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)

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 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.

*This announcement, for which the directors (the "**Directors**") of Trillion Grand Corporate Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") 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.*

RESULTS

The board of Directors (the "**Board**") presents the audited consolidated financial statements of the Group for the year ended 31 March 2017, together with the audited comparative figures for the corresponding year in 2016.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000* (Re-presented)
Turnover	*4*	**183,657**	103,016
Continuing operations			
Revenue	*4*	**36,116**	63,289
Other income and gains	*5*	**5,937**	34,684
Subcontractors costs		**(26,699)**	(61,288)
Other expenses		**(19,469)**	(17,883)
Impairment loss on trade and other receivables		**(8,266)**	(1,515)
Impairment loss on financial assets at fair value through profit or loss		**(4,582)**	—
Gain on change in fair value of investment property		**17,099**	—
Loss on disposal of available-for-sale investments		**—**	(664)
Loss on disposal of financial assets at fair value through profit or loss		**(7,217)**	(22,498)
Net loss on change in fair value of financial assets at fair value through profit or loss		**(15,211)**	(139)
Finance costs	*7*	**(9,696)**	(8,025)
Depreciation of plant and equipment		**(671)**	(871)
Amortisation of intangible assets		**(296)**	—
Staff costs, including Directors' emoluments		**(5,908)**	(4,835)
Share of profit of an associate		**—**	20
Loss before tax		**(38,863)**	(19,725)
Income tax expenses	*8*	**(457)**	(11)
Loss for the year from continuing operations	*9a*	**(39,320)**	(19,736)
Discontinued operation			
Loss for the year from discontinued operation	*9b*	**—**	(66)
Loss for the year		**(39,320)**	(19,802)
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**1,843**	2,206
Total comprehensive expenses for the year		**(37,477)**	(17,596)

	Notes	2017 HK$'000	2016 HK$'000 (Re-presented)
Loss for the year attributable to owners of the Company			
— from continuing operations		**(39,686)**	(19,736)
— from discontinued operations		**—**	(66)
Loss for the year attributable to owners of the Company		**(39,686)**	(19,802)
Loss for the year attributable to non-controlling interest			
— from continuing operations		**366**	—
— from discontinued operations		**—**	—
Loss for the year attributable to non-controlling interest		**366**	—
		(39,320)	(19,802)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(37,843)**	(17,596)
Non-controlling interest		**366**	—
		(37,477)	(17,596)
Loss per share	*11*		
From continuing and discontinued operations			
— Basic and diluted		**HK35 cents**	HK26 cents
From continuing operations			
— Basic and diluted		**HK35 cents**	HK26 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (Re-presented)
Non-current Assets			
Plant and equipment		**3,500**	3,949
Investment property		**145,000**	—
Goodwill		**9,810**	—
Investment in an associate		**—**	—
Intangible asset		**4,138**	—
Available-for-sale investments		**6,600**	6,600
		169,048	10,549
Current Assets			
Trade and other receivables	*12*	**39,467**	35,527
Loan receivables		**10,000**	3,000
Disposal receivables		**—**	11,400
Deposit paid for acquisition of investment		**—**	15,796
Deposits and prepayments		**4,778**	12,865
Amounts due from customers for contract work		**7,972**	7,311
Financial assets at fair value through profit or loss		**84,357**	3,465
Pledged bank balance		**5,530**	—
Bank balances and cash		**6,074**	26,986
		158,178	116,350
Current Liabilities			
Amounts due to customers for contract work		**7,397**	8,619
Trade and other payables	*13*	**86,109**	86,058
Receipts in advance		**1,518**	1,269
Bank and other borrowings	*14*	**212,165**	—
Tax payable		**4,722**	4,397
		311,911	100,343
Net Current (Liabilities)/Assets		**(153,733)**	16,007
Total Assets less Current Liabilities		**15,315**	26,556

	Notes	2017 HK$'000	2016 HK$'000 (Re-presented)
Capital and Reserves			
Share capital	*15*	**119**	99,351
Share premium and reserves		**(12,943)**	(85,091)
(Deficit)/Equity attributable to owners of the Company		**(12,824)**	14,260
Non-controlling interest		**2,197**	—
Total (Deficit)/Equity		**(10,627)**	14,260
Non-current Liabilities			
Bonds		**13,705**	12,296
Promissory note		**11,554**	—
Deferred tax liabilities		**683**	—
		25,942	12,296
		15,315	26,556

1. GENERAL

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 3rd Floor, 24 Shedden Road, P.O. Box 1586, Grand Cayman, KY1-1110, 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 Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM**").

The functional currency of the Company is Renminbi ("**RMB**"). The consolidated financial statements are presented in Hong Kong dollar ("**HK$**") as the directors of the Company consider that HK$ is the appropriate presentation currency for the users of the Group's financial statements given that the shares of the Company are listed on the GEM.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Compliance and Basis of Preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss which were measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in the exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Statement of Compliance and Basis of Preparation (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

— Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

— Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

— Level 3 inputs are unobservable inputs for the asset or liability. The principal accounting policies are set out in Note 4 below.

In preparing these consolidated financial statements, the directors have considered the future liquidity of the Group. As at 31 March 2017, the Group had recorded net current liabilities and net liabilities of approximately HK$153,733,000 and HK$10,627,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the directors, the Group can meet its financial obligations as and when they fall due within the next year from the date of the consolidated financial statements, after taking into consideration of the following measures and arrangements made subsequent to the reporting date:

1. On 8 June 2017, the Company entered into a supplemental agreement with a third party, under which the repayment date of the other borrowing of approximately HK$ 120,343,000 has been extended to 5 May 2018. The loan carries interest at 12% per annum and was secured by the floating charge over all the assets of Group;

2. On 9 June 2017, the Company obtained a loan facility from an independent third party up to HK$ 30,000,000. The loan carries interest at 2% per month. The facility has not been utilised up to the date of approval of these consolidated financial statements.

3. On 13 June 2017, the Company obtained a loan facility from an independent third party up to HK$15,000,000. The loan carries interest at 12% per annum. The loan facility has been fully utilised up to the date of approval of these consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Statement of Compliance and Basis of Preparation (Continued)

In light of the measures and arrangements implemented to date, the directors are of the view that the Group has sufficient cash resources to satisfy its working capital and other financial obligations for the next twelve months from the date of the consolidated financial statements, after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the development of its businesses. Accordingly, the directors are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted the following amended HKFRSs and HKASs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2016.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle
HKFRS 14	Regulatory Deferral Accounts
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements

Except as described below, the application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

Amendments to HKAS 1 "Disclosure Initiative"

The Group has applied the amendments to HKAS 1 Disclosure Initiative for the first time in the current year. The amendments to HKAS 1 clarify that an entity does not need to provide a specific disclosure required by a HKFRSs if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of consolidated financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

Furthermore, the amendments require that an entity's share of the other comprehensive income of associates accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met. Other than such a change in presentation, the application of these amendments has not resulted in any impact on the financial performance or financial position of the Group.

New and revised HKFRSs that in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs and HKASs that have been issued but are not yet effective.

HKFRS 9	Financial Instruments[1]
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]
Amendments to HKAS 40	Transfers on Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2017.
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

HKFRS 9 Financial Instruments

HKFRS 9 has introduced new requirements for a) classification and measurement of financial assets, b) impairment of financial assets and c) general hedge accounting.

Specifically, with regard to the classification and measurement of financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKFRS 9 to be subsequently measured at amortised cost or fair value. Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each of the subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

With regard to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under HKAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk.

With regard to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group is still in the process of assessing the impact of HKFRS 9. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

3. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent consideration, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures. As for the timing and amounts of revenue recognised in respective reporting period, the Group is still in the process of assessing the impact of HKFRS 15. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

HKFRS 16 Leases

HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

With regard to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets. Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

With regard to lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, HKFRS 16 requires extensive disclosures in the financial statements.

The Group is in the process of assessing the impact of HKFRS 16. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

3. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

Amendments to HKAS 7 Disclosure Initiative

The amendments require an entity to make disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

4. REVENUE

Revenue of the Group, represents income from systems development, professional services rendered, proprietary trading, money lending business and rental income, net of sales related taxes if any.

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Revenue from provision of		
Systems development	**15,398**	46,263
Professional services fees	**18,118**	17,000
Proprietary trading	**1,242**	—
Interest income arising from money lending business	**1,058**	26
Rental income arising from investment property	**300**	—
Total revenue	**36,116**	63,289
Proceeds from sales of financial assets at fair value through profit or loss	**147,541**	39,727
Turnover	**183,657**	103,016

5. OTHER INCOME AND GAINS

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Other income and gains		
Bank interest income	**18**	32
Imputed interest income	**203**	3,897
Sundry income	**306**	1,949
Gain on disposal of subsidiaries	**—**	246
Waive of current account with discontinued operations subsidiaries	**—**	632
Reversal of impairment loss in respect of:		
— trade receivables	**140**	2,859
— other receivables	**5,270**	25,069
	5,937	34,684

6. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

During the current year, the Group commenced its property investment business in Hong Kong which formed a separate operating division of the Group. Therefore, the Group is currently organised into five operating divisions — systems development, professional services, proprietary trading, money lending and property investment which represent the Group's five operating segments. During the year ended 31 March 2016, the Group has four operating divisions — systems development, professional services, proprietary trading and money lending which represent the Group's four operating segments.

Systems development	—	Provision of systems development, maintenance and installation as well as consulting service and software licensing.
Professional services	—	Provision of information technology engineering and technical support services including financial valuation and IT service.
Proprietary trading	—	Trading of listed securities in Hong Kong.
Money lending	—	Provision of financing services in Hong Kong.
Property investment	—	Lease of property in Hong Kong.

a. Segment revenues and results

The following is an analysis of the Group's revenues and results by its operating and reportable segments.

	For the year ended 31 March											
	Systems development		Professional services		Proprietary trading		Money lending		Property Investment		Consolidated	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations												
REVENUE												
Revenue from external customers	**15,398**	46,263	**18,118**	17,000	**1,242**	—	**1,058**	26	**300**	—	**36,116**	63,289
RESULT												
Segment results	**(8,927)**	(5,307)	**3,281**	7,297	**(25,742)**	(23,036)	**1,058**	26	**15,728**	—	**(14,602)**	(21,020)
Interest income											**221**	3,929
Unallocated income and gains											**5,5776**	27,896
Unallocated expenses and losses											**(20,362)**	(22,525)
Finance costs											**(9,696)**	(8,025)
Share of profit of an associate											**—**	20
Loss before tax											**(38,863)**	(19,725)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represents the results of each segment without allocation of interest income, certain other income and gains and other expenses and losses (including central administration costs and directors' remunerations and finance costs) and share of results of an associate. This is the measure reported to the chief operating decision maker of the Group for the purposes of resource allocation and assessment of segment performance.

6. SEGMENT INFORMATION (CONTINUED)

b. Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by its operating and reportable segments.

	At 31 March											
	Systems development		Professional services		Proprietary trading		Money lending		Property Investment		Consolidated	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS												
Segment assets	**21,388**	32,020	**10,126**	3,168	**84,357**	3,465	**10,840**	3,157	**145,000**	—	**271,711**	41,810
Unallocated corporate assets												
— Plant and equipment											**246**	11
— Goodwill											**9,810**	—
— Available-for-sale investments											**6,600**	6,600
— Disposal receivables											**—**	11,400
— Deposit paid for acquisition of investment											**—**	15,796
— Other receivables, deposits and prepayments											**27,255**	24,296
— Pledged bank deposits											**5,530**	—
— Bank balances and cash											**6,074**	26,986
Total assets											**327,226**	126,899
LIABILITIES												
Segment liabilities	**45,800**	50,585	**5,719**	7,686	**70,800**	—	**—**	—	**—**	—	**122,319**	58,271
Unallocated corporate liabilities												
— Other payables											**42,824**	37,675
— Other borrowings											**142,046**	—
— Bonds											**13,705**	12,296
— Promissory notes											**11,554**	—
— Deferred tax liabilities											**683**	—
— Tax payable											**4,722**	4,397
Total liabilities											**337,853**	112,639

For the purposes of monitoring segment performance and allocating resources between segments:

i. all major assets are allocated to reportable segments other than investment in an associate, available-for-sale investments, disposal receivables, deposits paid for acquisition of investment, other receivables, deposits and prepayments, pledged bank deposits, and bank balances and cash. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

ii. all major liabilities are allocated to reportable segments other than certain other payables, other borrowings, bonds, promissory notes, deferred tax liabilities and tax payable. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

6. SEGMENT INFORMATION (CONTINUED)

c. Geographical information

Information about the Group's revenue presented based on the location of customers is as below:

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**12,538**	26
PRC	**23,578**	63,263
	36,116	63,289

Information about the Group's non-current assets (excluding available-for-sale investments) presented based on the location of assets is as below:

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**159,066**	34
PRC	**3,382**	3,915
	162,448	3,949

d. Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

	Systems development		**Professional services**		**Proprietary trading**		**Money lending**		**Invested property**		**Segment total**		**Unallocated**		**Consolidated**	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing Operations																
Other segment information																
Depreciation of plant and equipment	**(658)**	(857)	—	—	**—**	—	**(5)**	(6)	**—**	—	**(663)**	(701)	**(8)**	(8)	**(671)**	(871)
Amortisation of intangible asset	**(296)**	—	**—**	—	**—**	—	**—**	—	**—**	—	**(296)**	—	**—**	—	**(296)**	—
Impairment loss recognised in respect of:																
— available-for-sale investments	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	(664)	**—**	(664)
— trade and other receivables	**(7,142)**	(1,515)	**(988)**	—	**—**	—	**—**	—	**—**	—	**(8,130)**	(1,515)	**(136)**	—	**(8,266)**	(1,515)
— financial assets	**—**	—	**—**	—	**(4,582)**	—	**—**	—	**—**	—	**(4,582)**	—	**—**	—	**(4,582)**	—
Loss on disposal of:																
— plant and equipment	**—**	—	**—**	—	**—**	—	**18**	—	**—**	—	**18**	—	**—**	—	**18**	—
Gain/(loss) on change in fair value of:																
— financial assets at fair value through profit or loss	**—**	—	**—**	—	**(15,211)**	—	**—**	—	**—**	—	**(15,211)**	—	**—**	(139)	**(15,211)**	(139)
Reversal of impairment loss in respect of:																
— trade receivables	**105**	2,859	**35**	—	**—**	—	**—**	—	**—**	—	**140**	2,859	**—**	—	**140**	2,859
— other receivables	**—**	25,069	**—**	—	**—**	—	**—**	—	**—**	—	**—**	25,069	**5,270**	—	**5,270**	25,069
Gain on fair value of investment property	**—**	—	**—**	—	**—**	—	**—**	—	**17,099**	—	**17,099**	—	**—**	—	**17,099**	—
Gain/(loss) on disposal of financial assets at fair value through profit or loss	**—**	—	**—**	—	**(7,217)**	(22,499)	**—**	—	**—**	—	**(7,217)**	(22,499)	**—**	—	**(7,217)**	(22,498)
Gain on disposal of subsidiaries/ associate	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	395	**—**	395
Additions to non-current assets *(Note)*	**4,589**	—	**—**	—	**—**	—	**—**	—	**145,000**	—	**149,589**	—	**9,827**	—	**159,416**	—

Note: Non-current assets excluded financial instruments.

6. SEGMENT INFORMATION (CONTINUED)

e. Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

Revenue generated from		**2017**	2016
		HK$'000	*HK$'000*
Continuing operations			
Customer A	System development	**13,597**	11,942

7. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank and other borrowings repayable within one year	**7,626**	203
Imputed interest on promissory notes	**242**	2,179
Imputed interest on convertible bonds	**—**	3,203
Interest on amount due to noteholder	**—**	1,404
Interest on bonds	**1,409**	735
Others	**419**	301
	9,696	8,025
Discontinued operation		
Interest on bank borrowings repayable within one year	**—**	64
Finance costs on finance leases	**—**	127
	—	191
	9,696	8,216

8. INCOME TAX EXPENSES

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
— PRC Enterprise Income Tax	**(524)**	—
— Over/(Under) provision in prior year	**18**	(11)
	(506)	(11)
Deferred tax	**49**	—
	(457)	(11)

a. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the years ended 31 March 2017 and 2016.

b. Under the Law of the PRC on Enterprise Income Tax ("**EIT Law**") and Implementation Regulation of the EIT Law, the standard tax rate applicable to PRC Enterprise Income Tax is 25%.

The income tax can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Loss before tax	**(38,863)**	(19,725)
Tax at the applicable tax rate of 25% (2016: 25%)	**(9,716)**	(4,931)
Lower the rate for specific provinces or or enacted by local authorities	**11,880**	—
Tax effect of income not taxable for tax purposes	**(2,563)**	(30,148)
Tax effect of expenses not deductible for tax purposes	**1**	33,978
Tax effect of tax losses and other deductible temporary differences not recognised	**873**	1,101
(Over)/Under provision in prior year	**(18)**	11
Income tax	**457**	11

9a. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging:

	2017	2016
	HK$'000	*HK$'000*
Staff costs		
Salaries and other benefits	**5,709**	4,711
Retirement benefits scheme contributions	**199**	124
	5,908	4,835
Auditors' remuneration	**700**	630
Share-based payment expenses	**—**	7,321
Depreciation of plant and equipment	**671**	871
Amortisation of intangible asset	**296**	—
Operating lease	**5,218**	1,128
Loss on disposal of plant and equipment, net	**18**	—

9b. LOSS FOR THE YEAR FROM DISCONTINUED OPERATION

Loss for the year from discontinued operation has arrived at after charging:

	2017	2016
	HK$'000	*HK$'000*
Staff costs, including Directors' remuneration		
Salaries and other benefits	**—**	320
Retirement benefits scheme contributions	**—**	17
	—	337
Depreciation of plant and equipment	**—**	28
Operating leases	**—**	244

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2017, nor has any dividend been proposed since the end of the reporting date (2016: Nil).

11. LOSS PER SHARE

From continuing and discontinued operations

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

Loss

	2017	2016
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share		
Loss for the period attributable to owners of the Company	**(39,686)**	(19,802)

11. LOSS PER SHARE (CONTINUED)

From continuing and discontinued operations (Continued)

Number of shares

	2017	2016
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**112,798,050**	75,750,743

Diluted loss per share for the years ended 31 March 2017 and 2016 are same as basic loss per share for the respective years since there is no dilutive ordinary shares outstanding.

From continuing operations

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

Loss

	2017	2016
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per share		
Loss for the period attributable to owners of the Company	**(39,686)**	(19,736)

The denominators used for the calculation of basic and diluted loss per share of continuing operation are the same as those detailed above for continuing and discontinued operation.

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

	2017	2016
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share (loss for the period attributable to owners of the Company)	**—**	(66)
Loss per share		
From discontinued operation		
— basic and diluted (HK cents)	**N/A**	(0.09)

The denominators used for the calculation of basic and diluted loss per share of discontinued operation are the same as those detailed above for continuing and discontinued operation.

12. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade and bills receivables	**41,790**	40,393
Less: Impairment loss recognised	**(35,012)**	(29,060)
	6,778	11,333
Retention receivables	**5,662**	10,548
Less: Impairment loss recognised	**(848)**	(903)
	4,814	9,645
Other receivables	**63,926**	58,349
Less: Impairment loss recognised	**(36,051)**	(43,800)
	27,875	14,549
	39,467	35,527

Notes:

a. Trade and bills receivables

Trade and bills receivables are due for settlement in accordance with the terms of the underlying agreements with the customers. Trade receivables with balances that are more than 9 months' overdue are requested for settlement of all outstanding balances before any further credit is granted.

Impairment loss is recognised against trade and bills receivables based on estimated irrecoverable amounts determined by reference to past default experience of customers.

An aged analysis of trade and bills receivables based on dates of invoices, net of impairment loss recognised, is as follows:

	2017	2016
	HK$'000	*HK$'000*
0–30 days	**3,657**	1,829
31–90 days	**776**	8,202
Over 90 days	**2,345**	1,302
	6,778	11,333

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

a. Trade and bills receivables (Continued)

Movements in impairment loss on trade and bills receivables are as follows:

	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**29,060**	51,116
Exchange realignment	**(2,038)**	(1,546)
Recognised during the year	**8,130**	1,475
Reversal during the year	**(140)**	(2,859)
Derecognised on disposal of subsidiaries	**—**	(19,126)
At end of the year	**35,012**	29,060

Trade and bills receivables amounted to approximately HK$35,012,000 at 31 March 2017 (2016: HK$29,060,000) were individually determined to be impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

An analysis of trade and bills receivables at 31 March 2017 and 2016 not impaired is as follows:

			Past due but not impaired		
	Total	Neither past due nor impaired	Not more than 90 days	More than 90 days but less than 1 year	Over 1 year
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2017	**6,778**	**—**	**4,433**	**2,345**	**—**
31 March 2016	11,333	—	10,031	1,302	—

Trade and bills receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

b. Retention receivables

Retention receivables, net of impairment loss recognised, amounted to approximately HK$4,814,000 as at 31 March 2017 (2016: HK$9,645,000) are substantially due for settlement after a period of more than 12 months.

Movements in impairment losses of retention receivables are as follows:

	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**903**	950
Exchange realignment	**(55)**	(47)
At end of the year	**848**	903

Retention receivables amounting to approximately HK$848,000 at 31 March 2017 (2016: HK$903,000) were individually impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

c. Other receivables

	2017	2016
	HK$'000	*HK$'000*
Advances to third parties	**62,712**	55,887
Advances to staff of the Group	**1,214**	2,462
	63,926	58,349
Less: Impairment loss recognised	**(36,051)**	(43,800)
	27,875	14,549

The other receivables are unsecured, interest free and repayable on demand.

Movements in impairment loss of other receivables are as follows:

	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**43,800**	71,816
Exchange realignment	**(2,615)**	(2,987)
Recognised during the year	**136**	40
Reversal during the year *(Note 5)*	**(5,270)**	(25,069)
At end of the year	**36,051**	43,800

Other receivables amounted to approximately HK$36,051,000 at 31 March 2017 (2016: HK$43,800,000) were individually impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

13. TRADE AND OTHER PAYABLES

	2017 HK$'000	2016 HK$'000
Trade payables *(Note a)*	**39,356**	43,800
Amount due to a former shareholder *(Note b)*	**16,571**	17,655
Accrued expenses and other payables	**30,182**	24,603
	86,109	86,058

Notes:

a. An aged analysis of trade payables at the end of the reporting period, based on invoice dates, is as follows:

	2017 HK$'000	2016 HK$'000
0–30 days	**25,717**	9,103
31–90 days	**301**	21,954
Over 90 days	**13,338**	12,743
	39,356	43,800

The average credit period granted by the suppliers of the Group is 30–90 days (2016: 30–90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

b. The amount due to an entity, which was a registered shareholder of the Company in prior years, is unsecured, interest free and repayable on demand. This entity ceased to be the Company's registered shareholder since 2014.

14. BANK AND OTHER BORROWINGS

	2017 HK$'000	2016 HK$'000
Bank borrowings	**70,119**	—
Other borrowings	**142,046**	—
	212,165	—

Notes:

a. The Group's bank borrowings are secured by 100% of the issued capital of certain subsidiaries of the Group and the certain assets of the Group as follows:

	2017 HK$'000
Investment property	**145,000**
Finance assets at fair value through profit or loss	**69,495**
Bank balance	**5,530**
	220,025

14. BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

b. As at 31 March 2017, the Group has banking facilities totalling HK$76,800,000, of which HK$70,119,000 has been utilised, all banking facilities were secured.

c. All other borrowings were unsecured and will be settled within 1 year and hence classified as current liability.

d. As at 31 March 2017, the other borrowings were bearing interest at a fixed rate of 12% per annum.

e. As at 31 March 2017, bank borrowings were bearing interest at a variable rate of 2% per annum over 1 month HIBOR or bank's cost of funds.

15. SHARE CAPITAL

	Number of shares	Nominal amount
		HK$'000
Authorised:		
Ordinary shares of HK$0.05 each at 31 March 2015	4,000,000,000	200,000
Effect of share consolidation *(Note a)*	(2,000,000,000)	—
Effect of share consolidation *(Note b)*	(1,800,000,000)	—
Ordinary shares of HK$1 each at 31 March 2016	200,000,000	200,000
Capital reduction and subdivision *(Note g)*	199,800,000,000	—
Ordinary shares of HK$0.001 each at 31 March 2017	200,000,000,000	200,000
Issued and fully paid:		
Ordinary shares of HK$0.05 each at 31 March 2015	1,083,223,857	54,161
Issue of shares upon:		
— exercise of warrants *(Note c)*	57,380,000	2,869
— placements of shares *(Note d)*	352,369,633	24,405
— conversion of convertible bonds *(Note e)*	57,142,857	5,714
— exercise of share option *(Note f)*	122,023,623	12,202
Effect of share consolidation *(Note a and b)*	(1,572,788,405)	—
Ordinary shares of HK$1 each at 31 March 2016	99,351,565	99,351
Capital reduction and subdivision *(Note g)*	—	(99,252)
Issue of shares upon:		
— placements of shares *(Note h)*	19,870,313	20
Ordinary shares of HK$0.001 each at 31 March 2017	**119,221,878**	**119**

15. SHARE CAPITAL (CONTINUED)

Notes:

(a) On 8 September 2015, the Company completed a share consolidation pursuant to which every two issued and unissued shares of HK$0.05 each be consolidated into one consolidated share of HK$0.1.

(b) On 30 December 2015, the Company completed a share consolidation pursuant to which every ten issued and unissued shares of HK$0.1 each be consolidated into one consolidated share of HK$1.

(c) On 1 April 2015, the holders of non-listed warrants exercised its rights to subscribe for 57,380.000 shares at HK$0.19 per share.

(d) During the year ended 31 March 2016, certain placements of shares with aggregate amount of 352,369,633 shares have been placed as set out as follow:

— On 29 July 2015, a total of 216,644,771 shares have been successfully placed by a placing agent to not less than six placees at the placing price of HK$0.085 per placing share pursuant to the terms and conditions of the placing agreement.

— On 19 November 2015, a total of 135,724,862 shares have been successfully placed by placing agent to not less than six placees at the placing price of HK$0.1 per placing share pursuant to the terms and conditions of the placing agreement.

(e) On 16 November 2015, the 2013 convertible bonds with principal amount of HK$30,000,000 was converted into 57,142,857 ordinary shares of the Company at a conversion price of HK$0.35 per share.

(f) During the year ended 31 March 2016, 122,023,623 ordinary shares were issued to share option holder who had exercised his options.

(g) Pursuant to an order granted by the Court of the Cayman Islands on 14 April 2016 approved the reduction of the issued share capital of the Company by reducing the par value of each issued share from HK$1 to HK$0.001 by cancelling the paid up share capital to the extent of HK$0.999 per issued share, each authorised but unissued share of the Company with nominal value of HK$1 has been subdivided into 1,000 shares of the Company with nominal value of HK$0.001 each, with effect after 4:00 p.m. on 25 April 2016 but before 9:00 a.m. on 26 April 2016. Further details of the capital reduction of issued shares and subdivision of unissued shares are set out in the announcements dated 20 November 2015, 27 November 2015 and 29 December 2015 and the circular dated 3 December 2015.

(h) During the year ended 31 March 2017, certain placements of shares with amount of 19,870,313 shares have been placed on 18 July 2016 by a placing agent at the placing price of HK$0.57 per placing share pursuant to the terms and conditions of the placing agreement.

16. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

Cicero Capital Limited and its subsidiary ("CCL Group")

On 8 August 2016, the Group has entered into a sales and purchase agreement with an independent third party for the acquisition of 100% of the issued share capital of CCL Group at a cash consideration of HK$128,000,000. The CCL Group is the legal and beneficial owner of a landed property situated with 3 car parking spaces located in Hong Kong. The acquisition was completed on 12 October 2016.

CCL has not carried out any businesses on acquisition date. In the opinion of the directors, the acquisition did not constitute an acquisition of business in substance within the scope of HKFRS 3 Business Combinations. The acquisition of the investment property was then considered as acquisition of assets through acquisition of subsidiaries.

The following summarises the consideration paid and the fair value of the assets acquired and liabilities assumed at the date of acquisition:

	HK$'000
Investment property	**127,901**
Other receivables	**99**
Net assets acquired	**128,000**

The fair value of investment properties at the date of acquisition was valued by Colliers International (Hong Kong) Limited, independent qualified valuer not connected to the Group, by reference to the market evidence of transaction price for similar properties.

Analysis of net cash outflow arising on acquisition:

	HK$'000
Purchase consideration settled in cash	**(128,000)**
Less: Bank balance and cash acquired from the subsidiaries	**—**
Net cash outflow from acquisition of assets through acquisition of subsidiary	**(128,000)**

17. ACQUISITION OF SUBSIDIARIES

MPL Group

On 23 November 2016, the Group acquired 51% of the issued share capital of MPL Group for consideration of HK$14,400,000 which was satisfied by issuance of promissory note at fair value of HK$11,716,000. The amount of goodwill arising as a result of the acquisition was HK$9,810,000. MPL Group is engaged in provision of services and solutions on cyber security to customers. MPL Limited was acquired so as to expand the revenue steam of the Group. The acquisition was completed on 19 September 2016.

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

	Fair value recognised on acquisition *HK$'000*
Intangible assets	**4,434**
Bank balances and cash	**64**
Trade and other receivables	**141**
Trade and other payables	**(169)**
Deferred tax liabilities	**(732)**
Total identifiable net assets at fair value	**3,738**
Non-controlling interest	**(1,832)**
	1,906
Goodwill arising on acquisition	**9,810**
Satisfactory by promissory note	**11,716**

Goodwill arose in the acquisition of MPL Group because the cost of the combination included in relation to the benefit 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 assets.

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

	HK$'000
Bank balance and cash acquired from the subsidiaries	**64**
Net cash inflow for the acquisition of subsidiaries	**64**

17. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Impact of the acquisition on the results of the Group

Since the acquisition, MPL Group contributed approximately HK$5,939,000 to the Group's revenue and approximately HK$875,000 to the consolidated profit for the year ended 31 March 2017.

If the acquisition of the MPL Group had been completed on 1 April 2016, the revenue of the Group and loss of the Group for the year ended 31 March 2017 would have been approximately HK$31,462,000 and HK$38,918,000 respectively. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2016, nor is it intended to be a projection of future results.

18. CONTINGENT LIABILITIES

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.

19. EVENT AFTER REPORTING PERIOD

On 30 December 2016, the Group has entered into an agreement with an independent third party for the acquisition of 20% equity interest in Billion Ray Investments Limited at a consideration of HK$100,000,000 which will satisfied by issuance of promissory note at principle amount of HK$100,000,000. Billion Ray Investments Limited engaged in the businesses of developing and managing the project. This acquisition was completed on 9 May 2017.

19. EVENT AFTER REPORTING PERIOD (CONTINUED)

On 29 May 2017, the Group has entered into an agreement with an independent third party for the acquisition of 85% equity interest in Full Wealthy International Limited and its subsidiaries ("FWI Group") at a consideration of HK$46,070,000 which will allotted and issued at the 23,035,000 number of share credited as fully paid. FWI Group engaged in the business of providing multi-media related services and content in the PRC via different platforms like cable TV. As the purchase consideration and the fair value of certain assets and liabilities of FWI Group as at the date of acquisition are currently not determined, according, goodwill on this acquisition is yet to be measured.

On 8 June 2017, the Company entered into a supplemental agreement with an independent third party, under which the repayment date of the other borrowing of approximately HK$ 120,343,000 has been extended to 5 May 2018. The loan carries interest at 12% per annum and is secured by the floating charge over all the assets of the Group;

On 9 June 2017, the Company obtained a loan facility from an independent third party up to HK$30,000,000. The loan carries interest at 2% per month. The facility has not been utilised up to the date of approval of these consolidated financial statements.

On 13 June 2017, the Company obtained a loan facility from an independent third party up to HK$15,000,000. The loan carries interest at 12% per annum. The loan facility has been fully utilised up to the date of approval of these consolidated financial statements.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2017 which has included a material uncertainty in relation to going concern, but without modification of opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY IN RELATION TO GOING CONCERN

We draw attention in note 2 to the consolidated financial statements which describes that the Group had net current liabilities and net liabilities with the amount of approximately HK$153,733,000 and approximately HK$10,627,000 respectively. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of on this matter.

MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

During the year ended 31 March 2017, the Group recorded a turnover from continuing operations of approximately HK$183.7 million (2016: HK$103.0 million) representing an increase of approximately 78.3% as compared to that of the corresponding year in 2016. The overall increase in turnover was due to increase in the proceeds received from the disposal of listed securities. Other expenses from continuing operations increased to approximately HK$19.5 million as compared to approximately HK$17.9 million of the previous corresponding year, representing an increase of approximately 8.9%. The increase in other expenses was primarily due to increase in securities trading charges, legal and professional fee and rental expenses. Loss attributable to the owners from continuing operations was approximately HK$39.7 million for the year ended 31 March 2017 (2016: loss of approximately HK$19.7 million).

BUSINESS PERFORMANCE AND PROSPECT

System development and professional services

The Company was facing the fierce competition of thermal powered electricity supply market in the People's Republic of China ("**PRC**") during the year ended 31 March 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 compared with the corresponding year in 2016. Professional services recorded an increase in revenue compared with the corresponding year in 2016 due to the Company has strategically broadened our services in business valuation, cyber security services and solutions.

Upon completion of the acquisition of Magnificent Power Limited and its subsidiary, CPWorks Limited ("**CPWorks**") (Collectively "**MPL Group**"), CPWorks 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.

CPWorks specialises 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.

CPWorks mainly provides four major information security services which are summarized as follows:

1. IT Security General Control Review and Security Risk Assessment

CPWorks adopts a proven, four-phase security methodology to conduct IT Security General Control Review and Security Risk Assessment services. This methodology has proved itself through many global case studies and offers a repeatable solution with predictable results time after time. Below is an illustration of the methodology:

a) Discovery — The objective of this phase is to 'footprint' the current security status of the scoped IT Systems components;

b) Analysis — The objectives of this phase are to determine the risk level of identified loophole, and to determine the possible attack scenarios;

c) Exploitation — Upon discovery of any loophole that could further be penetrated, exploitation will be carried out to determine the penetration depth of the loophole;

d) Remediation and Auditing — Upon completion of the security risk assessment and analysis, CPWorks will provide a complete report listing.

2. External and Internal Penetration Tests

Our Network Security Assessment is conducted through Internet targeting towards the customer's Internet facing external network (e.g. public domain or sub-domains) and from Internal network to all internal servers. The focus of this test is to simulate an attack from a skillful black-hat attacker, in order to dig out the vulnerabilities.

3. Risk-based cyber security protection safeguard and implementation

Our risk-based cyber security approach will evaluate best practices and technology solutions or services to address the top priority security risks of the client through:

a) Gathering and verifying requirement;

b) Design system Architecture;

c) Procure the best-fit technology solutions or services;

d) Implement, configure and strengthen the technology solutions or services;

e) To assist our client to reengineer IT and business processes based on best practices.

4. 24x7 Managed IT and Security Services Outsourcing

CPWorks aim to assist our clients to maintain a healthy IT environment by monitoring, managing, operating IT assets such as:

a) General IT Assets: desktops, servers, network devices;

b) IT Security assets: firewall, IPS, malware protection;

c) Provide a dedicated client single point of contact (SPOC) for IT and cyber security related services, problem and incidents enquires;

d) Incident and problem response and management.

Proprietary trading business

In relation to the Group's proprietary trading business, the global market continued to fill with uncertainties for the year ended 31 March 2017. Donald Trump's victory from the U.S. Presidential Election and "Brexit" has led to market with shock. Together with the continuing depreciation pressure of renminbi, investors are more conservative to the economic outlook of the future. These factors have led to a negative impact to the Hong Kong stock market and negative change in fair value of its financial assets at fair value through profit or loss of the Group. Looking forward, the implementation of Shenzhen-Hong Kong Stock Connect and the possibility of inclusion of A-shares into MSCI's indices will both attract capital inflow into the market and a market re-valuation is likely happen. The turnover in proprietary trading business recorded approximately HK$147.5 million for the year ended 31 March 2017 (2016: HK$39.7 million). The securities investment portfolio amounted to approximately HK$84.4 million as at 31 March 2017 (2016: HK$3.5 million). 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.

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$1.1 million for the year ended 31 March 2017 (2016: HK$0.3 million). The loan portfolio amounted HK$10 million as at 31 March 2017 (2016: HK$Nil).

Property investment

Upon the acquisition of Cicero Capital Limited with its subsidiary ("**CCL Group**") completed on 12 October 2016, CCL 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 (together the "**Property**"). The area of the office floor is approximately 7,906 square feet. The recognised rental income amounted to approximately HK$300,000 since February 2017. The Company 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). The Directors therefore believe that the Property will benefit from potential value appreciation and surging demand for high-grade office buildings in the area. In light of the above, the Board is of the view that the Property is a sound investment opportunity and become an important asset of the Company.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2017, the (deficit)/equity attributable to owners of the Company amounted to approximately HK$10.6 million (2016: HK$14.3 million). Current assets amounted to approximately HK$158.2 million (2016: HK$116.4 million), of which approximately HK$6.1 million (2016: HK$27.0 million) were cash and cash equivalents. Current liabilities were approximately HK$311.9 million (2016: HK$100.3 million) mainly include trade and other payables, bank and other borrowings and amounts due to customers for contract work. Bank and other borrowings amounted to approximately HK$212.2 million as at 31 March 2017 (2016: HK$Nil).

During the year under review and until the date of this announcement, 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.

(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.

Net proceeds raised	**Proposed use of the net proceeds**	**Actual use of net proceeds up to 31 March 2017**
Approximately HK$10.9 million	For general working capital of the Group	Approximately HK$10.9 million was used in general working capital including (i) approximately HK$7.6 million was used for proprietary trading business; and (ii) the remaining balance of approximately HK$3.3 million was used for payment of general and administrative expenses.

GEARING RATIO

The gearing ratio was calculated on the basis of total liabilities over shareholders' equity. Since the Company recorded a deficit attributable to owners of the Company in 31 March 2017, the gearing ratio was not applicable for the year (2016: 790%).

FOREIGN CURRENCY EXPOSURE

During the year ended 31 March 2017, the Group experienced only immaterial exchange rate fluctuations, as the Group's operations were mainly denominated in Hong Kong dollars and Renminbi. As the risk on exchange rate difference considered being minimal, the Group did not employ any financial instruments for hedging purposes.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES DURING THE PERIOD UNDER REVIEW

The Company and the vendor entered into the sale and purchase agreement on 8 August 2016 to acquire 100% of issued share capital of CCL Group at the consideration of HK$128 million. CCL 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 was paid in cash and was funded by the Loan facilities up to HK$150 million from Cordoba Homes Finance Limited. Please refer to the Company's announcement dated 8 August 2016 and 12 October 2016 and the Company's circular dated 19 September 2016 for details. The acquisition was completed on 12 October 2016. Upon completion, the results, assets and liabilities of the CCL Group has been consolidated into the financial statements of the Group.

A wholly owned subsidiary of the Company and the vendor has entered into the sale and purchase agreement on 23 November 2016 to acquire 51% of issued share capital of MPL Group at the consideration of HK$14.4 million. CPWorks Limited is engaged in provision of cyber security services and solutions. The consideration was settled by issuance of promissory note at the interest rate 6% per annum for 3 years from the issue date. The acquisition was completed on 23 November 2016. Upon the completion, the results, assets and liabilities of MPL Group has been consolidated into the financial statements of the Group.

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

Pursuant to the announcement of the Company dated 23 March 2016, the wholly owned subsidiary of the Company, the purchaser has entered into a Memorandum of Understanding (the "**MOU**") with a connected person of the Company, the vendor to acquire a target group principally engaged in the businesses of building and selling of luxury motor yachts, as well as the sales of yacht-related products and provision of yacht-related services in Zhuhai, the PRC and Hong Kong. The purchaser and the vendor have not entered into a Formal Agreement in respect of the Proposed Acquisition on or before the Exclusive Period and no further extension of the Exclusive Period has been agreed between the parties in writing and in this regard, the MOU has therefore been lapsed in accordance with its terms on 23 September 2016.

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 Full Wealthy International Limited and its subsidiaries (collectively the "**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 new 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 has not completed up to the date of this announcement.

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

Company	Year ended 31 March 2017 Realised and unrealised gain/(loss) *HK$'000*	As at 31 March 2017 Market Value *HK$'000*	As at 31 March 2017 Approximate percentage of financial assets at fair value through profit or loss
Union Asia Enterprise Holdings Limited ("UA")	(8,279)		
Code Agriculture (Holdings) Limited ("CA")	3,598		
Others	(2,536)		
Net realised loss	(7,217)		
Goldin Financial Holdings Limited ("GF")	(1,604)	23,400	27.7%
Goldin Properties Holdings Limited ("GP")	5,184	31,244	37.0%
Inno-tech Holdings Limited ("IT")	(1,251)	9,072	10.8%
UA	(4,323)	—	—
CNC Holdings Limited ("CNC")	(7,930)	3,013	3.6%
CA	(5,002)	8,897	10.5%
Celebrate International Holdings Limited ("CI")	(42)	3,800	4.5%
Others	(243)	4,931	5.9%
Net unrealised loss	(15,211)	84,357	100.0%
	(22,428)	84,357	100.0%

UA is principally engaged in trading of stainless steel wires, cosmetic and skincare products, nephrite and bottled water.

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

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

GP is principally engaged property development and investments, hotel management services, consultancy services on polo club operation and membership services, project management services.

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.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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 also invest into and/or make 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/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 business to bring further value to shareholders.

SEGMENT INFORMATION

During the year under review, the Group was principally engaged in four operating segments. The Group presents its segmental information based on the nature of the products and services and has reportable segments as follows:

- systems development;
- professional services;
- proprietary trading;
- money lending; and
- property investment.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2017, the Group hired 24 employees including the executive Directors (2016: 24). Total staff costs from continuing operations including Directors' remuneration for the year under review amounted to approximately HK$5.9 million (2016: HK$4.8 million).

Employees' remunerations are determined in accordance with their experiences, competence, qualifications and nature of duties and the current market trend. Apart from the basic salary, discretionary bonus and other incentives may be offered to the employees of the Group to reward their performance and contributions. The emoluments of the Directors are determined by the remuneration committee of the Company having regard to the performance of the individuals and market trend. The Group provides mandatory provident fund scheme for the employees employed under the jurisdiction of the Hong Kong Employment Ordinance.

The Group has not made any changes to its remuneration policy during the year under review.

The Company adopted a share option scheme pursuant to which eligible persons may be granted options to subscribe for the shares of the Company.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

Details of charges on the Group's assets and contingent liabilities are set out in Note 14 and Note 18 to the consolidated financial statements respectively.

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 annual results of the Group for the year ended 31 March 2017 have been reviewed by the audit committee of the Company.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in the interest of its shareholders. It has continued and will continue to identify and adopt the best corporate governance practices appropriate to the Company.

The Company has adopted the code provisions of the Corporate Governance Code (the "**Code**") contained in Appendix 15 of the GEM Listing Rules as its own code on corporate governance practices. Save as disclosed below, 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 year.

Code provision A.6.7-(i) One non-executive Director and three independent non-executive Directors were unable to attend the extraordinary general meetings of the Company held on 4 July 2016 and 5 October 2016 and (ii) one non-executive Director and three independent non-executive Directors were unable to attend the annual general meeting of the Company held on 30 August 2016 as they had other engagements.

Under code provision A.2.1 of the CG code, the role of chairman (the "**Chairman**") and chief executive officer (the "**CEO**") of the Company should be separated and should not be performed by the same individual to ensure their respective independence, accountability and responsibility. To ensure a balance of power and authority, the Company has a clear and defined division of the responsibilities between the Chairman and the CEO in accordance with the Code. The Chairman is responsible for the Group's strategic planning and the management of the operations of the Board, while the CEO takes the lead in the Group's operations and business development.

Subsequent to the resignation of former Chairman Dr. Chew Chee Wah on 29 April 2016, the post has been vacant as at 31 March 2017. The Board will keep reviewing the current structure of the Board from time to time and the Company will make appointment with suitable knowledge, skill and experience to fill the post of the Chairman as appropriate.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company.

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard of dealings and there is no event of non-compliance throughout the year ended 31 March 2017.

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.

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

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite Partners CPA Limited on this preliminary announcement.

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

Hong Kong, 13 June 2017

As at the date of this announcement, 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 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 posting and on the website of the Company at www.trilliongrand.com.