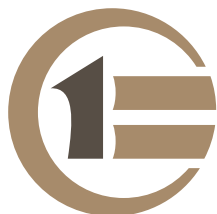


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Royal Century Resources Holdings Limited
仁德資源控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 8125)

FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 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.

This announcement, for which the directors (the “Director(s)”) 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 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.

THE FIRST QUARTERLY RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Royal Century Resources Holdings Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 30 June 2017, together with the comparative unaudited figures for the corresponding period in 2016 as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 30 June 2017

	<i>Notes</i>	For the three months ended 30 June	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	2	5,602	30,525
Cost of sales		(3,842)	(27,478)
Gross profit		1,760	3,047
Other income	3	151	190
Administrative expenses		(5,304)	(4,554)
Finance costs	4	(45)	(48)
Loss before tax	5	(3,438)	(1,365)
Income tax expense	6	(50)	(27)
Loss for the period attributable to owners of the Company		(3,488)	(1,392)
Other comprehensive income/ (expenses)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		79	(26)
Total comprehensive expenses for the period attributable to owners of the Company		(3,409)	(1,418)
Loss per share			
– Basic and diluted	8	HK (0.96) cents	HK (0.42) cents

Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2017

	Share capital <i>HK\$'000</i>	Retained profits/ (Accumulated losses) <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2017 (audited)	154,851	(15,941)	(322)	138,588
Loss for the period	–	(3,488)	–	(3,488)
Other comprehensive income for the period	–	–	79	79
Total comprehensive expense for the period	–	(3,488)	79	(3,409)
At 30 June 2017 (unaudited)	154,851	(19,429)	(243)	135,179
At 1 April 2016 (audited)	76,113	19,093	(200)	95,006
Loss for the period	–	(1,392)	–	(1,392)
Other comprehensive expense for the period	–	–	(26)	(26)
Total comprehensive expense for the period	–	(1,392)	(26)	(1,418)
At 30 June 2016 (unaudited)	76,113	17,701	(226)	93,588

Notes to the Condensed Consolidated Financial Statement

For the three months ended 30 June 2017

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Chapter 18 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”).

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual report for the year ended 31 March 2017.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Group. The adoption of these new and revised HKFRSs has no material effect on the unaudited condensed consolidated financial statements, and there have otherwise been no significant changes to the accounting policies applied in these financial statements.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. Other than subsidiaries operating in Singapore and the People’s Republic of China (the “PRC”) of which the functional currency is Singapore dollars and Renminbi respectively, the functional currency of the Company and other subsidiaries is HK\$.

2. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from design and fitting-out service provided, design 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 period is as follows:

	For the three months ended 30 June	
	2017	2016
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Design and fitting-out service income	1,354	31,780
Design and procurement of furnishings and decorative materials service income	–	(1,265)
Interest income from money lending	1,073	–
Sales of fine and rare wines	3,175	–
	<u>5,602</u>	<u>30,525</u>

Segment revenue and results

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

For the three months ended 30 June 2017

	Design and fitting-out service <i>HK\$'000</i> (unaudited)	Design and procurement of furnishings and decorative materials service <i>HK\$'000</i> (unaudited)	Money lending <i>HK\$'000</i> (unaudited)	Wines merchandising <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Segment revenue	<u>1,354</u>	<u>–</u>	<u>1,073</u>	<u>3,175</u>	<u>5,602</u>
Segment results	<u>(1,295)</u>	<u>(463)</u>	<u>1,064</u>	<u>(281)</u>	<u>(975)</u>
Other income					151
Central administrative costs					(2,569)
Finance costs					<u>(45)</u>
Loss before tax					<u><u>(3,438)</u></u>

For the three months ended 30 June 2016

	Design and fitting-out service <i>HK\$'000</i> (unaudited)	Design and procurement of furnishings and decorative materials service <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Segment revenue	<u>31,790</u>	<u>(1,265)</u>	<u>30,525</u>
Segment results	<u>2,900</u>	<u>(1,847)</u>	1,053
Other income			190
Central administrative costs			(2,560)
Finance costs			<u>(48)</u>
Loss before tax			<u><u>(1,365)</u></u>

3. OTHER INCOME

	For the three months ended 30 June	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Rental income	150	174
Bank interest income	1	–
Sundry income	–	16
	<u>151</u>	<u>190</u>

4. FINANCE COSTS

	For the three months ended 30 June	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
Secured bank borrowings wholly repayable beyond five years	44	46
Finance lease	1	2
	<u>45</u>	<u>48</u>

5. LOSS BEFORE TAX

Loss before tax has been arrived at after charging/(crediting):

	For the three months ended 30 June	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Staff costs included in project costs	–	779
Staff costs included in administrative expenses:		
Directors' emoluments (including contribution to defined contribution retirement benefits scheme)	1,037	787
Salaries, wages and other benefits (excluding directors' emoluments)	2,040	1,440
Contribution to defined contribution retirement benefits scheme (excluding directors)	61	64
	<u>3,138</u>	<u>3,070</u>
Auditor's remuneration	–	–
Depreciation	269	215
Minimum lease payments under operating leases in respect of office premises	384	903
Gross rental income less outgoings	(115)	(159)
	<u>(115)</u>	<u>(159)</u>

6. INCOME TAX EXPENSE

	For the three months ended 30 June	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax	50	27
Deferred taxation	–	–
	<u>50</u>	<u>27</u>

7. 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 information:

Loss for the period

	For the three months ended 30 June	
	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)
Loss for the purpose of basic and diluted loss per share	<u>(3,488)</u>	<u>(1,392)</u>

Number of shares

	For the three months ended 30 June	
	2017 '000 (Unaudited)	2016 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>363,000</u>	<u>330,000</u>

Loss per share

	For the three months ended 30 June	
	2017 <i>HK cents</i> (Unaudited)	2016 <i>HK cents</i> (Unaudited)
Basic and diluted	<u>(0.96)</u>	<u>(0.42)</u>

Since there was no dilutive potential ordinary share outstanding during the three months ended 30 June 2017 and 2016, the basic and diluted loss per share are the same for both periods.

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2017 (three months ended 30 June 2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Royal Century Resources Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) are principally engaged in provision of design and fitting-out services, provision of design and procurement of furnishings and decorative materials services, money lending, and sourcing and merchandising of fine and rare wines.

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 decorative materials services; (iii) money lending; and (iv) sourcing and merchandising of fine and rare wines.

Breakdown of revenue by types of business is as follows:

	For the three months ended 30 June	
	2017	2016
	<i>HK\$’000</i>	<i>HK\$’000</i>
Design and fitting-out service	1,354	31,790
Design and procurement of furnishings and decorative materials service	–	(1,265)
Money lending	1,073	–
Sourcing and merchandising of fine and rare wines	3,175	–
	<u>5,602</u>	<u>30,525</u>

Breakdown of revenue by geographical locations is as follows:

	For the three months ended 30 June	
	2017	2016
	<i>HK\$’000</i>	<i>HK\$’000</i>
Hong Kong	<u>5,602</u>	<u>30,525</u>

The total revenue for the three months ended 30 June in 2017 was approximately HK\$5.6 million (three months ended 30 June 2016: HK\$30.5 million) which represents a HK\$24.9 million or 81.6% decrease as compared to the corresponding period of last year. Such decrease was mainly attributable to the substantial decrease in the number of large design and fitting-out projects and accordingly income generated therefrom. There were contributions of approximately HK\$1.1 million and HK\$3.2 million from money lending and sourcing and merchandising of fine and rare wines, respectively, which were businesses newly engaged and expanded by the Group during the second and third quarters of last year.

Gross profit and loss for the period

For the three months ended 30 June 2017, the Group recorded a gross profit of approximately HK\$1.8 million (three months ended 30 June 2016: HK\$3.0 million) and the overall gross profit margin was approximately 31.4% (three months ended 30 June 2016: 10.0%).

Gross profit/(loss) and gross profit/(loss) margin by types of business is as follows:

	For the three months ended 30 June		For the three months ended 30 June	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	%	%
Design and fitting-out service	334	4,684	24.7	14.7
Design and procurement of furnishings and decorative materials service	(17)	(1,637)	(100.0)	(129.4)
Money lending	1,073	–	100.0	–
Sourcing and merchandising of fine and rare wines	370	–	11.7	–
	<u>1,760</u>	<u>3,047</u>	31.4	10.0

During the three months ended 30 June 2017, the overall gross profit of the Group amounting to approximately HK\$1.8 million, representing a decrease of approximately HK\$1.2 million or 42.2% from last year's corresponding period of approximately HK\$3.0 million. The decrease was mainly due to the drop in the gross profit of design and fitting-out services by approximately HK\$4.3 million due to the keen competition and the rise in the project costs whilst partially compensated by the gross profit generated from money lending and sourcing and merchandising of fine and rare wines of approximately HK\$1.1 million and HK\$0.4 million respectively.

Administrative expenses increased by approximately HK\$0.8 million or approximately 16.5% from last year's corresponding period of approximately HK\$4.5 million to approximately HK\$5.3 million for the three months ended 30 June 2017. The increase in the administrative expenses was mainly resulted from administrative expenses incurred by the new business segments which were commenced during the second and third quarters of last year.

As a result, loss for the three months ended 30 June 2017 was approximately HK\$3.5 million (three months ended 30 June 2016: HK\$1.4 million), representing an increase in loss of approximately HK\$2.1 million or approximately 150.1%.

Business Review and Prospects

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

The Group has 5 design and fitting-out projects on hand during the three months ended 30 June 2017, of which 3 new projects were contracted and 1 project has been completed during the period. As a result, there were 4 projects in progress as at 30 June 2017, all of which are related to design and fitting-out services and are in Hong Kong.

Looking forward, the Group expects the existing design and fitting-out projects will be completed in the coming few months. The Group has actively sought for business opportunities by exploring for new customers and new projects in order to strengthen its customer and revenue base for maximization of the return to the shareholders and the value of the Group. During the three months ended 30 June 2017, the Group has successfully bid for 3 new projects and will continue to submit tenders for potential projects in the future.

Money lending business

The Group's money lending business was steadily developed with new loans granted during the three months ended 30 June 2017. There was loan portfolio in Hong Kong with principal amount of approximately HK\$29.5 million as at 30 June 2017. The Group recognized an aggregate interest income of HK\$1.1 million for the three months ended 30 June 2017 while the money lending business was commenced in the second quarter of last year.

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 proactively explore high creditworthiness customers for further expansion of its business scale, it will continue to adopt a prudent credit risk management strategy to minimize its exposure and maintaining a sustainable and healthy development in its money lending business.

Sourcing and merchandising of fine and rare wines

The Group's sourcing and merchandising of fine and rare wines ("**Wines Sourcing and Merchandising**") has been developing steadily and attributed a total revenue of approximately HK\$3.2 million during the three months ended 30 June 2017 while the Wines Sourcing and Merchandising business was commenced in the third quarter of last year.

As compared with the revenue of approximately HK\$1.7 million for the third and fourth quarters of last year, the Group expects the Wines Sourcing and Merchandising will have a steady growth in the foreseeable future.

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 Wines Sourcing and Merchandising will continue to contribute to the Group's revenue in the future.

The Group is in the process to strengthen the sales team for the Wines Sourcing and Merchandising to explore and develop its customer base and network in the fine and rare wines in order to broaden its revenue base.

Other Business Development

As mentioned in the annual report for the year ended 31 March 2017, 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 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**"). Subsequent to 30 June 2017, the Securities and Futures Commission ("**SFC**") has granted its approval for the change in the substantial shareholder of the Target. The Group is in the process in handling the completion of the transaction with the Vendor which is expected to be closed in the next few months.

Besides the above business development, the Group is proactively seeking for business opportunities and exploring new investment opportunities in order to further diversify the principal activities of the Group to strengthen and broaden its revenue base.

Liquidity and Financial Resources

During the three months ended 30 June 2017, the Group financed its operations by its internal resources and banking facilities. As at 30 June 2017, the Group had net current assets of approximately HK\$110.9 million (31 March 2017: HK\$114.2 million), including bank deposit, cash and bank balances of approximately HK\$51.4 million (31 March 2017: HK\$60.3 million).

The current ratio, being the ratio of current assets to current liabilities, was approximately 11.1 times as at 30 June 2017 (31 March 2017: 10.6 times). There was no material fluctuation in the current ratio during the three months ended 30 June 2017.

Capital Structure and Gearing

The capital of the Group comprised only ordinary shares. As at 30 June 2017, the Company has 363,000,000 ordinary shares in issue. There was no movement in the share capital of the Group during the three months ended 30 June 2017. Total equity attributable to owners of the Company amounted to approximately HK\$135.2 million as at 30 June 2017 (31 March 2017: HK\$138.6 million).

As at 30 June 2017, the Group's borrowings comprised bank borrowings of approximately HK\$6.9 million (31 March 2017: HK\$7.0 million) and obligation under a finance lease of approximately HK\$0.2 million (31 March 2017: HK\$0.2 million). The Group's gearing ratio, calculated by dividing total borrowings by total equity, was approximately 5.2% (31 March 2017: 5.2%). There was no material fluctuation in the gearing ratio during the three months ended 30 June 2017.

Dividend

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2017.

Foreign Exchange Exposure

The operations of the Group are mainly conducted in Hong Kong dollar ("HK\$"), Singapore dollar ("SGD"), Renminbi ("RMB") and United States dollar ("US\$") and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$, SGD, RMB 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 30 June 2017, the Group has the following assets pledged to secure banking facilities and borrowings and charged for an obligation under finance lease, the carrying value of which is as follows:

	<i>HK\$'000</i>
Investment property	22,500
Motor vehicle	100
Bank deposit	300
	<hr/>
	22,900
	<hr/> <hr/>

Significant Acquisition and Disposal

There has been no significant acquisition and disposal of subsidiaries or assets of the Group during the three months ended 30 June 2017.

Contingent Liabilities

On 9 December 2015, a supplier has filed a statement of claim for cost dispute of approximately HK\$1,000,000 against a subsidiary of the Group. As at date of this announcement, 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 consolidated financial statements for the three months ended 30 June 2017.

Commitments

Capital commitment

As at 30 June 2017, the Group had the following capital commitment:

	<i>HK\$'000</i>
Contracted but not provided for:	
Acquisition of a company	12,375
	<u> </u>

Operating lease commitment

The Group as lessee

As at 30 June 2017, the Group had commitments for future minimum lease payments under non-cancellable operating leases in relation to office premises, falling due as follows:

	<i>HK\$'000</i>
Within one year	3,108
In the second to fifth years inclusive	1,339
	<u> </u>
	<u>4,447</u>

The Group as lessor

As at 30 June 2017, the Group had contracted with tenants for the future minimum lease payments in relation to premises, falling due as follows:

	<i>HK\$'000</i>
Within one year	350
In the second to fifth years inclusive	74
	<hr/>
	424
	<hr/> <hr/>

Employee and Remuneration Policy

As at 30 June 2017, the Group had 33 employees (30 June 2016: 28 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 three months ended 30 June 2017 (including directors' emoluments and salaries to staff and directors including MPF contributions) was approximately HK\$3.1 million (three months ended 30 June 2016: HK\$3.1 million). There was no significant fluctuation in the staff costs during the three months ended 30 June 2017.

OTHER INFORMATION

Interests and Short Positions of the Directors and Chief Executive of the Company in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 30 June 2017, none of the Directors or the chief executive of the Company (the "Chief Executive") have the interests and short positions in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules.

Interests and Short Positions of Substantial Shareholders of the Company in the Shares and Underlying Shares of the Company

As at 30 June 2017, so far as is known to the Directors and the Chief Executive and based on the public records filed on the website of the Stock Exchange and records kept by the Company, the interest and short positions of the persons or corporations (other than the Directors and the Chief Executive) in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in ordinary shares of the Company

Name of shareholder	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the issued Shares
Time Vanguard Holdings Limited (Note 1)	Beneficial owner	50,000,000	13.77%
China Huarong International Holdings Limited (Note 1)	Interest of a controlled corporation	50,000,000	13.77%
Huarong Real Estate Co., Ltd. (Note 1)	Interest of a controlled corporation	50,000,000	13.77%
China Huarong Asset Management Co., Ltd. (Note 1)	Interest of a controlled corporation	50,000,000	13.77%
Superb Smart Limited (Note 2)	Beneficial owner	47,000,000	12.95%
Ms. Zheng Juhua (Note 2)	Interest of a controlled corporation	47,000,000	12.95%
Mr. Wang Shengdong	Beneficial owner	45,484,000	12.53%
Taiping Quantum Prosperity Fund	Beneficial owner	31,808,000	8.76%
Genius Idea Holdings Limited (Note 3)	Beneficial interest	20,000,000	5.51%
Mr. Chan Tat Wah (Note 3)	Interest of a controlled corporation	20,000,000	5.51%
Ms. Lee Yuk Pui Kawina (Note 3)	Family interest	20,000,000	5.51%

Notes:

1. 50,000,000 Shares are registered in the name of Time Vanguard Holdings Limited, which is wholly-owned by China Huarong International Holdings Limited (“Huarong International”). Huarong International is a jointly-owned as to 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. (“Huarong Zhiyuan”) and 88.1% by Huarong Real Estate Co., Ltd. (Huarong Real Estate”). Each of Huarong Zhiyuan and Huarong Real Estate is wholly-owned by China Huarong Asset Management Co., Ltd. (“China Huarong”). Accordingly, each of Huarong International, Huarong Real Estate and China Huarong is deemed to be interested in the relevant Shares under the SFO.
2. 47,000,000 Shares are registered in the name of Superb Smart Limited, which is wholly-owned by Ms. Zheng Juhua. Accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant Shares under the SFO.
3. 20,000,000 Shares are registered in the name of Genius Idea Holdings Limited, which is wholly-owned by Mr. Chan Tat Wah. Ms. Lee Yuk Pui Kawina is the spouse of Mr. Chan Tat Wah. Accordingly, each of Mr. Chan Tat Wah and Ms. Lee Yuk Pui Kawina is deemed to be interested in the relevant Shares under the SFO.

Save as disclosed above, as at 30 June 2017, there was no person or corporation (other than the Directors and the Chief Executive) who had any interest or short position in the Shares or underlying Shares as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

Other Interests Discloseable under the SFO

Save as disclosed above, so far as is known to the Directors, there was no other person who had interest or short positions in the Shares and underlying Shares that is discloseable under section 336 of the SFO.

Share Option Scheme

The share option scheme enables the Company to grant options to any full-time or part time employee of the Company or any member of the Group (the “**Eligible Participant**”) as incentives or rewards for their contributions to the Group. The Company conditionally adopted a share option scheme (the “**Scheme**”) on 30 June 2014 whereby the Board are authorised, at their absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the Shares of the company to the Eligible Participant, The Scheme will be valid and effective for a period of ten years commencing from the date of adoption of the Scheme.

Upon acceptance of an option to subscribe for shares granted pursuant to the Scheme (the “**Option**”), the Eligible Participant shall pay HK\$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each

participant and shall be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a day on which trading of Shares take place on the Stock Exchange (the "**Trading Day**"); and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the date of grant of the Options.

The Company shall be entitled to issue options, provided that the total number of Shares which may issue upon exercise of all options to be granted under the Scheme does not exceed 10% of the Shares in issue on the Listing Date. The Company may at any time refresh such limit, subject to the shareholders' approval and the issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issued at the time. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

As at the date of this announcement, the total number of Shares available for issue under the Scheme is 30,000,000 Shares representing 10% of the issued shares immediately after the completion of the Listing of the Shares on 18 July 2014 and representing 8.26% of the issued Shares as at 30 June 2017.

Since the adoption of the Scheme, no share option has been granted by the Company.

Directors' Right to Acquire Shares

At no time during the three months ended 30 June 2017 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

At no time during the three months ended 30 June 2017 had the Directors and the Chief Executive (including their spouses and children under 18 years of age) any interest in, or been granted, or exercised any rights to subscribe for the shares (or warrants or debentures, is applicable) of the Company and its associated corporations (within the meaning of the SFO).

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.

No Director has dealt in the shares of the Company during the three months ended 30 June 2017.

Following specific enquiry by the Company, all Directors confirmed that they have complied with such code of conduct throughout the three months ended 30 June 2017.

Purchase, Sale or Redemption of Shares

During the three months ended 30 June 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

Equity-linked Agreements

No equity-linked agreements were entered into by the Group or existed during the three months ended 30 June 2017.

Competing Interests

During the three months ended 30 June 2017 and up to the date of this announcement, a Director has an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules were as follows:

Director	Name of company	Nature of business	Nature of interests
Mr. Chan Chi Yuen	Noble Century Investments Holdings Limited (“Noble Century”) and its subsidiaries	Money lending business	Executive director and chief executive officer of Noble Century
Mr. Liu Rongsheng	China Ocean Fishing Holdings Limited (“China Ocean”) and its subsidiaries	Money lending business	Chairman, executive director and chief executive officer of China Ocean

As the Board is independent to the boards of directors of the abovementioned companies, the Group is capable of carrying on its business independently to, and at arm's length, from the business of those companies.

Save as disclosed above, none of the Directors was interested in any business (apart from the Group's business) which competed or was likely to compete, either directly or indirectly, with the business of the Group during the three months ended 30 June 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 GEM Listing Rules 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 three months ended 30 June 2017, the Company has complied with the CG Code as set out in Appendix 15 to the GEM Listing Rules.

To the best knowledge of the Board, the Company had complied with the code provisions in the CG Code during the three months ended 30 June 2017.

Audit Committee

The audit committee of the Company (the “**Audit Committee**”) currently comprises three independent non-executive Directors and is chaired by Mr. Chan Chiu Hung Alex. The other members are Mr. Wu Zhao and Mr. Lam Cheok Va. The primary duties of the Audit Committee are to review and supervise the Group’s financial reporting process, risk management and the internal control systems of the Group.

The Audit Committee had reviewed the unaudited consolidated results of the Group for the three months ended 30 June 2017 with the management in connection with the compliance of the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal or disclosure requirements.

PUBLICATION OF FIRST QUARTERLY RESULTS AND FIRST QUARTERLY REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.royalcentury.hk). The first quarterly report of the Company for the three months ended 30 June 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, 4 August 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 for at least 7 days from the date of its posting and on the website of the Company at www.royalcentury.hk.