



## **Royal Century Resources Holdings Limited**

### **仁德資源控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 8125)**

#### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“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 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 of Royal Century Resources Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of 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.*

## THE FINANCIAL STATEMENTS

### Annual Results

The board of Directors (the “Board”) of Royal Century Resources Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2017 together with the comparative audited figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 HK\$'000	2016 HK\$'000
Revenue	4	54,524	101,048
Cost of sales		(64,435)	(86,352)
Gross (loss)/profit		(9,911)	14,696
Other income	6	741	790
Increase/(Decrease) in fair value of an investment property		120	(2,144)
Administrative expenses		(25,787)	(20,713)
Finance costs	7	(185)	(158)
Share of results of a joint venture		–	(390)
Loss before tax		(35,022)	(7,919)
Income tax expense	8	(12)	(1,451)
Loss for the year attributable to owners of the Company	9	(35,034)	(9,370)
Other comprehensive (expense)/income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(122)	45
Total comprehensive expenses for the year attributable to owners of the Company		(35,156)	(9,325)
Loss per share	11		
Basic and diluted (HKcents)		(9.89)	(2.84)

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*AS AT 31 MARCH 2017*

	<i>Notes</i>	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
Non-current assets			
Plant and equipment		<b>2,247</b>	2,310
Investment property		<b>22,500</b>	22,380
Investment in a joint venture		<u>—</u>	<u>—</u>
		<b>24,747</b>	24,690
Current assets			
Loan receivables	12	<b>26,080</b>	—
Inventories	13	<b>8,032</b>	—
Trade and other receivables	14	<b>21,242</b>	43,214
Amounts due from customers for contract work		<b>10,072</b>	48,538
Amount due from a substantial shareholder	15	<b>5</b>	5
Amount due from a joint venture	15	<b>—</b>	—
Tax recoverable		<b>345</b>	625
Pledged bank deposit		<b>300</b>	—
Bank balances and cash		<b>60,027</b>	25,268
		<b>126,103</b>	117,650
Current liabilities			
Trade and other payables	16	<b>4,140</b>	32,534
Amounts due to customers for contract work		<b>519</b>	6,128
Income tax payable		<b>237</b>	929
Obligation under a finance lease		<b>87</b>	85
Secured bank borrowing		<b>6,964</b>	7,256
		<b>11,947</b>	46,932
Net current assets		<b>114,156</b>	70,718
		<b>138,903</b>	95,408

	<b>2017</b> <b><i>HK\$'000</i></b>	2016 <i>HK\$'000</i>
Capital and reserves		
Share capital	<b>154,851</b>	76,113
Reserves	<b>(16,263)</b>	18,893
	<hr/>	<hr/>
Total equity	<b>138,588</b>	95,006
	<hr/>	<hr/>
Non-current liabilities		
Deferred tax liabilities	<b>225</b>	225
Obligation under a finance lease	<b>90</b>	177
	<hr/>	<hr/>
	<b>315</b>	402
	<hr/>	<hr/>
	<b>138,903</b>	95,408
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated in Hong Kong as a company with limited liability and its share are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are provision of design and fitting-out service and provision of design and procurement of furnishings and decorative materials services. During the year, the Group has extended its business into money lending and sourcing and merchandising of fine and rare wines.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company and its Hong Kong subsidiaries. Other than those Hong Kong subsidiaries, the functional currency of subsidiaries established in Singapore and the People’s Republic of China (“PRC”) is denominated in Singapore dollars (“SGD”) and Renminbi (“RMB”) respectively.

The financial information relating to the years ended 31 March 2017 and 2016 included in this preliminary announcement of annual results for the year ended 31 March 2017 does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“Companies Ordinance”) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 March 2017 in due course.

The Company’s auditor has reported on the consolidated financial statements for the years. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in the annual report. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and the Companies Ordinance. These consolidated financial statements have been prepared on the historical cost basis except for investment property that is measured at fair values.

## 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRS, Hong Kong Accounting Standard (“HKAS(s)”), amendments and Interpretations (“Int(s)”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

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

The application of the new and revised 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 the consolidated financial statements.

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

HKFRS 9	<i>Financial Instruments</i> <sup>2</sup>
HKFRS 15	<i>Revenue from Contracts with Customers and the related amendments</i> <sup>2</sup>
HKFRS 16	<i>Leases</i> <sup>3</sup>
Amendments to HKAS 7	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> <sup>1</sup>
Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>4</sup> Effective date not yet been determined

The directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

#### 4. REVENUE

Revenue represents revenue arising from design and fitting-out service provided, sales and procurement of furnishings and decorative materials service provided, interest income from money lending and sale of fine and rare wines. An analysis of the Group's revenue for the year is as follows:

	2017 HK\$'000	2016 HK\$'000
Design and fitting-out service income	45,890	97,043
Design and procurement of furnishings and decorative materials service income	5,228	4,005
Interest income from money lending	1,715	–
Sale of fine and rare wines	1,691	–
	<u>54,524</u>	<u>101,048</u>

#### 5. SEGMENT INFORMATION

Information reported to the Chief Executive Officer (the "CEO"), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in services. No operating segments identified by the CEO has been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

- (a) Provision of design and fitting-out service ("Design and fitting-out service");
- (b) Provision of design and procurement of furnishings and decorative materials service ("Design and procurement of furnishings and decorative materials service");
- (c) Money lending ("Money lending"); and
- (d) Sourcing and merchandising of fine and rare wines ("Wines merchandising").

### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

#### For the year ended 31 March 2017

	Design and fitting-out service <i>HK\$'000</i>	Design and procurement of furnishings and decorative materials service <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Wines merchandising <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>45,890</u>	<u>5,228</u>	<u>1,715</u>	<u>1,691</u>	<u>54,524</u>
Segment profit/(loss)	<u>(17,665)</u>	<u>816</u>	<u>1,671</u>	<u>(730)</u>	<u>(15,908)</u>
Other income					691
Central administration costs					(19,740)
Increase in fair value of an investment property					120
Share of results of a joint venture					–
Finance costs					<u>(185)</u>
Loss before tax					<u><u>(35,022)</u></u>



For the year ended 31 March 2016

	Design and fitting-out service <i>HK\$'000</i> (Restated)	Design and procurement of furnishings and decorative materials service <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
Segment revenue	<u>97,043</u>	<u>4,005</u>	<u>101,048</u>
Segment profit	<u>5,186</u>	<u>2,636</u>	7,822
Other income			786
Central administration costs			(13,835)
Decrease in fair value of an investment property			(2,144)
Share of results of a joint venture			(390)
Finance costs			<u>(158)</u>
Loss before tax			<u><u>(7,919)</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of other income, central administration costs (including directors' emoluments), increase/(decrease) in fair value of an investment property, finance costs and shares of results of a joint venture. This is the measure reported to the CEO for the purposes of resource allocation and performance assessment.

**Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>Segment assets</b>		
Design and fitting-out service	20,193	56,759
Design and procurement of furnishings and decorative materials service	5,580	32,747
Money lending	26,080	–
Wines merchandising	8,560	–
	<hr/>	<hr/>
Total segment assets	60,413	89,506
Unallocated corporate assets	90,437	52,834
	<hr/>	<hr/>
Total assets	<u>150,850</u>	<u>142,340</u>
<b>Segment liabilities</b>		
Design and fitting-out service	1,151	19,299
Design and procurement of furnishings and decorative materials service	887	17,713
Money lending	–	–
Wines merchandising	–	–
	<hr/>	<hr/>
Total segment liabilities	2,038	37,012
Unallocated corporate liabilities	10,224	10,322
	<hr/>	<hr/>
Total liabilities	<u>12,262</u>	<u>47,334</u>

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

- all assets are allocated to reportable segments other than certain plant and equipment, investment property, investment in a joint venture, certain prepayments, deposits and other receivables, amount(s) due from a substantial shareholder/a joint venture, tax recoverable and bank balances and cash as these assets are managed on a group basis.
- all liabilities are allocated to reportable segments other than certain accrued expenses and other payables, amount due to a director, obligation under a finance lease, income tax payable, secured bank borrowing, and deferred tax liabilities as these liabilities are managed on a group basis.

## Other segment information

For the year ended 31 March 2017

	Design and fitting-out service <i>HK\$'000</i>	Design and procurement of furnishings and decorative materials service <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Wines merchandising <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>						
Impairment loss on trade receivables	661	–	–	–	–	661
Reversal of impairment loss of trade and other receivables	(50)	–	–	–	–	(50)
<b>Amounts regularly provided to the CEO but not included in the measure of segment profit or loss or segment assets:</b>						
Increase in fair value of an investment property	–	–	–	–	120	120
Impairment loss on amount due from a joint venture	–	–	–	–	356	356
Depreciation of plant and equipment	297	1	–	5	801	1,104
Additions to plant and equipment	–	–	–	51	991	1,042
Bank interest income	–	–	–	–	4	4
Finance costs	–	–	–	–	185	185
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

For the year ended 31 March 2016

	Design & fitting-out service <i>HK\$'000</i> (Restated)	Design and procurement of furnishings and decorative materials service <i>HK\$'000</i> (Restated)	Unallocated <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>				
Impairment loss on trade receivables	1,292	728	–	2,020
Reversal of impairment loss of trade and other receivables	(4)	–	–	(4)
<b>Amounts regularly provided to the CEO but not included in the measure of segment profit or loss or segment assets:</b>				
Decrease in fair value of an investment property	–	–	2,144	2,144
Impairment loss on amount due from a joint venture	–	–	271	271
Share of results of a joint venture	–	–	390	390
Depreciation of plant and equipment	328	1	120	449
Additions to plant and equipment	29	–	1,662	1,691
Addition to an investment property	–	–	24,524	24,524
Bank interest income	–	–	(6)	(6)
Finance costs	–	–	158	158
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's revenue from external customers is presented based on the location of the operations and information about its non-current assets is presented based on the geographical location of the assets as detailed below:

	Revenue from external customers		Non-current assets	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Hong Kong	54,524	101,048	24,741	24,690
PRC	–	–	6	–
	<u>54,524</u>	<u>101,048</u>	<u>24,747</u>	<u>24,690</u>

### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	<b>2017</b> <b>HK\$'000</b>	<b>2016</b> <b>HK\$'000</b>
Customer A <sup>1</sup>	<b>24,602</b>	32,998
Customer B <sup>1</sup>	<b>6,661</b>	23,629
Customer C <sup>1, 2</sup>	<b>5,972</b>	N/A <sup>3</sup>
Customer D <sup>1, 2</sup>	<b>N/A<sup>3</sup></b>	13,356
Customer E <sup>1</sup>	<b>N/A<sup>3</sup></b>	11,107

<sup>1</sup> Revenue from Design and fitting-out.

<sup>2</sup> Revenue from Design and procurement of furnishings and decorative materials service.

<sup>3</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

### 6. OTHER INCOME

	<b>2017</b> <b>HK\$'000</b>	<b>2016</b> <b>HK\$'000</b>
Bank interest income	<b>4</b>	6
Reversal of impairment loss in respect of trade and other receivables	<b>50</b>	4
Rental income	<b>637</b>	352
Sundry income	<b>50</b>	428
	<b>741</b>	790

An analysis of the Group's net rental income is as follows:

	<b>2017</b> <b>HK\$'000</b>	<b>2016</b> <b>HK\$'000</b>
Gross rental income	<b>637</b>	352
Less: Outgoings (included in administrative expenses)	<b>(121)</b>	(71)
	<b>516</b>	281

## 7. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interests on:		
– bank borrowings	178	148
– obligations under a finance lease	<u>7</u>	<u>10</u>
	<u><b>185</b></u>	<u><b>158</b></u>

## 8. INCOME TAX EXPENSE

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current tax:		
Hong Kong	206	1,127
(Over)/Under provision in prior years:		
Hong Kong	(194)	231
Deferred tax		
Current year	<u>–</u>	<u>93</u>
Income tax expense for the year	<u><b>12</b></u>	<u><b>1,451</b></u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for both years.

Pursuant to the rules and regulations of the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the BVI.

No Singapore Corporate Tax has been provided as there is no estimated assessable profit for both years.

The PRC corporate income tax in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

The PRC tax law imposes a withholding tax at 10%, unless reduced by a tax treaty, for dividends distributed by PRC subsidiaries to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008.

Deferred taxation has not been provided in the consolidated financial statements in respect of the temporary difference attributable to retained profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not release in the foreseeable future.

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

	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
Loss before tax	<b>(35,022)</b>	(7,919)
Tax expense at rates applicable to profits in the jurisdiction concerned	<b>(5,842)</b>	(1,307)
Tax effect of income not taxable for tax purpose	<b>(20)</b>	(70)
Tax effect of expenses not deductible for tax purpose	<b>79</b>	1,046
Tax effect of deductible temporary differences not recognised	<b>35</b>	601
Tax effect of tax losses not recognised	<b>6,022</b>	1,109
Utilisation of tax losses not recognised	<b>(48)</b>	(113)
Over provision in prior years	<b>(194)</b>	231
Effect of tax exemptions granted ( <i>note</i> )	<b>(20)</b>	(46)
Income tax expense for the year	<b>12</b>	1,451

*Note:* Tax exemptions represented reduction of Hong Kong profits tax for the year of assessment 2016/2017 by 75% (2015/2016: 75%), subject to a ceiling of HK\$20,000 (2015/2016: HK\$20,000) per case and exemptions of Singapore income tax for the year of assessment 2015/2016 and 2016/2017 at regressive rate.

## 9. LOSS FOR THE YEAR

The Group's loss for the year has been arrived at after charging:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Salaries and wages included in project costs	779	3,481
Salaries and wages included in administrative expenses:		
Directors' emoluments	3,822	4,065
Salaries, wages and other benefits (excluding directors' emoluments)	7,844	5,303
Contribution to defined contribution retirement benefits scheme (excluding directors)	275	276
	<u>12,720</u>	<u>13,125</u>
Depreciation	1,104	449
Auditor's remuneration	450	995
Impairment loss on trade and other receivables	661	2,020
Impairment loss on amount due from a joint venture	356	271
Minimum lease payments under operating leases in respect of office premises	3,518	1,207
	<u><u>3,518</u></u>	<u><u>1,207</u></u>

## 10. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2017 and 2016, nor has any dividend been proposed since the end of the reporting period.

## 11. LOSS PER SHARE

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

### Loss

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Loss for the purpose of basic and diluted loss per share	<u>(35,034)</u>	<u>(9,370)</u>

### Number of shares

	2017 <i>'000</i>	2016 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>354,411</u>	<u>330,000</u>

### Loss per share

	2017 <i>HK cents</i>	2016 <i>HK cents</i>
Basic and diluted	<u>(9.89)</u>	<u>(2.84)</u>

Since there were no potential dilutive shares in issue during the years ended 31 March 2017 and 2016, basic and diluted loss per share are the same for both years.



## 12. LOAN RECEIVABLES

	2017 HK\$'000	2016 HK\$'000
Current	26,080	—
Non-current	—	—
	<u>26,080</u>	<u>—</u>
Analyzed as:		
With one year	<u>26,080</u>	—
	<u>26,080</u>	<u>—</u>
	2017 HK\$'000	2016 HK\$'000
Loan receivables	24,500	—
Interest receivables	<u>1,580</u>	—
	<u>26,080</u>	<u>—</u>

At as 31 March 2017, the loan receivables are unsecured. The Group's loan and interest receivables, which arise from the money lending business in Hong Kong, are denominated in Hong Kong dollar. Loan receivables are interest-bearing and are repayable with fixed terms agreed with the Group's customers. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the receivables mentioned above.

All of the loan receivables are neither past due nor impaired at the end of reporting period. Included in the interest receivables, amounts of approximately HK\$923,000 which are past due but not impaired at the end of reporting period, the directors were of the opinion that no provision for impairment on these individual loans was necessary as these interest receivable were substantially/ fully settled subsequent to the reporting period or there had not been a significant change in credit quality that these balances were still considered fully recoverable. The credit quality of loan and interest receivables that are neither past due nor impaired has been assessed by reference to historical information about counterparty default rates. The existing counterparties do not have defaults in the past.

## 13. INVENTORIES

	2017 HK\$'000	2016 HK\$'000
Fine and rare wines held for resale at cost	<u>8,032</u>	<u>—</u>

#### 14. TRADE AND OTHER RECEIVABLES

	2017 HK\$'000	2016 HK\$'000
Trade receivables	17,097	37,850
Less: Allowance for impairment of trade receivables	<u>(2,295)</u>	<u>(1,754)</u>
Net trade receivables	14,802	36,096
Retention money receivables	80	80
Less: Allowance for impairment of retention money receivables	<u>(80)</u>	<u>(80)</u>
Net retention money receivables	–	–
Deposit paid for investment project (note (i))	4,125	–
Deposit, prepayment and advance to suppliers	1,173	1,542
Other receivables	<u>1,142</u>	<u>5,576</u>
Total trade and other receivables	<u><u>21,242</u></u>	<u><u>43,214</u></u>

#### Notes:

- (i) On 7 September 2016, the Group, through a wholly-owned subsidiary, entered into a sale and purchase agreement (the “SPA”) with an independent third party (the “Vendor”), pursuant to which the Group has agreed to acquire the entire issued share capital in a company (the “Target”) with licences to carry on Type 1, 4 and 9 regulated activities under the Securities and Futures Ordinance (“SFO”).

Pursuant to the SPA, a refundable deposit in the sum of HK\$4,125,000 has been paid to the Vendor. In the event that the approval (the “SFC Approval”) from the Securities and Futures Commission (“SFC”) in respect of the change in substantial shareholder of the Target is not granted on or before 31 August 2017 or such later date as mutually agreed in writing, the SPA shall cease and terminate, and the Vendor shall forthwith refund the above deposit.

As at 31 March 2017, the Group is in the process of application for the SFC Approval. The SPA will be completed once the SFC Approval is granted.

The Group allows an average credit period ranging from 30 to 180 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within 30 days	6,482	18,428
More than 30 days but within 90 days	2,717	854
More than 90 days but within 180 days	1,538	8,637
More than 180 days but within 365 days	8	2,818
More than 365 days	4,057	5,359
	<u>14,802</u>	<u>36,096</u>

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of approximately HK\$6,005,000 (2016: HK\$15,124,000) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss because there has not been a significant change in credit quality and they are still considered as recoverable. The Group does not hold any collateral over these balances.

The aged analysis of trade receivables which are past due but not impaired is set out below:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within 30 days	577	200
More than 30 days but within 90 days	1,350	7,331
More than 90 days	4,078	7,593
	<u>6,005</u>	<u>15,124</u>

The movement in the allowance for impairment of trade and other receivables is set out below:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
At the beginning of the financial year	1,834	541
Impairment losses recognised	661	2,020
Amount written off as uncollectible	(70)	(723)
Impairment loss reversed	(50)	(4)
	<u>2,375</u>	<u>1,834</u>

Included in the allowance for impairment of trade and other receivables are individually impaired trade and other receivables with an aggregate balance of approximately HK\$2,375,000 (2016: HK\$1,834,000) which had been long outstanding. The individually impaired trade and other receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions.

Included in trade and other receivables in the consolidated statements of financial position are mainly the following amounts denominated in currency other than the functional currency of the entity to which they relate:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
RMB	<u>4</u>	<u>8</u>

**15. AMOUNT(S) DUE FROM A SUBSTANTIAL SHAREHOLDER/A JOINT VENTURE**

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
	<i>Notes</i>	
Amount due from a substantial shareholder		
Genius Idea Holdings Limited	(i) <u>5</u>	<u>5</u>
Amount due from a joint venture		
PGS Group Pte Limited	(ii) –	271
Less: Impairment loss recognised	<u>–</u>	<u>(271)</u>
	<u>–</u>	<u>–</u>

*Notes:*

- (i) The amount was non-trading in nature which is considered as a quasi-loan provided by a subsidiary of the Company to the substantial shareholder. The amount is unsecured, interest-free and repayable on demand.
- (ii) PGS Group Pte Limited has been struck-off during the year.

Movements in the allowance for impairment of amounts due from a joint venture during the year are as follows:

	<b>2017</b> <b>HK\$'000</b>	2016 <i>HK\$'000</i>
At the beginning of the financial year	<b>271</b>	–
Impairment loss recognised	<b>356</b>	271
Written off on strike-off	<b>(627)</b>	–
	<hr/>	<hr/>
At the end of the financial year	<b>–</b>	271
	<hr/> <hr/>	<hr/> <hr/>

Included in the allowance for impairment of amount due from a joint venture is considered uncollectible with the amount of approximately HK\$356,000 (2016: HK\$271,000).

#### 16. TRADE AND OTHER PAYABLES

	<b>2017</b> <b>HK\$'000</b>	2016 <i>HK\$'000</i>
Trade payables	<b>1,519</b>	30,883
Receipt in advances	<b>1,523</b>	235
Accrued expenses and other payables	<b>1,098</b>	1,416
	<hr/>	<hr/>
	<b>4,140</b>	32,534
	<hr/> <hr/>	<hr/> <hr/>

The following is an aged analysis of trade payable presented based on the invoice date at the end of the reporting period.

	<b>2017</b> <b>HK\$'000</b>	2016 <i>HK\$'000</i>
Within 30 days	<b>627</b>	29,243
More than 30 days but within 90 days	<b>194</b>	379
More than 90 days	<b>698</b>	1,261
	<hr/>	<hr/>
	<b>1,519</b>	30,883
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Included in trade and other payables in the consolidated statements of financial position are mainly the following amounts denominated in currencies other than the functional currency of the entities to which they relate:

	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
RMB	<u>–</u>	<u>2,152</u>

## 17. OPERATING LEASE COMMITMENTS

### The Group as lessee

	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
Minimum lease payments paid under operating leases during the year		
Premises	<u>3,518</u>	<u>1,207</u>

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
Within one year	3,061	3,561
In the second to fifth years inclusive	<u>2,142</u>	<u>5,471</u>
	<u>5,203</u>	<u>9,032</u>

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated and rentals are fixed for an average of three years in both years.

### The Group as lessor

Property rental income earned during the year was approximately HK\$637,000 (2016: HK\$352,000). The property held for rental purposes is expected to generate rental yields of 2.83% (2016: 1.52%) on an ongoing basis. The property held has committed tenants for the next two years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within one year	343	297
In the second to fifth year inclusive	<u>14</u>	<u>3</u>
	<u><u>357</u></u>	<u><u>300</u></u>

## 18. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Salaries and bonus paid to the spouse of a director of the Company	<u>–</u>	<u>643</u>

### Compensation of key management personnel

The remuneration of key management personnel of the Company during the year was as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Salaries, allowances and other benefits	5,835	6,345
Contributions to retirement benefits scheme	<u>100</u>	<u>123</u>
	<u><u>5,935</u></u>	<u><u>6,468</u></u>

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 19. CAPITAL COMMITMENTS

The Group had the following capital commitments as at the end of reporting period:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Contracted but not provided for		
Acquisition of a company (note 14 (i))	<u><u>12,375</u></u>	<u><u>–</u></u>

## **20. CONTINGENT LIABILITY**

On 9 December 2015, a supplier has filed a statement of claim of approximately HK\$1,000,000 against a subsidiary of the Group. As at date of the report, no proceeding has been occurred. Based on the legal advice, the directors of the Company are of the opinion that the Group has meritorious defenses against the supplier. Therefore, no provision for this claim has been made in the consolidation financial statements for the year ended 31 March 2017.

## **21. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's presentation.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited) (the "Company") and its subsidiaries (collectively, the "Group") is principally engaged in the provision of (i) design and fitting-out services and (ii) design and procurement of furnishings and materials services. During the year, the Group has diversified its principal business and extended into two new business segments of (i) money lending and (ii) sourcing and merchandising of fine and rare wines.

### ***Provision of (i) design and fitting-out services and (ii) design and procurement of furnishings and decorative materials services***

During the year, a total of 9 new projects had been contracted, 6 of which relate to design and fitting-out services and the remaining 3 relate to design and procurement of furnishings and decorative materials services. The Group has completed 13 projects relating to design and fitting-out services and 7 projects relating to design and procurement of furnishings and decorative materials services. As a result, as at 31 March 2017, the Group has 2 projects on hand, all of which relate to design and fitting-out services.

During the year, as described in the first quarterly report, interim report and third quarterly report of the Company dated 12 August 2016, 10 November 2016 and 9 February 2017 respectively and respective profit warnings announcements dated 29 July 2016, 28 October 2016 and 6 February 2017 respectively, there was a fire break-out (the "Fire Incident") in one of the working sites engaging for both design and fitting-out services and design and procurement of furnishings and decorative materials services. As a consequence, the Group has revised the related estimated costs and additional project costs have been incurred.

The Group had made effort to restore the damage from the Fire Incident and proactively completed the project. The Group had discussed with the principal contractor and the project customer in respect of any compensation for the additional project costs.

The Group expects the existing projects will be completed in the coming few months and has been actively looking for new customers and new projects in order to strengthen its customer/revenue base. Subsequent to 31 March 2017, the Group has contracted 3 projects relating to design and fitting-out services. In the future, the Group will continue to submit tenders for potential projects.



### ***Money lending***

During the year, the Group was granted a money lender license in Hong Kong under the Money Lenders Ordinance and commenced its money lending business.

There were loan portfolios with principal amount of HK\$24.5 million as at 31 March 2017. The Group had recognised an aggregate interest income of approximately HK\$1.7 million for the year ended 31 March 2017.

The Group adopted a prudent risk management policy, with the money lending business continuously carrying out regular review of credit risk over the existing borrowers. While the Group will actively explore customers with good quality to expand its business scale, it will continue to adopt a prudent credit risk management strategy to ensure a healthy development in the money lending business.

### ***Sourcing and merchandising of fine and rare wines***

The Group observed that there was an increasing demand and consumption in the fine wines market in the Asian countries such as the People's Republic of China, Hong Kong, etc. The Group has started the setting up of a new business segment in sourcing and merchandising of fine and rare wines in the third quarter of the year.

Hong Kong, as one of the regional business centres in Asia, acts as a trading regional hub. Taking advantage of the duty-free of fine wines policy from 2008 by the Hong Kong Government, the import and re-export of the fine wines has been increasing in terms of both quantity and value. Accordingly, the Group expects the fine wine merchandising will continue to contribute to the Group's revenue in the future.

The fine and rare wines merchandising has contributed a revenue of approximately HK\$1.7 million to the Group for the year ended 31 March 2017.

## **Financial Review**

### ***Revenue***

The Group's revenue is mainly generated from (i) contracts to provide design and fitting-out services; (ii) design and procurement of furnishings and materials services; (iii) money lending; and (iv) sourcing and merchandising of fine and rare wines.

The total revenue for the year ended 31 March 2017 was approximately HK\$54.5 million (2016: HK\$101.0 million) which represents a decrease of approximately HK\$46.5 million or 46.0% as compared to the previous year. Such decrease was mainly attributable to the substantial decrease in the number of large projects and accordingly income generated from design and fitting-out services.

Breakdown of revenue by business is as follows:

	<b>For the year ended 31 March</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Design and fitting-out service income	<b>45,890</b>	97,043
Design and procurement of furnishings and decoration materials service income	<b>5,228</b>	4,005
Money lending	<b>1,715</b>	—
Sourcing and merchandising of fine and rare wines	<b>1,691</b>	—
	<b>54,524</b>	101,048

For the year ended 31 March 2017, the Group recorded total revenue of approximately HK\$54.5 million, all of which were derived from Hong Kong.

### ***Gross loss and loss for the year***

For the year ended 31 March 2017, the Group recorded a gross loss of approximately HK\$9.9 million (2016: gross profit of approximately HK\$14.7 million) and the overall gross loss margin was approximately 18.2% (2016: gross profit margin of approximately 14.5%). The gross loss for design and fitting-out services derived in Hong Kong amounted to approximately HK\$13.2 million (2016: gross profit of approximately HK\$11.2 million) and the gross profit for design and procurement of furnishings and materials services was approximately HK\$1.5 million (2016: HK\$3.5 million). The newly commenced money lending and sourcing and merchandising of fine and rare wines recorded a gross profit of approximately HK\$1.7 million and HK\$0.1 million respectively. The turnaround gross loss margin for the year ended 31 March 2017 was mainly attributable to (i) the Fire Incident and (ii) the increase in direct costs of the design and fitting-out services.

For the year ended 31 March 2017, the Group recorded a loss for the year of approximately HK\$35.0 million (2016: HK\$9.4 million). The increase in loss for the year was mainly attributable to the turning around of last year's gross profit of the projects of approximately HK\$14.7 million to gross loss of the projects for the year of approximately HK\$11.7 million.

### **Outlook**

Currently, the Group's projects in progress are all in Hong Kong. The project works for the existing customer base will be completed in the next few months. Since the completed decoration works will not be recurred in a short period, new projects from the existing customers will be decreased. The Group will proactively seek for new customers and make tenders for new project works.

During the year, the Group has developed two new business of (i) money lending and (ii) sourcing and merchandising of fine and rare wines. The Group will continue to explore more high-wealthy and high-creditworthiness customers to expand the two new business. The Group expects that the two new business will have a steady growth in both revenue and profit in the coming years.

In September 2016, the Group, through a wholly-owned subsidiary, entered into a sale and purchase agreement with an independent third party (the “Vendor”), pursuant to which the Group has agreed to acquire the entire issued share capital in a company (the “Target”) with licences to carry on Type 1,4 and 9 regulated activities under the Securities and Futures Ordinance (“SFO”). Up to the date of the report, the Group is in the process of application for the approval from the Securities and Futures Commission (“SFC”) in respect of the change in the substantial shareholder of the Target. The Group expects the approval from the SFC will be completed in the near future.

Looking forward, the Group will actively look for business opportunities associated with its core business so as to strengthen its revenue base and maximise the return to the shareholders and the value of the Company.

### **Liquidity, Financial Resources, Capital Structure and Gearing**

During the year ended 31 March 2017, the Group financed its operations by its internal resources. As at 31 March 2017, the Group had net current assets of approximately HK\$114.2 million (2016: HK\$70.7 million), including bank deposit, cash and bank balances of approximately HK\$60.3 million (2016: HK\$25.3 million).

The current ratio, being the ratio of current assets to current liabilities, was approximately 10.6 times as at 31 March 2017 (2016: 2.5 times). The increase in current ratio during the year was mainly due to the proceeds from the placing of new shares in June 2016.

The Group’s current assets comprised mainly (i) loans receivable, (ii) inventories, (iii) trade and other receivables, (iv) amounts due from customers for contract work and (v) bank balances and cash. Similarly, current liabilities comprised mainly (i) trade and other payables, (ii) amounts due to customers for contract work, (iii) obligation under a finance lease and (iv) bank borrowings.

While the trade and other receivables decreased by approximately HK\$22.0 million to approximately HK\$21.2 million as at 31 March 2017, amounts due from customers for contract work were decreased from approximately HK\$48.5 million as at 31 March 2016 to approximately HK\$10.0 million as at 31 March 2017. The decrease in overall trade receivables and amounts due from customers was mainly attributable to the decrease in contracts outstanding as at 31 March 2017.

The Group's borrowings comprised of bank borrowings of approximately HK\$7.0 million and obligation under a finance lease of HK\$0.2 million. The Group's gearing ratio, calculated by dividing total borrowings by total equity, was 5.2% (2016: 7.9%). The decrease in the gearing ratio was mainly attributable to the placing of new shares and accordingly the capital base of the Company has been broadened.

The capital of the Group comprises only ordinary shares. On 5 July 2016, the Company issued 33,000,000 new shares through the placing of new shares (the "Placing") with proceeds amounting to approximately HK\$78.7 million, net of share issuing costs. Total equity attributable to owners of the Company amounted to approximately HK\$138.6 million as at 31 March 2017 (2016: HK\$95.0 million).

### **Foreign Exchange Exposure**

Operations of the Group are mainly conducted in Hong Kong dollar ("HK\$"), Singapore dollar ("SGD") and United States dollar ("US\$") and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$, SGD and US\$.

The Group does not enter into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

### **Charges on Group Assets**

As at 31 March 2017, the investment property and a motor vehicle of the Group with a carrying value of approximately HK\$22.5 million and HK\$0.2 million respectively and a bank deposit of approximately HK\$0.3 million were pledged to secure facilities and borrowings granted to the Group.

### **Significant Acquisition and Disposal of Assets**

There has been no significant acquisition and disposal of assets of the Group during the year.

### **Contingent Liabilities**

Save as disclosed in note 20 to this announcement, the Group did not have other significant contingent liabilities as at 31 March 2017.

### **Commitments**

Details of the commitments of the Group as at 31 March 2017 are set out in notes 17 and 19 to this announcement.

## Use of Proceeds from the Placing of New Shares in June 2016 (the “Placing”)

Reference is made to the announcement issued by the Company on 14 June 2016 in relation to the placing of new shares under general mandate.

On 14 June 2016, the Company entered into a placing agreement with a placing agent to place up to 33,000,000 new shares (the “Placing Share(s)”) of the Company at a placing price of HK\$2.45 per Placing Share to not less than six placees. The closing price per share on that date was HK\$3.00.

The Placing was completed on 5 July 2016 with gross and net proceeds of HK\$80.85 million (equivalent to HK\$2.45 per Placing Share) and approximately HK\$78.5 million (equivalent to approximately HK\$2.38 per Placing Share) respectively. The net proceeds of the Placing is intended to be used for the Group’s general working capital and/or other potential business development opportunities as considered appropriate, including but not limited to the application of at least HK\$30 million of the net proceeds for carrying out the money lending business.

	Planned use of proceeds as described in the announcement dated 14 June 2016 <i>HK\$’000</i>	Further detailed use of proceeds as described in the annual results announcement dated 27 June 2016 <i>HK\$’000</i>	<b>Actual use of proceeds up to date of this report <i>HK\$’000</i></b>
Net proceeds from the Placing			
– General working capital and/or other potential business development opportunities	78,500	48,500	<b>48,500</b>
– Money lending	–	30,000	<b>30,000</b>
	<u>78,500</u>	<u>78,500</u>	<u><b>78,500</b></u>

## Employees and Remuneration Policies

As at 31 March 2017, the Group employed approximately 35 (2016: 33) employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its Directors and employees mainly based on industry practices and individual’s performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group’s performance as well as individual’s performance.

Total remuneration for the year ended 31 March 2017 (including Directors' emoluments and salaries to staff and Directors including MPF contributions) was approximately HK\$12.7 million (2016: HK\$13.1 million). There was no material change in the staff costs during the year.

## **OTHER INFORMATION**

### **Dividend**

The Board does not recommend the payment of a final dividend for the year ended 31 March 2017.

### **Corporate Governance Practices**

The Board considers that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the Rules (the "GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") to ensure that business activities and decision making processes are regulated in a proper and prudent manner. In accordance with the requirements of the GEM Listing Rules, the Company has established an audit committee, a remuneration committee, a nomination committee and a compliance committee with specific written terms of reference. During the year ended 31 March 2017, the Company has complied with the CG Code as set out in Appendix 15 to the GEM Listing Rules.

### **Directors' Securities Transactions**

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules.

During the year, Mr. Liu Rongsheng, an executive Director sold all of 5,000,000 shares of the Company held by him. Mr. Liu did not hold any shares of the Company as at 31 March 2017.

Save as disclosed above, no Director has dealt in the shares of the Company during the year.

Following specific enquiry by the Company, all Directors confirmed that they have complied with such code of conduct throughout the year ended 31 March 2017.

### **Purchase, Sale or Redemption of Shares**

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 securities.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS**

The audit committee, comprising three independent non-executive directors, has reviewed the financial statements of the Group for the year. The figures in respect of the preliminary announcement of the Group's results for the year have been agreed by the Company's auditor, Reanda Lau & Au Yeung (HK) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Reanda Lau & Au Yeung (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Reanda Lau & Au Yeung (HK) CPA Limited on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.royalcentury.hk](http://www.royalcentury.hk)). The annual report of the Company for the year ended 31 March 2017 containing all the information required by the GEM Listing Rules will be despatched to the Company's shareholders and published on the above websites in due course.

By Order of the Board  
**Royal Century Resources Holdings Limited**  
**Chan Chi Yuen**  
*Chairman*

Hong Kong, 22 June 2017

*As at the date of this announcement, the executive Directors are Mr. Chan Chi Yuen (Chairman), Mr. Liu Rongsheng (Chief Executive Officer) and Mr. Wang Jun; the non-executive Director is Mr. Tsang Kei Cheong; and the independent non-executive Directors are Mr. Chan Chiu Hung Alex, Mr. Wu Zhao and Mr. Lam Cheok Va.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting on the website of the Company at [www.royalcentury.hk](http://www.royalcentury.hk).*