of approximately 30.80% over the corresponding period in 2015.
- Loss from continuing operations for the three months ended 30 June 2016 amounted to approximately HK\$15.1 million (2015 Profit: HK\$14 million).
- Basic loss per share from continuing operations for the three months ended 30 June 2016 was approximately 15.23 HK cents (2015 Earnings per share: 24.65 HK cents).
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2016.

The board of Directors (the “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 ended 30 June 2016, together with the unaudited comparative figures for the corresponding period in 2015, are as follows:–

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

		<b>Unaudited</b>	
		<b>Three months ended</b>	
		<b>30 June</b>	
	<i>Notes</i>	<b>2016</b>	2015
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>			
Revenue	4	4,281	3,273
Cost of services		<u>(4,233)</u>	<u>(3,168)</u>
Gross profit		48	105
Net loss on change in fair value of financial assets of fair value through profit or loss		(9,778)	(145)
Other income		430	1,791
Selling and distribution expenses		(27)	(4)
Administrative expenses		(5,471)	(3,976)
Other gains, losses and expenses	5	–	18,986
Finance costs	6	<u>(331)</u>	<u>(2,755)</u>
(Loss)/profit before taxation		(15,129)	14,002
Income tax expenses	7	<u>–</u>	<u>–</u>
(Loss)/profit for the period from continuing operations	8a	(15,129)	14,002
<b>Discontinued operation</b>			
Loss for the period from discontinued operation	8b	<u>–</u>	<u>(9)</u>
(Loss)/profit for the period attributable to owners of the Company		(15,129)	13,993
<b>Other comprehensive income/(expense)</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		<u>717</u>	<u>(228)</u>
Total comprehensive (expense)/income for the period attributable to owners of the Company		<u><u>(14,412)</u></u>	<u><u>13,765</u></u>
<b>(Loss)/earnings per share</b>			
From continuing and discontinued operations			
– Basic (HK cents)	10	<u><u>(15.23)</u></u>	<u><u>24.63</u></u>
– Diluted (HK cents)	10	<u><u>N/A</u></u>	<u><u>23.04</u></u>
From continuing operations			
– Basic (HK cents)	10	<u><u>(15.23)</u></u>	<u><u>24.65</u></u>
– Diluted (HK cents)	10	<u><u>N/A</u></u>	<u><u>23.05</u></u>

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

### **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 is Room M2B2, 7/F., Kaiser Estate, Phase 3, No. 11 Hok Yuen Street, Hung Hom, Kowloon, Hong Kong. The Company's shares are listed on GEM.

### **2. BASIS OF PREPARATION**

The Group's unaudited condensed consolidated financial information for the three months ended 30 June 2016 has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange.

The principal accounting policies applied in preparing the unaudited condensed consolidated financial information for the three months ended 30 June 2016 are set out in note 3.

### **3. PRINCIPAL ACCOUNTING POLICIES**

The amounts included in the unaudited condensed consolidated financial information for the three months ended 30 June 2016 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 three months ended 30 June 2016 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2016.

The unaudited condensed consolidated financial information for the three months ended 30 June 2016 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 the amounts arising from systems development, professional services rendered, money lending business and printing 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	
	30 June	
	2016	2015
	HK\$'000	HK\$'000
<b>Continuing operations</b>		
Revenue from provision of		
Systems development	1,855	1,876
Professional services fees	2,331	1,397
Money lending	95	–
	<u>4,281</u>	<u>3,273</u>
<b>Discontinued operation</b>		
Revenue from provision of		
Printing services	–	1,544
	<u>4,281</u>	<u>4,817</u>

The Group has also engaged in proprietary trading business. Gross proceeds from proprietary trading amounted to HK\$862,000 (2015: HK\$7,764,000) and realised loss amounted to HK\$3,297,000 (2015: gain HK\$2,807,000) (included in the net loss on change in fair value of financial assets at fair value through profit or loss) during the current period.

#### 5. OTHER GAINS, LOSSES AND EXPENSES

	UNAUDITED	
	Three months ended	
	30 June	
	2016	2015
	HK\$'000	HK\$'000
<b>Continuing operations</b>		
Reversal of impairment loss in respect of		
– other receivables	–	18,986
	<u>–</u>	<u>18,986</u>

## 6. FINANCE COSTS

	<b>UNAUDITED</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>		
Interest on bank borrowing repayable within one year	–	214
Interest on promissory notes	–	1,140
Interest on amount due to noteholder	–	187
Interest on convertible bonds	–	1,068
Interest on bonds	<b>331</b>	–
Others	–	146
	<u>331</u>	<u>2,755</u>
<b>Discontinued operation</b>		
Interest on bank borrowing repayable within one year	–	18
Finance cost on finance leases	–	32
	<u>–</u>	<u>32</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 three months ended 30 June 2016 and 2015.
- (b) Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the standard tax rate is 25%.

### 8a. (LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS

(Loss)/profit for the period from continuing operations is stated after charging:

	<b>UNAUDITED</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Staff costs</b>		
Salaries and other benefits	<b>1,476</b>	1,389
Retirement benefits scheme contribution	<b>59</b>	85
	<u>1,535</u>	<u>1,474</u>
Auditors' remuneration	<b>158</b>	145
Depreciation	<b>463</b>	242
Operating leases	<b>1,262</b>	333
	<u>1,262</u>	<u>333</u>

## 8b. LOSS FOR THE PERIOD FROM DISCONTINUED OPERATION

Loss for the period from discontinued operation is stated after charging:

	UNAUDITED	
	Three months ended	
	30 June	
	2016	2015
	HK\$'000	HK\$'000
Staff costs		
Salaries and other benefits	–	77
Retirement benefits scheme contribution	–	6
	<u>–</u>	<u>83</u>
Depreciation	–	9
Operating leases	–	55
	<u>–</u>	<u>55</u>

## 9. DIVIDEND

The Board did not recommend the payment of any dividend for the three months ended 30 June 2016 (2015: Nil).

## 10. (LOSS)/EARNINGS PER SHARE

### From continuing and discontinued operations

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company from continuing and discontinued operations is based on the following data:

### (Loss)/Earnings

	Three months ended	
	30 June	
	2016	2015
	HK\$'000	HK\$'000
(Loss)/earnings for the purpose of basic (loss)/earnings per share		
((loss)/profit for the period attributable to owners of the Company)	<u>(15,129)</u>	<u>13,993</u>
Effect of dilutive potential ordinary shares:		
Adjustment in relation to interest on convertible bonds	<u>–</u>	<u>1,068</u>
(Loss)/earnings for the purpose of diluted (loss)/earnings per share	<u>(15,129)</u>	<u>15,061</u>



	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2016</b>	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<b><u>99,351,565</u></b>	<u>56,809,500</u>
Effect of dilutive potential ordinary shares:		
Convertible bonds	<u>—</u>	<u>8,571,428</u>
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<b><u>99,351,565</u></b>	<u>65,380,928</u>

### **From continuing operations**

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company from continuing operations is based on the following data:

### **Loss/(Earnings)**

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2016</b>	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/earnings for the purpose of basic (loss)/earnings per share ((loss)/profit for the period from continuing operations)	<b><u>(15,129)</u></b>	<u>14,002</u>
Effect of dilutive potential ordinary shares:		
Adjustment in relation to interest on convertible bonds	<u>—</u>	<u>1,068</u>
(Loss)/earnings for the purpose of diluted earnings/(loss) per share	<b><u>(15,129)</u></b>	<u>15,070</u>

The denominators used are the same as those details above for both basic and diluted loss per share.

## From discontinued operation

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

### Loss

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Loss for the purpose of basic loss per share (loss for the period from discontinued operation)	–	(9)
Loss per share		
From discontinued operation		
– basic (HK cents)	–	(0.02)
– diluted (HK cents)	–	(0.01)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

## 11. 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>	Warrant reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2015 (audited)	417,565	3,056	1,200	5,899	1,147	(530,046)	(101,179)
Profit for the period	–	–	–	–	–	13,993	13,993
Exchange difference arising on translation of foreign operations	–	–	–	(228)	–	–	(228)
Total comprehensive income/(expense) for the period	–	–	–	(228)	–	13,993	13,765
Issue of shares upon exercise of warrants	9,181	–	–	–	(1,147)	–	8,034
At 30 June 2015 (unaudited)	<u>426,746</u>	<u>3,056</u>	<u>1,200</u>	<u>5,671</u>	<u>–</u>	<u>(516,053)</u>	<u>(79,380)</u>
At 1 April 2016 (audited)	452,396	3,056	1,200	7,676	–	(549,419)	(85,091)
Loss for the period	–	–	–	–	–	(15,129)	(15,129)
Exchange difference arising on translation of foreign operations	–	–	–	717	–	–	717
Total comprehensive income/(expense) for the period	–	–	–	717	–	(15,129)	(14,412)
Capital reorganisation	–	–	–	–	–	99,252	99,252
Capital reorganisation expenses	(160)	–	–	–	–	–	(160)
At 30 June 2016 (unaudited)	<u>452,236</u>	<u>3,056</u>	<u>1,200</u>	<u>8,393</u>	<u>–</u>	<u>(465,296)</u>	<u>(41)</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

Revenue from continuing operations for the three months ended 30 June 2016 amounted to approximately HK\$4.3 million representing an increase of approximately 30.8% as compared to the corresponding period in 2015.

#### **System development and professional services**

The Company was facing the fierce competition of thermal powered electricity supply market in the PRC in 2016 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 2015. Professional services provided to data center recorded an increase in revenue compared with the corresponding period in 2015 due to the age of “big data” and the effort of management to strengthen the relationship with existing customers.

#### **Proprietary trading business**

In relation to the Group’s proprietary trading business, we have seen low momentum as well as decreasing daily turnover of Hong Kong stock market. An economic slowdown in China and also the impact from the Brexit are contributing to volatility and a higher risk of global economic recovery. This led to the Group suffering losses on change in fair value of its financial assets at fair value through profit or loss. Looking forward, the current valuation of Hong Kong stock market is relatively low compared to other major stock markets such as U.S. and China. The possibility of implementation of “Shenzhen-Hong Kong Stock Connect” and inclusion of A-shares into MSCI’s indices will both attract capital inflow into the market and a market re-valuation is likely happened. The Group is actively seeking opportunities in securities investment which would create value and be beneficial to the Group and Shareholders as well. The Group also maintains a risk management policy in which key risk factors such as government and politic risk, country risk, price risk, interest rate risk, currency risk and economic risk have been identified and closely monitored.

#### **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.

## **FINANCIAL PERFORMANCE**

During the three months ended 30 June 2016, the Group recorded a revenue from continuing operations of approximately HK\$4.3 million (2015: HK\$3.3 million) representing an increase of approximately 30.8% as compared to that of the corresponding period in 2015. Administrative expenses from continuing operations increased to approximately HK\$5.5 million as compared to approximately HK\$4.0 million of the corresponding period in 2015, representing an increase of approximately 37.6% as compared to that of the corresponding period in 2015. Loss for the period from continuing operations was approximately HK\$15.1 million for the three months ended 30 June 2016 (2015: profit of approximately HK\$14.0 million).

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

During the three months ended 30 June 2016, the Company has made the following issue for cash of equity securities:

- (i) On 29 December 2015, the Company passed the special resolution by the shareholders approving the capital reorganisation at the extraordinary general meeting. Please refer to the Company's announcements and circular dated 20 November 2015, 27 November 2015, 29 December 2015, 25 April 2016 and 3 December 2015 respectively, for details of capital reorganisation. The Company completed the capital reorganisation on 25 April 2016.

Subsequent to the three months ended 30 June 2016, the Company has made the following issue for cash of equity securities:

- (ii) On 28 July 2016, a total of 19,790,313 shares have been successfully placed by a placing agent to not less than six placees at the placing price of HK\$0.57 per placing share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing, after deducting relevant expenses incurred in relation to the placing, amount to approximately HK\$10.9 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.

## **FUTURE PROSPECTS**

The Group will continue to look for opportunities to create shareholders' value through making 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 invest into and/or perform acquisitions in other industries (including renewable energy and other "green" businesses, the financial industry, and more traditional non-IT businesses) so long as such acquisitions can bring

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.

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

Company	Three months ended	As at 30 June 2016			
	30 June 2016	Realised and unrealised gain/(loss)	Market Value	Approximate percentage of financial assets at fair value through profit or loss	Approximate percentage of shareholding
	<i>HK\$'000</i>	<i>HK\$'000</i>			
Union Asia Enterprise Holdings Limited (“UA”) (Formerly known as Pan Asia Mining Limited)	(3,297)	–	–	–	–
Net realised loss	(3,297)	–	–	–	–
Enterprise Development Holdings Limited (“ED”)	(3,811)	7,463	21.6%	4.8%	
UA	(3,509)	1,343	3.9%	1.5%	
CNC Holdings Limited (“CNC”)	(1,285)	9,657	28.0%	1.0%	
Code Agriculture (Holdings) Limited (“CA”)	2,302	14,396	41.7%	4%	
Others	(178)	1,678	4.8%	–	
Net unrealised loss	(6,481)	34,537	100.0%		
	(9,778)	34,537	100.0%		

UA is principally engaged in exploration and exploitation of minerals and trading of coal, metals, bunker fuel and beverages. As at the date of this report, all the shares of UA were disposed.

ED is principally engaged in providing integrated business software solutions, trading of listed securities and mobile marketing business. ED has stably generated net profit for three financial years. In addition, ED announced a potential acquisition of a PRC karaoke copyrights company in May 2016. It will further enhance the future prospect of the business.

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. In June 2016, CNC announced a potential acquisition of a cultural park in Shenzhen. The new business opportunities will broaden its source of income and expand the business operations.

CA is principally engaged in the manufacture and sale of tobacco agricultural machinery in the PRC, the provision of digital television services in the PRC, the provision of car beauty services in Hong Kong, and money lending business in Hong Kong.

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

Subsequent to the three months ended 30 June 2016, the Company and the vendor has entered into the sale and purchase agreement on 8 August 2016 to acquire 100% of issued share capital of Cicero Capital Limited and its wholly owned subsidiary, Imagi Services Limited (collectively the “Target Group”) at the consideration of HK\$128 million. The Target Group is the legal and beneficial owner of a landed property situated at the 9th Floor, Global Trade Square, No. 21 Wong Chuk Hang Road, Hong Kong, together with 3 car parking spaces at Global Trade Square.

The consideration shall be paid in cash and will be funded by the Loan facilities up to HK\$150 million from Cordoba Homes Finance Limited. Please refer to Company’s announcement dated 8 August 2016 for details.

#### **DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SECURITIES**

As at 30 June 2016, 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 30 June 2016, no long positions of directors and chief executive 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

During the period under review, no short positions of the Directors and chief executive 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 30 June 2016, 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 30 June 2016, 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 shareholder	Capacity	Number of shares held	Approximate percentage of shareholding (note 1)
Mr. Chu Chun Piu	Beneficial owner	5,714,285	5.75%

*Note:*

1. As at 30 June 2016, the issued share capital of the Company was 99,351,565 shares.

## Long positions in underlying shares of the Company

As at 30 June 2016, 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 shares of the Company

As at 30 June 2016, no short positions of other persons or substantial shareholders in the shares of the Company and its associated corporations were recorded in the register.

### **Short positions in underlying shares of the Company**

As at 30 June 2016, 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 30 June 2016, 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 three months ended 30 June 2016 or at any time during such period.

### **DIRECTORS' COMPETING INTERESTS**

As at 30 June 2016, none of the Directors, substantial shareholders 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 information of the Group for the three month ended 30 June 2016 have been reviewed by the audit committee of the Company.

### **CODE ON CORPORATE GOVERNANCE PRACTICES**

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 report, 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.

The Company will keep the shareholders of the Company updated with the development of the aforesaid proceedings.

## **OTHER MATTERS**

On 28 November 2014, the Company entered into a settlement agreement with Gold Tycoon Limited, under which refund of the deposit paid is payable by Gold Tycoon Limited by 7 instalments being HK\$3,000,000, HK\$3,000,000, HK\$3,000,000, HK\$4,000,000, HK\$4,000,000, HK\$4,000,000 and HK\$4,000,000, on which fall due on 30 April 2015, 31 July 2015, 31 October 2015, 31 January 2016, 30 April 2016, 31 July 2016 and 31 October 2016 respectively. During the three months ended 30 June 2016, all receivable from Gold Tycoon Limited have been fully settled.

On 16 February 2015, the Company entered into a deed of settlement with the purchaser of 上海景福保險經紀有限公司, under which the outstanding disposal receivable is revised from RMB15,000,000 to HK\$17,700,000 which is payable by the purchaser by seven instalments, being HK\$1,000,000, HK\$500,000, HK\$500,000, HK\$1,000,000, HK\$4,700,000, HK\$5,000,000 and HK\$5,000,000, on which fall due on 18 February 2015, 27 February 2015, 30 April 2015, 30 June 2015, 30 September 2015, 31 December 2015 and 31 March 2016 respectively. During the three months ended 30 June 2016, the Company has fully received the outstanding amount.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the three months period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board  
**Trillion Grand Corporate Company Limited**  
**Lau Kelly**  
*Executive Director*

Hong Kong, 10 August 2016

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

*Executive Directors:*

Mr. Lau Kelly (*Chief Executive Officer*)  
Mr. Leung Chung Nam  
Mr. Tam Kwok Leung

*Non-executive Director:*

Ms. Jim Ka Man

*Independent non-executive Directors:*

Dr. Wan Ho Yuen, Terence  
Ms. Yeung Mo Sheung, Ann  
Mr. Hau Chi Kit

*This report, 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 report 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 report misleading.*

*This report 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 posting and on the website of the Company at <http://www.trilliongrand.com>.*