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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

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 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.*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Turnover	4	**241,248**	183,657
Revenue	4	**53,296**	36,116
Other income and gains	5	**3,645**	5,937
Subcontractors costs		**(36,946)**	(26,699)
Other expenses		**(19,709)**	(19,469)
Impairment loss on trade and other receivables		**(3,774)**	(8,266)
Impairment loss on financial assets at fair value through profit or loss		**—**	(4,582)
Impairment loss on goodwill		**(5,657)**	—
Impairment loss on intangible assets		**(3,252)**	—
Fair value change of contingent consideration		**(6,352)**	—
(Loss)/Gain on change in fair value of investment property		**(9,000)**	17,099
Loss on disposal of financial assets at fair value through profit or loss		**(5,077)**	(7,217)
Net loss on change in fair value of financial assets at fair value through profit or loss		**(9,425)**	(15,211)
Finance costs	7	**(32,316)**	(9,696)
Depreciation of plant and equipment		**(735)**	(671)
Amortisation of intangible assets		**(6,052)**	(296)
Staff costs, including Directors' emoluments		**(10,266)**	(5,908)
Share of loss of associates		**(221)**	—
Loss before tax		**(91,841)**	(38,863)
Income tax expenses	8	**541**	(457)
Loss for the year	9	**(91,300)**	(39,320)
Other comprehensive (loss)/income			
Item that will not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(3,146)**	1,843
Total comprehensive expenses for the year		**(94,446)**	(37,477)

	Notes	**2018**	2017
		HK$'000	*HK$'000*
Loss for the year attributable to:			
Owners of the Company		**(86,135)**	(39,686)
Non-controlling interest		**(5,165)**	366
		(91,300)	(39,320)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(89,306)**	(37,843)
Non-controlling interest		**(5,140)**	366
		(94,446)	(37,477)
Loss per share	*11*		
— Basic and diluted		**HK(63) cents**	HK(35) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current Assets			
Plant and equipment		**3,493**	3,500
Investment property		**136,000**	145,000
Goodwill		**58,745**	9,810
Investment in associates	*12*	**77,413**	—
Deferred tax asset		**8,234**	—
Intangible assets		**29,271**	4,138
Available-for-sale investments		**6,600**	6,600
		319,756	169,048
Current Assets			
Trade and other receivables	*13*	**39,198**	39,467
Loan receivables		**500**	10,000
Deposits and prepayments		**8,462**	4,778
Amounts due from customers for contract work		**715**	7,972
Financial assets at fair value through profit or loss		**62,841**	84,357
Tax recoverable		**89**	—
Pledged bank balance		**1,001**	5,530
Bank balances and cash		**5,666**	6,074
		118,472	158,178
Current Liabilities			
Amounts due to customers for contract work		**1,276**	7,397
Trade and other payables	*14*	**136,870**	86,109
Margin payables		**23,256**	—
Receipts in advance		**4,757**	1,518
Bank overdraft		**624**	—
Bank and other borrowings	*15*	**207,202**	212,165
Tax payable		**4,955**	4,722
		378,940	311,911
Net Current Liabilities		**(260,468)**	(153,733)
Total Assets less Current Liabilities		**59,288**	15,315

	Notes	**2018**	2017
		HK$'000	*HK$'000*
Capital and Reserves			
Share capital	*16*	**142**	119
Share premium and reserves		**(54,819)**	(12,943)
Deficit attributable to owners of the Company		**(54,677)**	(12,824)
Non-controlling interest		**(5,324)**	2,197
Total Deficit		**(60,001)**	(10,627)
Non-current Liabilities			
Bonds		**15,274**	13,705
Promissory note		**99,185**	11,554
Deferred tax liabilities		**4,830**	683
		119,289	25,942
		59,288	15,315

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

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 property 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.

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 of the consolidated financial statements.

In preparing these consolidated financial statements, the directors have considered the future liquidity of the Group. As at 31 March 2018, the Group had recorded net current liabilities and net liabilities of approximately HK$260,468,000 and HK$60,001,000 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 9 May 2018, the Company entered credit facility agreement up to HK$25,000,000 carrying interest at 15% per annum on amount drawn down and 1% commitment fee per annum for amount not drawn down. The final repayment date of any drawn loan amount would be 12 months from the date the credit facility agreement. The loan facility has been utilised HK$5,000,000 up to the date of approval of these consolidated financial statements.

2. On 27 June 2018, the Company entered into a loan facility from an independent third party up to HK$35,000,000. The loan carries interest at 12% per annum. The final repayment date of any drawn loan amount would be 15 months from the date the credit facility agreement. The loan facility has been fully utilised up to the date of approval of these consolidated financial statements.

3. On 27 June 2018, the Company entered into a loan facility from an independent third party up to HK$17,000,000. The loan carries interest at 8% per annum. The final repayment date of any drawn loan amount would be 11 months from the date the credit facility agreement. The loan facility has been fully utilised up to the date of approval of these consolidated financial statements.

4. On 20 June 2018, the Company has entered into a Swap Agreement with a creditor ("**Creditor**") pursuant to which the Company has conditionally agreed to swap the entire issued share capital of its wholly-owned subsidiaries ("**Target Share**") with the Creditor for (i) the loan and (ii) the provision of the Credit Facility, the Creditor (or its nominee) shall acquire the Target Share in exchange of the assignment of the loan and provision of the Credit Facility to the Company ("**Swap**"). The Company through its wholly-owned subsidiaries holds the entire issued share capital of ISL Investments Limited, which is the legal and beneficial owner of a property. The Creditor is the legal and beneficial owner of the Loan. The Property is held by the Group as an investment. Upon the completion of the Swap, the net current liabilities of the Group will reduce by approximately HK$135,227,000.

5. Including in accrued and other payables, the balance of approximately HK$50,241,000 represents the amounts due to minority shareholder of a subsidiary of the Company, it was agreed that the minority shareholder not to call for repayment within twelve months from 31 March 2018.

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 2017.

Amendments to HKFRS 12	Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The initial application of these financial reporting standards does not necessitate material changes in the Group's accounting policies.

Amendments to HKFRS 12

Annual improvements to HKFRSs (2014–2016 cycle) include an amendment to HKFRS 12 that clarifies that, when an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with HKFRS 5 Non-current Assets held for Sale and Discontinued operations, it is not required to disclose summarised financial information for that subsidiary, joint venture or associate, as required by HKFRS 12 Disclosure of Interests in Other Entities.

Amendments to HKAS 7

The amendments to HKAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities. Reconciliations of various types of the Group's financing liabilities are disclosed in Notes 30 and 34 to the consolidated financial statements. Other than such additional disclosures, the application of the amendments has not had any material effect on the consolidated financial statements.

Amendments to HKAS 12

The amendments to HKAS 12 clarify when unrealised losses on a debt instrument measured at fair value would give rise to a deductible temporary difference and how to evaluate whether sufficient future taxable profits are available to utilise a deductible temporary difference.

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.

Annual Improvements Project HKFRS 1 and HKAS 28	Annual Improvements 2014–2016 Cycle (amendments)[1]
HKFRS 2	Classification and Measurement of Share-based Payment Transactions (amendments)[1]
HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts (amendments)[1]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers (new standard)[1]
HKFRS 15	Clarifications to HKFRS 15 (amendments)[1]
HKAS 40	Transfers of Investment Property (amendments)[1]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration (new interpretation)[1]
HKFRS 9	Prepayment Features with Negative Compensation (amendments)[2]
HKFRS 16	Leases[2]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments (new interpretation)[2]
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)[3]

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.

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.

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.

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.

4. REVENUE

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

	2018	2017
	HK$'000	*HK$'000*
Revenue from provision of		
Systems development	**9,049**	15,398
Professional services fees	**5,926**	18,118
Proprietary trading	**5,232**	1,242
Interest income arising from money lending business	**303**	1,058
Rental income arising from investment property	**2,400**	300
OTT services	**30,386**	—
Total revenue	**53,296**	36,116
Proceeds from sales of financial assets at fair value through profit or loss	**187,952**	147,541
Turnover	**241,248**	183,657

5. OTHER INCOME AND GAINS

	2018	2017
	HK$'000	*HK$'000*
Other income and gains		
Bank interest income	**25**	18
Imputed interest income	**—**	203
Sundry income	**29**	306
Reversal of impairment loss in respect of:		
— trade receivables	**3,530**	140
— other receivables	**61**	5,270
	3,645	5,937

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 OTT services business through acquisition of business which formed a separate operating division of the Group. Therefore, the Group is currently organised into six operating divisions — systems development, professional services, proprietary trading, money lending, property investment and OTT services which represent the Group's six operating segments. During the year ended 31 March 2017, the Group has five operating divisions — systems development, professional services, proprietary trading, money lending and property investment which represent the Group's five 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.
OTT services	—	Distribution and production of films, television programmes and music production

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		OTT services		Consolidated	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	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														
REVENUE														
Revenue from external customers	**9,049**	15,398	**5,926**	18,118	**5,232**	1,242	**303**	1,058	**2,400**	300	**30,386**	N/A	**53,296**	36,116
RESULT														
Segment results	**(3,539)**	(8,927)	**(16,012)**	3,281	**(5,490)**	(25,742)	**303**	1,058	**(12,091)**	15,728	**(548)**	N/A	**(37,377)**	(14,602)
Interest income													**25**	221
Unallocated income and gains													**90**	5,576
Unallocated expenses and losses													**(22,042)**	(20,362)
Finance costs													**(32,316)**	(9,696)
Share of loss of associates													**(221)**	—
Loss before tax													**(91,841)**	(38,863)

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.

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		OTT Services		Consolidated	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	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*
ASSETS														
Segment assets	**12,774**	21,388	**1,646**	10,126	**62,841**	84,357	**510**	10,840	**136,000**	145,000	**51,346**	N/A	**265,117**	271,711
Unallocated corporate assets														
— Plant and equipment													**422**	246
— Goodwill													**58,745**	9,810
— Available-for-sale investments													**6,600**	6,600
— Investment in associate													**77,413**	—
— Other receivables, deposits and prepayments													**23,264**	27,255
— Pledged bank deposits													**1,001**	5,530
— Bank balances and cash													**5,666**	6,074
Total assets													**438,228**	327,226
LIABILITIES														
Segment liabilities	**42,082**	45,800	**1,570**	5,719	**23,256**	70,800	**—**	—	**1,175**	—	**10,172**	N/A	**78,255**	122,319
Unallocated corporate liabilities														
— Other payables													**87,904**	42,824
— Bank and other borrowings													**207,202**	142,046
— Bank overdraft													**624**	—
— Bonds													**15,274**	13,705
— Promissory notes													**99,185**	11,554
— Deferred tax liabilities													**4,830**	683
— Tax payable													**4,955**	4,722
Total liabilities													**498,229**	337,853

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, 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, margin payables, deferred tax liabilities and tax payable. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

c. Geographical information

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

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**41,428**	12,538
PRC	**11,868**	23,578
	53,296	36,116

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

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**310,086**	159,066
PRC	**3,070**	3,382
	313,156	162,448

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		Property investing		OTT Services		Segment total		Unallocated		Consolidated	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	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*	***HK$'000***	*HK$'000*
Continuing Operations																		
Other segment information																		
Depreciation of plant and equipment	**(537)**	(658)	**(150)**	–	**–**	–	**–**	(5)	**–**	–	**(41)**	–	**(728)**	(663)	**(7)**	(8)	**(735)**	(671)
Amortisation of intangible assets	**(886)**	(296)	**–**	–	**–**	–	**–**	–	**–**	–	**(5,166)**	–	**(6,052)**	(296)	**–**	–	**(6,052)**	(296)
Impairment loss recognised in respect of:																		
– trade and other receivables	**(3,394)**	(7,142)	**(11)**	(988)	**–**	–	**–**	–	**–**	–	**–**	–	**(3,405)**	(8,130)	**(369)**	(136)	**(3,774)**	(8,266)
– financial assets at fair value through profit or loss	**–**	–	**–**	–	**–**	(4,582)	**–**	–	**–**	–	**–**	–	**–**	(4,582)	**–**	–	**–**	(4,582)
– goodwill	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(5,657)**	–	**(5,657)**	–
– Intangible assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(3,252)**	–	**(3,252)**	–
Loss on disposal of:																		
– plant and equipment	**–**	–	**–**	–	**–**	–	**–**	18	**–**	–	**–**	–	**–**	18	**–**	–	**–**	18
Loss on change in fair value of:																		
– financial assets at fair value through profit or loss	**–**	–	**–**	–	**(9,425)**	(15,211)	**–**	–	**–**	–	**–**	–	**(9,425)**	(15,211)	**–**	–	**(9,425)**	(15,211)
Reversal of impairment loss in respect of:																		
– trade receivables	**3,364**	105	**166**	35	**–**	–	**–**	–	**–**	–	**–**	–	**3,530**	140	**–**	–	**3,530**	140
– other receivables	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**61**	5,270	**61**	5,270
(Loss)/gain on fair value of investment property	**–**	–	**–**	–	**–**	–	**–**	–	**(9,000)**	17,099	**–**	–	**(9,000)**	17,099	**–**	–	**(9,000)**	17,099
Loss on disposal of financial assetsat fair value through profit or loss	**–**	–	**–**	–	**(5,077)**	(7,217)	**–**	–	**–**	–	**–**	–	**(5,077)**	(7,217)	**–**	–	**(5,077)**	(7,217)
Additions to non-current assets *(Note)*	**205**	4,589	**–**	–	**–**	–	**–**	–	**–**	145,000	**87**	–	**292**	149,589	**–**	9,827	**292**	159,416

Note: Non-current assets excluded financial instruments.

e. Information about major customers

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

		2018	2017
		HK$'000	*HK$'000*
Customer A	System development	**5,886**	13,597
Customer B	OTT services	**7,380**	N/A

7. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on bank and other borrowings repayable within one year	**20,175**	7,626
Imputed interest on promissory note	**10,543**	242
Interest on bonds	**1,568**	1,409
Others	**30**	419
	32,316	9,696

8. INCOME TAX EXPENSES

	2018	2017
	HK$'000	*HK$'000*
Current tax		
— PRC Enterprise Income Tax	**—**	(524)
— Hong Kong Profit Tax	**1,024**	—
— Over/(Under) provision in prior year	**(30)**	18
	994	(506)
Deferred tax	**(1,535)**	49
	(541)	(457)

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 2018 and 2017.

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:

	2018	2017
	HK$'000	*HK$'000*
Loss before tax	**(91,841)**	(38,863)
Tax at the applicable tax rate of 25% (2017: 25%)	**(22,960)**	(9,716)
Lower the rate for specific provinces or enacted by local authorities	**7,724**	11,880
Tax effect of income not taxable for tax purposes	**(294)**	(2,563)
Tax effect of expenses not deductible for tax purposes	**14,396**	1
Tax effect of tax losses and other deductible temporary differences not recognised	**4,583**	873
Tax effect of unused tax losses not recognised	**(2,938)**	—
Under/(Over) provision in prior year	**30**	(18)
Income tax	**541**	457

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2018	2017
	HK$'000	*HK$'000*
Staff costs		
Salaries and other benefits	**9,906**	5,709
Retirement benefits scheme contributions	**360**	199
	10,266	5,908
Auditors' remuneration	**740**	700
Depreciation of plant and equipment	**734**	671
Amortisation of intangible assets	**6,052**	296
Impairment loss on trade and other receivables	**3,774**	8,266
Impairment loss on financial assets at fair value through profit or loss	**—**	4,582
Impairment loss on goodwill	**5,657**	—
Impairment loss on intangible assets	**3,252**	—
Loss on disposal of financial assets at fair value through profit or loss	**5,077**	7,217
Fair value change of contingent consideration	**6,352**	—
Operating lease	**5,530**	5,218
Loss on disposal of plant and equipment, net	**—**	18

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2018, nor has any dividend been proposed since the end of the reporting date (2017: Nil).

11. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK$86,135,000 (2017: approximately HK$39,686,000) and weighted average number of 136,640,125 (2017: 112,798,050) ordinary shares in issue during the year.

Diluted loss per share is not presented because the Group sustained a loss for both of the years presented and the impact of exercise of share options, if any, is regarded as anti-dilutive.

12. INVESTMENT IN ASSOCIATES

	2018	2017
	HK$'000	*HK$'000*
Unlisted investments, at cost	**77,634**	—
Share of post-acquisition loss	**(221)**	—
	77,413	—

Movements during the year are as follows:

At the beginning of year	**—**	—
Share of loss for the year	**(221)**	—
At the end of year	**(221)**	—

Details of the Group's associates at the end of the reporting period are as follow:

Name of companies	**Place of incorporation/ establishment and operation**	**Particulars of issued/registered and paid up capital**	**Proportion of ownership interests**	**Principal activity**
Billion Ray Investment Limited	British Virgin Islands	10 ordinary shares of USD10 each	20%	Investment holding
Allied Star Creation Limited	Hong Kong	1 ordinary share	20%	Investment holding
汕頭市麗潮旅遊開發有限公司	the PRC	Registered capital of USD20,000,000	20%	Tourism project development
汕頭市潮人碼頭遊艇俱樂部有限公司	the PRC	Registered capital of RMB1,000,000	20%	Tourism project development

Summarised financial information of associates is set out below:

	2018
	HK$'000
Non-current assets	**63,219**
Current assets	**34,516**
Current liabilities	**(103,284)**
Revenue	**—**
Loss for the year	**(1,108)**

13. TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade and bills receivables	**56,620**	41,790
Less: Impairment loss recognised	**(36,851)**	(35,012)
	19,769	6,778
Retention receivables	**3,368**	5,662
Less: Impairment loss recognised	**(939)**	(848)
	2,429	4,814
Other receivables	**57,539**	63,926
Less: Impairment loss recognised	**(40,539)**	(36,051)
	17,000	27,875
	39,198	39,467

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:

	2018	2017
	HK$'000	*HK$'000*
0–30 days	**4,479**	3,657
31–90 days	**7,228**	776
Over 90 days	**8,062**	2,345
	19,769	6,778

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

	2018	2017
	HK$'000	*HK$'000*
At beginning of the year	**35,012**	29,060
Exchange realignment	**3,682**	(2,038)
Recognised during the year	**1,687**	8,130
Reversal during the year	**(3,530)**	(140)
At end of the year	**36,851**	35,012

Trade and bills receivables amounted to approximately HK$36,851,000 at 31 March 2018 (2017: HK$35,012,000) 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 2018 and 2017 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 2018	19,769	—	11,707	8,062	—
31 March 2017	6,778	—	4,433	2,345	—

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.

b. Retention receivables

Retention receivables, net of impairment loss recognised, amounted to approximately HK$2,429,000 as at 31 March 2018 (2017: HK$4,814,000) are substantially due for settlement after a period of more than 12 months.

Movements in impairment losses of retention receivables are as follows:

	2018	2017
	HK$'000	*HK$'000*
At beginning of the year	**848**	903
Exchange realignment	**91**	(55)
At end of the year	**939**	848

Retention receivables amounting to approximately HK$939,000 at 31 March 2018 (2017: HK$848,000) 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**

	2018	2017
	HK$'000	*HK$'000*
Advances to third parties	**56,357**	62,712
Advances to staff of the Group	**1,182**	1,214
	57,539	63,926
Less: Impairment loss recognised	**(40,539)**	(36,051)
	17,000	27,875

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

Movements in impairment loss of other receivables are as follows:

	2018	2017
	HK$'000	*HK$'000*
At beginning of the year	**36,051**	43,800
Exchange realignment	**4,069**	(2,615)
Recognised during the year	**480**	136
Reversal during the year	**(61)**	(5,270)
At end of the year	**40,539**	36,051

Other receivables amounted to approximately HK$40,539,000 at 31 March 2018 (2017: HK$36,051,000) were individually impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

14. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables *(Note a)*	**44,685**	39,356
Amount due to a former shareholder *(Note b)*	**18,360**	16,571
Accrued and other payables *(Note c)*	**73,825**	30,182
	136,870	86,109

Notes:

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

	2018	2017
	HK$'000	*HK$'000*
0–30 days	**22,587**	25,717
31–90 days	**3,243**	301
Over 90 days	**18,855**	13,338
	44,685	39,356

The average credit period granted by the suppliers of the Group is 30–90 days (2017: 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.

c. Include in accrued and other payables, the amount of approximately HK$50,241,000 represents the amounts due to minority shareholders of a subsidiary. The amounts were unsecured, interest free and not call for repayment within 12 months.

15. BANK AND OTHER BORROWINGS

	2018	2017
	HK$'000	*HK$'000*
Bank borrowings	**7,271**	70,119
Other borrowings	**199,931**	142,046
	207,202	212,165

Notes:

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

	2018
	HK$'000
Investment property	**136,000**
Finance assets at fair value through profit or loss	**62,841**
Pledged bank deposit	**1,001**
	199,842

b. As at 31 March 2018, the Group has credit and banking facilities totaling HK$49,238,000, of which HK$43,271,000 has been utilised, all banking facilities were secured.

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

d. As at 31 March 2018, the other borrowings were interest bearing at a fixed rate of 5%–30% per annum.

e. As at 31 March 2018, bank borrowings were bearing interest at a variable rate of 1% per annum over 1 month HIBOR or Bank's cost of funds.

16. SHARE CAPITAL

	Number of shares	Nominal amount *HK$'000*
Authorised:		
Ordinary shares of HK$1 each at 1 April 2016	200,000,000	200,000
Capital reduction and subdivision *(Note a)*	199,800,000,000	—
Ordinary shares of HK$0.001 each at 31 March 2017, at 1 April 2017 and at 31 March 2018	200,000,000,000	200,000
Issued and fully paid:		
Ordinary shares of HK$1 each at 1 April 2016	99,351,565	99,351
Capital reduction and subdivision *(Note a)*	—	(99,252)
Issue of shares upon:		
— placements of shares *(Note b)*	19,870,313	20
Ordinary shares of HK$0.001 each at 31 March 2017 and at 1 April 2017	119,221,878	119
Issue of shares upon:		
— Issue of consideration shares *(Note c)*	23,035,000	23
Ordinary shares of HK$0.001 each at 31 March 2018	142,256,878	142

Notes:

(a) Pursuant to an order granted by the Court of the Cayman Islands on 14 April 2016, 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 was approved, each authorised but unissued share of the Company with nominal value of HK$1 also 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.

(b) 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.

(c) On 28 June 2017, a total of 23,035,000 consideration shares have been issued at the price of HK$2.06 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$47.45 million.

17. ACQUISITION OF SUBSIDIARIES

Full Wealthy Investment Limited and its subsidiary ("FWI Group")

On 28 June 2017, the Group has entered into a sales and purchase agreement with an independent third party for the acquisition of 85% of the issued share capital of FWL Group at a share consideration of HK$47,452,100. FWI Group is principally engaged in provision of multi-media related services and content in the Greater China via different platforms. The acquisition was completed on 28 June 2017.

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

	HK$'000
Plant and equipment	121
Intangible assets	34,437
Deferred tax assets	9,259
Account receivables	2,000
Tax receivables	199
Other receivables	16,056
Pledged bank deposit	1,001
Cash and bank balances	561
Account payables	(15,466)
Accruals and other payables	(47,697)
Bank and other borrowings	(10,663)
Deferred tax liabilities	(5,682)
Total identifiable net liabilities at fair value	(15,874)
Non-controllable interest	2,381
	(13,493)
Contingent consideration	6,352
Goodwill arising on acquisition	54,593
Satisfactory by issuance of consideration shares at fair value	47,452
Analysis of net cash outflow arising on acquisition:	
Cash and bank balances	561
Pledged bank deposit	1,001
	1,562

Impact of the acquisition on the results of the Group

Since the acquisition, FWI Group contributed approximately HK$30,385,000 to the Group's revenue and approximately HK$3,215,000 to the consolidated profit for the year ended 31 March 2018.

If the acquisition of the FWI Group had been completed on 1 April 2017, the revenue of the Group and loss of the Group for the year ended 31 March 2018 would have been approximately HK$36,562,000 and approximately HK$1,372,000 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 2017, nor is it intended to be a projection of future results.

Pursuant to the sales and purchase agreement ("**SPA**"), FWI Group warrants and represents to the Group that for the period from 28 June 2017 to 27 June 2018, that the net profit after tax of FWI Group shall not be less than HK$4 million ("**Profit Guarantee**"). In the event the Profit Guarantee is not achieved, the vendor will make compensation payment amounted to 11.86 times of the shortfall amount (i.e. the difference between actual profit and profit as per Profit Guarantee). At the date of acquisition, the fair value of the contingent consideration receivable is approximately HK$6,352,000, which was estimated by applying the discounted cash flow approach. The fair value estimates are based on a discount factor of 15.7%. This is a level 3 fair value measurement.

As at 31 March 2018, the fair value of contingent consideration is zero. The fair value is estimated based on the valuation performed by independent qualified professional valuers not connected to the Group.

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 asset	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 benefits of revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible asset.

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

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

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$36,462,000 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.

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

19. EVENT AFTER REPORTING PERIOD

a) On 9 May 2018, the Company has entered into a Swap Agreement with a creditor ("**Creditor**") pursuant to which the Company has conditionally agreed to swap the entire issued share capital of its wholly-owned subsidiaries ("**Target Share**") with the Creditor for (i) the loan and (ii) the provision of the Credit Facility, the Creditor (or its nominee) shall acquire the Target Share in exchange of the assignment of the loan and provision of the Credit Facility to the Company ("**Swap**"). The Company through its wholly-owned subsidiaries holds the entire issued share capital of ISL Investments Limited, which is the legal and beneficial owner of a property. The Creditor is the legal and beneficial owner of the Loan. The Property is held by the Group as an investment.

   The Consideration was determined after arm's length negotiations between the Company and the Creditor with reference to the loan. The Consideration is equal to the market value of the property of HK$136,000,000 as at 1 May 2018 as appraised by an independent valuer.

b) On 21 May 2018, the Company and an independent third party ("**Purchaser**") entered into a sales and purchase agreement ("**SPA**"). Pursuant to the SPA, the Purchaser has conditionally agreed to acquire the Sale Shares and the Company has conditionally agreed to sell the entire issued share capital ("**Sale Shares**") of the Jovial Tycoon Holdings Limited ("**Target Company**"), a wholly-owned subsidiary.

   Pursuant to the terms of the SPA, the Consideration of HK$100,000,000 will be satisfied upon Completion by way of setting off with the principal value of promissory note in full. The promissory note was issued by the Company on 9 May 2017 in favour of the Purchaser in the aggregate principal amount of HK$100,000,000. Moreover, upon Completion, the Purchaser will waive all interest accrued on the promissory note payable by the Company to the Purchaser.

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 2018 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 2018, 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 RELATED TO GOING CONCERN

We draw attention to the consolidated financial statements which describes that the Group had net current liabilities and net liabilities with the amount of approximately HK$260,468,000 and approximately HK$60,001,000 respectively. These conditions 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

During the year ended 31 March 2018, the Group recorded a turnover of approximately HK$241.2 million (2017: HK$183.7 million) representing an increase of approximately 31% as compared to that of the corresponding year in 2017. The overall increase in turnover was due to OTT service income arising from the completion of acquisition of Fully Wealthy International limited and its wholly owned subsidiaries (collectively the "**FWI Group**") on 28 June 2017. Other expenses increased to approximately HK$19.7 million as compared to approximately HK$19.5 million of the previous corresponding year, representing an increase of approximately 1%. Finance costs increased to approximately HK$32.3 million as compared to approximately HK$9.7 million as compared of the previous corresponding year, representing an increase of approximately 233%. Loss attributable to the owners was approximately HK$86.1 million for the year ended 31 March 2018 (2017: loss of approximately HK$39.7 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 2018 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 2017. Professional services recorded a decrease in revenue compared with the corresponding year in 2017 due to decrease in demand from data center services. In view of the change of business environment, the Company has strategically broadened our services in business valuation, cyber security services and solutions.

Our professional service team 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.

Our professional service team mainly provides four major information security services which are summarized as follows:

1. *IT Security General Control Review and Security Risk Assessment*

We 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, we 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

We 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 has been highly volatile in 2018. Although Asian market including Hong Kong has attracted capital inflow across the world, the market is still filled with a lot of uncertainties such as the trigger of trade war and the effect of contractionary monetary policy from US. The turnover in proprietary trading business recorded approximately HK$188.0 million for the year ended 31 March 2018 (2017: HK$147.5 million). The securities investment portfolio amounted to approximately HK$62.8 million as at 31 March 2018 (2017: HK$84.4 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$0.3 million for the year ended 31 March 2018 (2017: HK$1.1 million). The loan portfolio amounted HK$0.5 million as at 31 March 2018 (2017: HK$10 million).

Property investment

The 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$2.4 million (2017: HK$0.3 million). 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.

OTT Services

Upon completion of the acquisition of FWI Group on 28 June 2017, it is principally engaged in the business of providing multi-media related services and content in the PRC via different platforms. In view of the growing penetration and expansion of multi-media segment, the Group is optimistic to such business segment. In addition, consumers are moving beyond traditional media, the multi-media platform is an option used by many companies to brand and market their products. As such, the multi-media platform is playing an increasingly vital role in business marketing strategy. Having considered that the FWI Group is equipped with experience in the industry with diversified clientele and being specialized in the provision of OTT services of video-on-demand in Hong Kong and Taiwan via its own digital video rental platform. The revenue in OTT services business recorded approximately HK$30.4 million for the year ended 31 March 2018 (2017: HK$ Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2018, the deficit attributable to owners of the Company amounted to approximately HK$54.7 million (2017: HK$12.8 million). Current assets amounted to approximately HK$118.5 million (2017: HK$158.2 million), of which approximately HK$5.7 million (2017: HK$6.1 million) were cash and cash equivalents and approximately HK$1 million were pledged bank deposit (2017: HK$5.5 million). Current liabilities were approximately HK$378.9 million (2017: HK$311.9 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$207.8 million as at 31 March 2018 (2017: HK$212.2 million).

During the year under review and until the date of this announcement, 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$2.06 per share pursuant to the terms and conditions of the sale and purchase agreement to acquire 85% of issue share capital of FWI Group at the share consideration of HK$47.45 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.

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 and 2018, the gearing ratio was not applicable for the both years.

FOREIGN CURRENCY EXPOSURE

During the year ended 31 March 2018, 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

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 the FWI Group at share consideration of HK$47.45 million. The consideration will be satisfied by the issue and allotment of the 23,035,000 new shares at share price of HK$2.06 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 was completed on 28 June 2017.

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

The Company entered into the swap agreement on 9 May 2018 with the creditor pursuant to which the Company has conditionally agreed to swap the entire issued share capital of Top Insight Holdings Limited ("**Target Share**") at the consideration of HK$136 million with the creditor for (i) the Loan and (ii) the provision of the credit facility such that immediately after the completion, the creditor (or its nominee) shall acquire the Target Share in exchange of the assignment of the Loan and provision of the credit facility to the Company (the "**Swap**"). The Top Insight Holdings Limited through its wholly-owned subsidiary, which is the legal and beneficial owner of the 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 Creditor is the legal and beneficial owner of the Loan. Immediately after the signing of the swap agreement, the Company and the creditor have entered into the credit facility agreement pursuant to which the creditor grants the credit facility to the Company. The Swap has not completed up to the date of this announcement.

The Company and the purchaser entered into the sale and purchase agreement on 21 May 2018 pursuant to which the purchaser has conditionally agreed to acquire the entire issued share capital of Jovial Tycoon Holdings Limited, the indirectly wholly owned subsidiary of the Company at the consideration of HK$100 million. Jovial Tycoon Holdings Limited owns 20% shareholding interest of the project group which 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 consideration of HK$100,000,000 will be satisfied upon Completion by way of setting off with the principal value of 100 million promissory note which issued by the Company in favour of the purchaser in full. Moreover, upon Completion, the purchaser will waive all interest accrued on the promissory note payable by the Company to the purchaser. The transaction has not completed up to the date of this announcement.

	Year ended 31 March 2018	As at 31 March 2018	
Company	**Realised and unrealised gain/(loss)**	**Market Value**	**Approximate percentage of financial assets at fair value through profit or loss**
	HK$'000	*HK$'000*	
Goldin Financial Holdings Limited ("**GF**")	1,522		
Goldin Properties Holdings Limited	2,758		
Inno-tech Holdings Limited ("**IT**")	2,728		
Code Agriculture (Holdings) Limited ("**CA**")	(10,254)		
CNC Holdings Limited ("**CNC**")	143		
Solartech International Holdings Limited ("**SI**")	4,304		
Others	(6,278)		
Net realised loss	(5,077)		
GF	3,510	31,865	50.7%
IT	(16,265)	7,357	11.7%
CNC	235	3,838	6.1%
SI	3,689	2,075	3.3%
Celebrate International Holdings Limited ("**CI**")	(211)	5,600	8.9%
Others	(383)	12,106	19.3%
Net unrealised loss	(9,425)		
	(14,502)	62,841	100.0%

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

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.

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

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 six 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;
- property investment; and
- OTT services.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group hired 27 employees including the executive Directors (2017: 24). Total staff costs including Directors' remuneration for the year under review amounted to approximately HK$10.3 million (2017: HK$5.9 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 15 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 2018 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 2018, 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 28 April 2017 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 18 July 2017 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, the post has been vacant as at 31 March 2018. 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 2018.

LITIGATION

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

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

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

In view of the Court's favourable findings in the Winding-up Proceedings and the striking similarity between the case of the Plaintiff and that of MWL in the Winding-up Proceedings, the Company believes that it has strong merits in defending the Plaintiff's claims and in counter-claiming such alleged debts are void and unenforceable.

Therefore, the Company will vigorously contend the Plaintiff's claims and will seek legal advice to take all appropriate steps in the legal proceedings to safeguard the Company's interest.

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

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 2018 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
Trillion Grand Corporate Company Limited
Lau Kelly
Executive Director

Hong Kong, 29 June 2018

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
Ms. Ho Chi Na

Independent non-executive Directors:
Dr. Wan Ho Yuen, Terence
Mr. Hau Chi Kit
Mr. Yuen Koon Tung

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

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the Company's website at www.trilliongrand.com