



**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)**

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

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*This report, 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 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**

- Turnover for the three months ended 30 June 2017 amounted to approximately HK\$88.6 million representing an increase of approximately 1,622.2% over the corresponding period in 2016.
- Profit attributable to the owners of the Company for the three months ended 30 June 2017 amounted to approximately HK\$3.3 million (2016: Loss HK\$15.1 million).
- Basic earning per share for the three months ended 30 June 2017 was approximately 2.79 HK cents (2016: Loss per share 15.23 HK cents).
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2017.

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 2017, together with the unaudited comparative figures for the corresponding period in 2016, are as follows:–

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

	<i>Notes</i>	<b>Unaudited</b>	
		<b>Three months ended 30 June</b>	
		<b>2017</b>	2016
		<b>HK\$'000</b>	<b>HK\$'000</b>
			(Re-presented)
Turnover	4	<u>88,575</u>	<u>5,143</u>
Revenue	4	4,469	4,281
Other income and gains	5	107	430
Subcontractors costs		(2,437)	(4,233)
Net gain/(loss) on change in fair value of financial assets at fair value through profit or loss		19,084	(6,481)
Loss on disposal of financial assets at fair value through profit or loss		(6,494)	(3,297)
Depreciation of plant and equipment		(167)	(463)
Amortisation of intangible asset		(222)	—
Other expenses		(3,697)	(3,500)
Staff costs, including Directors' emoluments		(1,733)	(1,535)
Finance costs	6	(6,234)	(331)
Share of loss of associate		<u>(29)</u>	<u>—</u>
Profit/(loss) before taxation		2,647	(15,129)
Income tax expenses	7	<u>36</u>	<u>—</u>
Profit/(loss) for the period	8	2,683	(15,129)
Other comprehensive (expense)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		<u>(677)</u>	<u>717</u>
Total comprehensive income/(expense) for the period attributable to owners of the Company		<u><u>2,006</u></u>	<u><u>(14,412)</u></u>

		<b>Unaudited</b>	
		<b>Three months ended 30 June</b>	
		<b>2017</b>	<b>2016</b>
<i>Notes</i>		<b>HK\$'000</b>	<b>HK\$'000</b>
		(Re-presented)	
Profit/(loss) for the period attributable to:			
	Owners of the Company	<b>3,269</b>	(15,129)
	Non-controlling interest	<u><b>(586)</b></u>	<u>—</u>
		<u><b>2,683</b></u>	<u><b>(15,129)</b></u>
Total comprehensive income/(expense) for the period attributable to:			
	Owners of the Company	<b>2,592</b>	(14,412)
	Non-controlling interest	<u><b>(586)</b></u>	<u>—</u>
		<u><b>2,006</b></u>	<u><b>(14,412)</b></u>
Earning/(loss) per share			
	— Basic (HK cents)	<i>10</i> <u><b>2.79</b></u>	<u><b>(15.23)</b></u>
	— Diluted (HK cents)	<i>10</i> <u><b>N/A</b></u>	<u><b>N/A</b></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 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 information for the three months ended 30 June 2017 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 2017 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 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 three months ended 30 June 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 three months ended 30 June 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 the amounts arising from systems development, professional services rendered, proprietary trading, money lending business and property investment, 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 2017	2016
	HK\$'000	HK\$'000
Revenue from provision of		
— Systems development	1,200	1,855
— Professional services fees	1,879	2,331
Proprietary trading	541	—
Interest income arising from money lending business	249	95
Rent income arising from property investment	600	—
	<hr/>	<hr/>
Total revenue	4,469	4,281
Proceeds from sales of financial assets at fair value through profit or loss	84,106	862
	<hr/>	<hr/>
Turnover	88,575	5,143
	<hr/> <hr/>	<hr/> <hr/>

5. OTHER INCOME AND GAINS

	UNAUDITED	
	Three months ended 30 June	
	2017	2016
	<i>HKS'000</i>	<i>HKS'000</i>
Bank interest income	3	4
Imputed interest income	—	204
Sundry income	—	222
Reversal of impairment loss in respect of:		
— trade receivable	45	—
— other receivable	59	—
	<u>107</u>	<u>430</u>

6. FINANCE COSTS

	UNAUDITED	
	Three months ended 30 June	
	2017	2016
	<i>HKS'000</i>	<i>HKS'000</i>
Interest on bank borrowing repayable within one year	426	—
Interest on promissory notes	996	—
Interest on short term loans	4,441	—
Interest on bonds	366	331
Others	5	—
	<u>6,234</u>	<u>331</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 2017 and 2016.
- (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%.

8. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period is stated after charging:

	UNAUDITED	
	Three months ended 30 June	
	2017	2016
	<i>HKS'000</i>	<i>HKS'000</i>
Staff costs		
Salaries and other benefits	1,670	1,476
Retirement benefits scheme contribution	63	59
	<u>1,733</u>	<u>1,535</u>
Auditors' remuneration	175	158
Amortisation of intangible asset	222	—
Depreciation	167	463
Operating leases	1,219	1,262
	<u>1,219</u>	<u>1,262</u>

**9. DIVIDEND**

The Board did not recommend the payment of any dividend for the three months ended 30 June 2017 (2016: Nil).

**10. EARNING/(LOSS) PER SHARE**

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

**Profit/(loss)**

	<b>Three months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Profit/(loss) for the purpose of basic earning/(loss) per share (profit/(loss) for the period attributable to owners of the Company)	<b><u>3,269</u></b>	<b><u>(15,129)</u></b>

**Number of shares**

	<b>Three months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Weighted average number of ordinary shares for the purpose of basic and diluted earning/(loss) per share	<b><u>117,084,392</u></b>	<b><u>99,351,565</u></b>



## 11. RESERVES

	Share premium	General reserve	Capital reserve	Exchange translation reserve	Accumulated losses	Sub-total	Non- controlling interest	Total
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
At 1 April 2016 (audited)	452,396	3,056	1,200	7,676	(549,419)	(85,091)	—	(85,091)
Loss for the period	—	—	—	—	(15,129)	(15,129)	—	(15,129)
Exchange difference arising on translation of foreign operations	—	—	—	717	—	717	—	717
Total comprehensive income/ (expense) for the period	—	—	—	717	(15,129)	(14,412)	—	(14,412)
Capital reorganisation	—	—	—	—	99,252	99,252	—	99,252
Capital reorganisation expenses	(160)	—	—	—	—	(160)	—	(160)
At 30 June 2016 (unaudited)	<u>452,236</u>	<u>3,056</u>	<u>1,200</u>	<u>8,393</u>	<u>(465,296)</u>	<u>(411)</u>	<u>—</u>	<u>(411)</u>
At 1 April 2017 (audited)	463,135	3,056	1,200	9,519	(489,853)	(12,943)	2,197	(10,746)
Profit/(loss) for the period	—	—	—	—	3,269	3,269	(586)	2,683
Exchange difference arising on translation of foreign operations	—	—	—	(677)	—	(677)	—	(677)
Total comprehensive income/ (expense) for the period	—	—	—	(677)	3,269	2,592	(586)	2,006
Acquisition of subsidiaries	—	—	—	—	—	—	(9,381)	(9,381)
Issue of consideration shares	46,047	—	—	—	—	46,047	—	46,047
At 30 June 2017 (unaudited)	<u>509,182</u>	<u>3,056</u>	<u>1,200</u>	<u>8,842</u>	<u>(486,584)</u>	<u>35,696</u>	<u>(7,770)</u>	<u>27,926</u>

## 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 the second quarter of 2017. Asian market including Hong Kong has attracted favorable capital inflow across the world. The Group record a gain in financial assets at fair value through profit or loss for the three months ended 30 June 2017. However, the market is still filled with uncertainties such as slow global economic growth and international political controversies. The Group is actively seeking 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\$84.1 million for the three months ended 30 June 2017 (2016: HK\$0.9 million). The securities investment portfolio amounted to approximately HK\$94.7 million as at 30 June 2017 (2016: HK\$34.5 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\$0.2 million for the three months ended 30 June 2017 (2016: HK\$0.1 million). The loan portfolio amounted HK\$4.4 million as at 30 June 2017 (2016: HK\$4.1 million).

### **Property investment**

The property located in Southern District in Hong Kong was generated HK\$600,000 rental income for the three months ended 30 June 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).

### **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.

## **FINANCIAL PERFORMANCE**

During the three months ended 30 June 2017, the Group recorded a turnover of approximately HK\$88.6 million (2016: HK\$5.1 million) representing an increase of approximately 1,622.2% 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 gain on change in fair value of financial assets at fair value through profit or loss increased to approximately HK\$19.1 million as compared to approximately loss HK\$6.5 million of the corresponding period in 2016 as a result of stable upward trend in global securities market. Finance cost increased to approximately HK\$6.2 million as compared to approximately HK\$0.3 million of the corresponding period in 2016, representing an increase of approximately 1,783.4% as compared to that of the corresponding period in 2016. The increase in finance cost was due to increase in bank borrowing, short term loans and promissory notes. Profit attributable to the owners of the Company was approximately HK\$3.3 million for the three months ended 30 June 2017 (2016: loss HK\$15.1 million).

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

During the three months ended 30 June 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 Full Wealthy International Limited and its subsidiaries (collectively the “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 into 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	Three months ended	As at 30 June 2017	
	30 June 2017	Market Value	Approximate percentage of financial assets at fair value through profit or loss
	Realised and unrealised gain/(loss) <i>HK\$'000</i>	<i>HK\$'000</i>	
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”)	(2,218)		
Others	(1,030)		
Net realised loss	(6,494)		
GF	2,418	26,150	27.6%
IT	7,002	30,624	32.4%
CNC	2,351	3,593	3.8%
Celebrate International Holdings Limited (“CI”)	8,153	16,684	17.6%
Others	(840)	17,620	18.6%
Net unrealised gain	19,084	94,671	100.0%
	12,590	94,671	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.

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

As at 30 June 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 30 June 2017, 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 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 30 June 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 shareholder	Capacity	Number of shares held	Approximate percentage of shareholding (note 1)
Full Times Investment Limited (note 2)	Beneficial owner	23,035,000	16.19%

Notes:

1. As at 30 June 2017, the issued share capital of the Company was 142,256,878 shares.
2. Full Times Investment Limited is wholly owned by HMV Digital China Group Limited whose shares are listed on the GEM of the Stock Exchange.

### Long positions in underlying shares of the Company

As at 30 June 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 shares of the Company

As at 30 June 2017, 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 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 30 June 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 three months ended 30 June 2017 or at any time during such period.

## **DIRECTORS' COMPETING INTERESTS**

As at 30 June 2017, 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 2017 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.

#### **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, 14 August 2017

*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. Wong Kam Kwan

**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>.*