



**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)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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 (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 (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.*

## THE FINANCIAL STATEMENTS

### INTERIM RESULTS

The board (the “Board”) of directors (the “Director(s)”) of the Royal Century Resources Holdings Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2017 (the “Period”), 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 six months ended 30 September 2017*

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
<b>Revenue</b>	4	<b>7,288</b>	11,284	<b>12,890</b>	41,809
Cost of sales		<u>(5,336)</u>	<u>(19,821)</u>	<u>(9,178)</u>	<u>(47,299)</u>
<b>Gross profit/(loss)</b>		<b>1,952</b>	(8,537)	<b>3,712</b>	(5,490)
Other income	5	<b>181</b>	229	<b>332</b>	419
Administrative expenses		<b>(7,455)</b>	(5,736)	<b>(12,759)</b>	(10,290)
Finance costs	6	<b>(45)</b>	(47)	<b>(90)</b>	(95)
Gain from a bargain purchase	21	<b>2,270</b>	–	<b>2,270</b>	–
<b>Loss before tax</b>	7	<b>(3,097)</b>	(14,091)	<b>(6,535)</b>	(15,456)
Income tax expense	8	<b>(34)</b>	27	<b>(84)</b>	–
<b>Loss for the period attributable to owners of the Company</b>		<b>(3,131)</b>	(14,064)	<b>(6,619)</b>	(15,456)
<b>Other comprehensive income/ (expenses)</b>					
Items that may be subsequently reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations		<u>(14)</u>	<u>(32)</u>	<u>65</u>	<u>(58)</u>
<b>Total comprehensive expenses for the period attributable to owners of the Company</b>		<b>(3,145)</b>	(14,096)	<b>(6,554)</b>	(15,514)
		<b>HK cents (Unaudited)</b>	<b>HK cents (Unaudited)</b>	<b>HK cents (Unaudited)</b>	<b>HK cents (Unaudited)</b>
<b>Loss per share</b>					
– Basic and diluted		<u><b>(0.86)</b></u>	<u>(3.89)</u>	<u><b>(1.82)</b></u>	<u>(4.47)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

		30 September 2017 <i>HK\$'000</i> (Unaudited)	31 March 2017 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>			
Plant and equipment	11	1,748	2,247
Investment property	11	22,500	22,500
Intangible assets	21	18,770	–
		43,018	24,747
<b>Current assets</b>			
Loan and interest receivables	12	31,183	26,080
Inventories	13	6,611	8,032
Trade and other receivables	14	20,596	21,242
Amounts due from customers for contract work	15	4,366	10,072
Amount due from a substantial shareholder		–	5
Tax recoverable		242	345
Pledged bank deposit	16	300	300
Bank balances and cash	17	38,183	60,027
		101,481	126,103
<b>Current liabilities</b>			
Trade and other payables	18	4,114	4,140
Amounts due to customers for contract work	15	834	519
Income tax payable		343	237
Obligation under a finance lease		89	87
Secured bank borrowing	19	6,815	6,964
		12,195	11,947
<b>Net current assets</b>		89,286	114,156
<b>Total assets less current liabilities</b>		132,304	138,903

		<b>30 September</b>	31 March
		<b>2017</b>	2017
		<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>Notes</i>	<b>(Unaudited)</b>	(Audited)
<b>Capital and reserves</b>			
Share capital	20	<b>154,851</b>	154,851
Reserves		<b>(22,817)</b>	(16,263)
		<u>132,034</u>	<u>138,588</u>
<b>Equity attributable to owners of the Company</b>			
		<b>132,034</b>	138,588
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>225</b>	225
Obligation under a finance lease		<b>45</b>	90
		<u>270</u>	<u>315</u>
		<b>132,304</b>	138,903
		<u><u>132,304</u></u>	<u><u>138,903</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 September 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	–	(6,619)	–	(6,619)
Other comprehensive income for the period	–	–	65	65
Total comprehensive expense for the period	–	(6,619)	65	(6,554)
<b>At 30 September 2017 (Unaudited)</b>	<b>154,851</b>	<b>(22,560)</b>	<b>(257)</b>	<b>132,034</b>
At 1 April 2016 (Audited)	76,113	19,093	(200)	95,006
Issue of new shares, net of transaction costs	78,738	–	–	78,738
Loss for the period	–	(15,456)	–	(15,456)
Other comprehensive expense for the period	–	–	(58)	(58)
Total comprehensive expenses for the period	–	(15,456)	(58)	(15,514)
<b>At 30 September 2016 (Unaudited)</b>	<b>154,851</b>	<b>3,637</b>	<b>(258)</b>	<b>158,230</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	For the six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(5,148)	(4,886)
Net cash used in investing activities	(16,479)	(750)
Net cash (used in)/generated from financing activities	<u>(282)</u>	<u>78,457</u>
Net (decrease)/increase in cash and cash equivalents	(21,909)	72,821
Cash and cash equivalents at the beginning of period	60,027	25,268
Effect of foreign exchange rate changes	<u>65</u>	<u>(58)</u>
Cash and cash equivalents at the end of period	<u><u>38,183</u></u>	<u><u>98,031</u></u>
Analysis of balances of cash and cash equivalents:		
Bank balance and cash	<u><u>38,183</u></u>	<u><u>98,031</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2017*

## 1. GENERAL INFORMATION

Royal Century Resources Holdings Limited (the “Company”, together with its subsidiaries, collectively, the “Group”) was incorporated in Hong Kong with limited liability and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office and the principal place of business of the Company is situated at Suite 2201, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. The Company is an investment holding company while the Group is principally engaged in provision of design and fitting-out services and design and procurement of furnishings and decorative materials services, money lending and sourcing and merchandising of fine and rare wines.

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\$.

The financial information relating to the year ended 31 March 2017 that is included in this interim report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to those statutory consolidated 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 2017 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those consolidated financial statements. 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 407(3) of the Companies Ordinance.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2017 have been prepared in accordance with the applicable disclosure requirements as prescribed in Chapter 18 of the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the GEM and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

These unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2017.

## 3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment property that is measured at fair value.

Except as described below, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2017 are the same as those adopted in the preparation of the Group’s annual financial statements for the year ended 31 March 2017, which has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### **Intangible assets (other than goodwill)**

Intangible assets that are acquired by the Group are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs issued by the HKICPA.

HKFRS 12 (Amendments)	As part of the Annual Improvements HKFRSs 2014-2016 Cycle
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The application of the above new or revised standards, amendments and interpretations in the current interim period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

#### 4. 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 sales proceeds from sourcing and merchandising of fine and rare wines. An analysis of the Group's revenue for the year is as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)
Design and fitting-out service income	<b>1,559</b>	7,769	<b>2,913</b>	39,559
Design and procurement of furnishings and decorative materials service income	<b>47</b>	3,311	<b>47</b>	2,046
Interest income from money lending	<b>1,026</b>	204	<b>2,099</b>	204
Sales proceeds from sourcing and merchandising of fine and rare wines	<b>4,656</b>	–	<b>7,831</b>	–
	<b>7,288</b>	11,284	<b>12,890</b>	41,809

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. No operating segments identified by the CEO have been aggregated in arriving at the reportable segments of the Group.

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

- (1) Provision of design and fitting-out service (“Design and fitting-out service”);
- (2) Provision of design and procurement of furnishings and decorative materials service (“Design and procurement of furnishings and decorative materials service”);
- (3) Money lending (“Money lending”); and
- (4) Sourcing and merchandising of fine and rare wines (“Wines merchandising”).

(a) **Segment revenue and results**

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

*For the six months ended 30 September 2017 (Unaudited)*

	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>2,913</u>	<u>47</u>	<u>2,099</u>	<u>7,831</u>	<u>12,890</u>
Segment results	<u>(2,710)</u>	<u>(1,330)</u>	<u>2,088</u>	<u>3</u>	<u>(1,949)</u>
Other income					332
Central administrative costs					(7,098)
Finance costs					(90)
Gain from a bargain purchase					<u>2,270</u>
Loss before tax					<u>(6,535)</u>

*For the six months ended 30 September 2016 (Unaudited)*

	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>	Total <i>HK\$'000</i>
Segment revenue	<u>39,559</u>	<u>2,046</u>	<u>204</u>	<u>41,809</u>
Segment results (restated)	<u>(7,981)</u>	<u>(1,937)</u>	<u>190</u>	<u>(9,728)</u>
Other income				419
Central administrative costs (restated)				(6,052)
Finance costs				<u>(95)</u>
Loss before tax				<u>(15,456)</u>

Segment result represents the profit/(loss) earned by each segment without allocation of other income, central administration costs (including directors' emoluments), finance costs and gain from a bargain purchase. This is the measure reported to the CEO for the purposes of resource allocation and performance assessment.

**(b) Segment assets and liabilities**

The following table present segment assets and liabilities of the Group's operating segments as at 30 September 2017 and 31 March 2017:

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
<b>Segment assets</b>		
Design and fitting-out service	<b>18,785</b>	20,193
Design and procurement of furnishings and decorative materials service	<b>4,034</b>	5,580
Money lending	<b>31,183</b>	26,080
Wines merchandising	<b>7,377</b>	8,560
	<hr/>	<hr/>
Total segment assets	<b>61,379</b>	60,413
Unallocated corporate assets	<b>83,120</b>	90,437
	<hr/>	<hr/>
Total assets	<b>144,499</b>	150,850
	<hr/> <hr/>	<hr/> <hr/>
<b>Segment liabilities</b>		
Design and fitting-out service	<b>(1,426)</b>	(1,151)
Design and procurement of furnishings and decorative materials service	<b>(1,160)</b>	(887)
Money lending	<b>(27)</b>	–
Wines merchandising	<b>(20)</b>	–
	<hr/>	<hr/>
Total segment liabilities	<b>(2,633)</b>	(2,038)
Unallocated corporate liabilities	<b>(9,832)</b>	(10,224)
	<hr/>	<hr/>
Total liabilities	<b>(12,465)</b>	(12,262)
	<hr/> <hr/>	<hr/> <hr/>

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, certain prepayments, deposits and other receivables, 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, obligation under a finance lease, income tax payable, bank borrowing and deferred tax liability as these liabilities are managed on a group basis.

**5. OTHER INCOME**

	For the three months ended 30 September		For the six months ended 30 September	
	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)
Rental income	146	165	296	339
Bank interest income	–	1	1	1
Exchange gain	–	1	–	1
Sundry income	35	62	35	78
	<u>181</u>	<u>229</u>	<u>332</u>	<u>419</u>

**6. FINANCE COSTS**

	For the three months ended 30 September		For the six months ended 30 September	
	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)
Interest on:				
Secured bank borrowings wholly repayable beyond five years	43	45	87	91
Finance lease	2	2	3	4
	<u>45</u>	<u>47</u>	<u>90</u>	<u>95</u>

## 7. LOSS BEFORE TAX

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

	For the three months ended 30 September		For the six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Staff costs included in project costs (restated)	–	(342)	–	437
Staff costs included in administrative expenses:				
Directors' emoluments (including contribution to defined contribution retirement benefits scheme)	1,036	826	2,073	1,613
Salaries, wages and other benefits (excluding directors' emoluments)	2,227	1,834	4,267	3,274
Contribution to defined contribution retirement benefits scheme (excluding directors)	71	89	132	153
Total staff costs (restated)	<u>3,334</u>	<u>2,407</u>	<u>6,472</u>	<u>5,477</u>
Auditor's remuneration	–	–	–	–
Depreciation	310	258	579	473
Minimum lease payments under operating leases in respect of office premises	452	906	836	1,809
Gross rental income less outgoings	(181)	(124)	(296)	(283)
Gain from a bargain purchase	(2,270)	–	(2,270)	–
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

## 8. INCOME TAX EXPENSE

	For the three months ended 30 September		For the six months ended 30 September	
	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)
Current Tax				
Hong Kong Profits Tax	34	(27)	84	–
Deferred taxation	–	–	–	–
	<u>34</u>	<u>(27)</u>	<u>84</u>	<u>–</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the six months ended 30 September 2017 (six months ended 30 September 2016: 16.5%).

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 periods.

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 period based on existing legislation, interpretations and practices in respect thereof.

## 9. INTERIM DIVIDENDS

The Directors do not recommend the payment of interim dividends for the six months ended 30 September 2017 (six months ended 30 September 2016: Nil).

## 10. 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 September		For the six months ended 30 September	
	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)
Loss for the purpose of basic and diluted loss per share	<u>(3,131)</u>	<u>(14,064)</u>	<u>(6,619)</u>	<u>(15,456)</u>

### Number of shares

	For the three months ended 30 September		For the six months ended 30 September	
	2017 '000 (Unaudited)	2016 '000 (Unaudited)	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>361,207</u>	<u>363,000</u>	<u>345,689</u>

### Loss per share

	For the three months ended 30 September		For the six months ended 30 September	
	2017 <i>HK cents</i> (Unaudited)	2016 <i>HK cents</i> (Unaudited)	2017 <i>HK cents</i> (Unaudited)	2016 <i>HK cents</i> (Unaudited)
Basic and diluted	<u>(0.86)</u>	<u>(3.89)</u>	<u>(1.82)</u>	<u>(4.47)</u>

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

## 11. PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 September 2017, the Group spent approximately HK\$80,000 (six months ended 30 September 2016: approximately HK\$751,000) on additions to plant and equipment whilst no disposal of plant and equipment was recorded during the period. As at 30 September 2017, a motor vehicle of the Group with carrying amount of approximately HK\$121,000 (31 March 2017: HK\$143,000) was held under a finance lease.

During the six months ended 30 September 2017 and 2016, there was no addition or disposal of investment property. As at 30 September 2017, the Group's investment property with carrying amount of HK\$22,500,000 (31 March 2017: HK\$22,500,000) has been pledged to secure banking facilities granted to the Group.

## 12. LOAN AND INTEREST RECEIVABLES

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
Current	<b>31,183</b>	26,080
Non-current	—	—
	<b>31,183</b>	26,080
Analyzed as:		
With one year	<b>31,183</b>	26,080
	<b>31,183</b>	26,080
Loan receivables	<b>30,500</b>	24,500
Interest receivables	<b>683</b>	1,580
	<b>31,183</b>	26,080

The loan receivables were 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 above.

All of the loan and interest receivables were neither past due nor impaired at the end of reporting period. The credit quality of the 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. The directors were of the opinion that there had not been a significant change in credit quality and these balances were considered fully recoverable.

### 13. INVENTORIES

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
Fine and rare wines held for resale at cost	<b>6,611</b>	8,032

### 14. TRADE AND OTHER RECEIVABLES

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
Trade receivables	<b>17,662</b>	14,802
Deposit paid for investment project	–	4,125
Deposit, prepayment and advance to suppliers	<b>1,429</b>	1,173
Other receivables	<b>1,505</b>	1,142
Trade and other receivables	<b>20,596</b>	21,242

The Group allows an average credit period ranging from 30 to 180 days to its trade customers. The following is an ageing analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period.

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
Within 30 days	<b>6,947</b>	6,482
More than 30 days but within 90 days	<b>362</b>	2,717
More than 90 days but within 180 days	<b>4,349</b>	1,538
More than 180 days but within 365 days	<b>5,358</b>	8
More than 365 days	<b>646</b>	4,057
Trade receivables	<b>17,662</b>	14,802

**15. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK**

	<b>30 September</b>	31 March
	<b>2017</b>	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracts in progress at the end of the reporting period:		
Contract costs incurred plus recognised profits less recognised losses	<b>205,507</b>	214,284
Less: Progress billings	<b>(201,975)</b>	(204,731)
	<b>3,532</b>	9,553
Analysed for reporting purpose as:		
Amounts due from customers for contract work	<b>4,366</b>	10,072
Amounts due to customers for contract work	<b>(834)</b>	(519)
	<b>3,532</b>	9,553

**16. PLEDGED BANK DEPOSIT**

Pledged bank deposit represents deposit pledged to a bank to secure for banking facilities granted to the Group which carries fixed interest rate at 0.15% (31 March 2017: 0.15%) per annum.

**17. BANK BALANCES AND CASH**

The carrying amounts of bank balances and cash are denominated in the following currencies:

	<b>30 September</b>	31 March
	<b>2017</b>	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
HK\$	<b>33,397</b>	56,177
RMB	<b>222</b>	834
SGD	<b>2,789</b>	3,001
USD	<b>1,775</b>	8
Others	<b>–</b>	7
	<b>38,183</b>	60,027

The conversion of RMB-denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of the foreign exchange control promulgated by the PRC government.

**18. TRADE AND OTHER PAYABLES**

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
Trade payables	417	1,519
Receipt in advances	135	1,523
Accrued expenses and other payables	<u>3,562</u>	<u>1,098</u>
Trade and other payables	<u><u>4,114</u></u>	<u><u>4,140</u></u>

The following is an ageing analysis of trade payables presented based on the invoice received date at the end of the reporting period:

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
Within 30 days	417	627
More than 30 days but within 90 days	–	194
More than 90 days	<u>–</u>	<u>698</u>
Trade payables	<u><u>417</u></u>	<u><u>1,519</u></u>

**19. SECURED BANK BORROWING**

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
Secured bank borrowing	<u><u>6,815</u></u>	<u><u>6,964</u></u>
Carrying amount repayable (based on scheduled repayments dates set out in the loan agreement):		
Within one year	304	300
After one year but within two years	311	308
After two year but within five years	1,678	970
After five years	<u>4,522</u>	<u>5,386</u>
	<u><u>6,815</u></u>	<u><u>6,964</u></u>

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
Carrying amount of bank loans that are not repayable on demand or within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	<b>6,511</b>	6,664
Carrying amount repayable on demand or within one year	<b>304</b>	300
	<b>6,815</b>	6,964

The secured bank borrowing carries interest at 2.75% (31 March 2017: 2.75%) per annum below prime rate and is repayable by monthly instalments until 30 September 2035. However, secured bank borrowing carries a repayable on demand clause.

The carrying amount of secured bank borrowing as at 30 September 2017 and 31 March 2017 was secured by an investment property of the Group (note 11).

## 20. SHARE CAPITAL

	<b>Number of shares '000</b>	<b>Share capital HK\$'000</b>
<i>Issued and fully paid:</i>		
As at 1 April 2016	330,000	76,113
Issue of new shares upon placing, net of transaction costs on 5 July 2016 ( <i>Note</i> )	33,000	78,738
<b>As at 31 March 2017 (audited) and 30 September 2017 (unaudited)</b>	<b>363,000</b>	<b>154,851</b>

*Note:* On 14 June 2016, arrangements were made for a private placement to independent investors of up to 33,000,000 ordinary shares at a placing price of HK\$2.45 per placing share (the "Placing"). Details of the Placing were set out in an announcement of the Company dated 14 June 2016. The net proceeds of the placing is intended to be used as general working capital of the Group 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. These new shares were issued under the general mandate granted to the directors at an annual general meeting of the Company held on 17 September 2015.

## 21. ACQUISITION OF A SUBSIDIARY

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 OC Consultants Limited (the “Target”), a company with licences to carry on Type 1, 4 and 9 regulated activities under the Securities and Futures Ordinance (“SFO”) at a consideration equivalent to a premium of HK\$16,500,000 over the net assets value of the Target as at the completion date. The acquisition was completed on 21 September 2017 and the consideration was determined to be approximately HK\$20,230,000.

The fair value of identifiable assets and liabilities of the Target at completion date are disclosed as below:

	<i>HK\$'000</i> (unaudited)
Intangible assets	18,770
Prepayment	1
Bank balances	3,830
Accruals	<u>(101)</u>
Net assets acquired	22,500
Gain from a bargain purchase	<u>(2,270)</u>
Total consideration	<u><u>20,230</u></u>

The fair value of the identifiable assets and liabilities of the Target at the completion date has been arrived at on the basis of a valuation carried out by an independent qualified professional valuers not connected with the Group. The valuation was arrived at by reference to market evidence of transaction prices for similar assets in the similar conditions.

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of the Target is as follows:

	<i>HK\$'000</i> (unaudited)
Cash consideration	(20,230)
Bank balances acquired of	<u>3,830</u>
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	<u><u>(16,400)</u></u>

## 22. CONTINGENT LIABILITIES

On 9 December 2015, a supplier filed a statement of claim for cost dispute of approximately HK\$1 million 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 the claim has been made in the consolidated financial statements for the six months ended 30 September 2017.

## 23. OPERATING LEASE COMMITMENTS

### The Group as lessee

As at 30 September 2017, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>30 September 2017 HK\$'000</b>	31 March 2017 HK\$'000
Within one year	<b>3,463</b>	3,061
In the second to fifth years inclusive	<b>1,240</b>	2,142
	<b>4,703</b>	5,203

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

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

	<b>30 September 2017 HK\$'000</b>	31 March 2017 HK\$'000
Within one year	<b>436</b>	343
In the second to fifth years inclusive	<b>256</b>	14
	<b>692</b>	357

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from two to three years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

## 24. RELATED PARTY TRANSACTIONS AND BALANCE

### (i) Transactions

#### (a) Compensation of key management personnel

The remuneration of key management personnel of the Group during the six months ended 30 September 2017 and 2016 is as follows:

	For the six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and other benefits	3,043	2,273
Contributions to retirement benefits scheme	54	45
	<u>3,097</u>	<u>2,318</u>

### (ii) Balance

#### (a) Amount due from a shareholder was unsecured, interest free and repayable on demand as at 31 March 2017.

## 25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the unaudited condensed consolidated financial statements approximate their fair value due to their immediate or short-term maturities.

## 26. SUBSEQUENT EVENT

On 1 November 2017, the Company entered into a placing agreement with a placing agent to place up to 72,600,000 new shares (the "Shares") of the Company at a placing price of HK\$1.2 per Share to not less than six placees. The closing price per Share on that date was HK\$1.4.

Upon completion of the placing (and assuming all the 72,600,000 Shares are subscribed for), the gross and net proceeds arising from the placing are estimated to be HK\$87,120,000 and approximately HK\$84,500,000 (equivalent to HK\$1.16 per Share), respectively. The Company intends to apply the net proceeds from the placing as to (i) approximately HK\$50 million for the development of the securities business through a subsidiary which holds licences to carry on Type 1, 4 and 9 regulated activities under SFO and (ii) approximately HK\$34.5 million for the general working capital of the Group.

Details of the placing are set out in the Company's announcement dated 1 November 2017. The transaction has yet been completed up to date of the report.

## 27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current interim period presentation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 type of business is as follows:

	<b>For the six months ended 30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Design and fitting-out service	<b>2,913</b>	39,559
Design and procurement of furnishings and decorative materials service	<b>47</b>	2,046
Money lending	<b>2,099</b>	204
Sourcing and merchandising of fine and rare wines	<b>7,831</b>	–
	<b>12,890</b>	41,809

Breakdown of revenue by geographical locations is as follows:

	<b>For the six months ended 30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Hong Kong	<b>12,890</b>	41,809

The total revenue for the six months ended 30 September in 2017 was approximately HK\$12.9 million (six months ended 30 September 2016: HK\$41.8 million) which represents a HK\$28.9 million or 69.2% 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 engaged. During the six months ended 30 September 2017, there were contributions of approximately HK\$2.1 million and HK\$7.8 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/(loss)***

For the six months ended 30 September 2017, the Group recorded a gross profit of approximately HK\$3.7 million (Six months ended 30 September 2016: gross loss of HK\$5.5 million) and the overall gross profit margin was approximately 28.8% (Six months ended 30 September 2016: gross loss margin of 13.1%).

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

	<b>Gross profit/(loss) for the six months ended 30 September</b>		<b>Gross profit/(loss) margin for the six months ended 30 September</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000	<b>%</b>	%
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Design and fitting-out service	<b>679</b>	(4,327)	<b>23.3</b>	(10.9)
Design and procurement of furnishings and decorative materials service	<b>9</b>	(1,367)	<b>19.1</b>	(66.8)
Money lending	<b>2,099</b>	204	<b>100.0</b>	100.0
Sourcing and merchandising of fine and rare wines	<b>925</b>	–	<b>11.8</b>	–
	<b>3,712</b>	(5,490)	<b>28.8</b>	(13.1)

During the six months ended 30 September 2017, the overall gross profit of the Group amounting to approximately HK\$3.7 million, representing a turnaround from the overall gross loss of last year's corresponding period of approximately HK\$5.5 million. Such gross profit was mainly attributable to (i) gross profit recorded from design and fitting-out services whilst there was a gross loss in the last year's corresponding period due to fire broke-out in one of the working sites and increase in direct costs; (ii) gross profit recorded from design and procurement of furnishings and decorative materials service whilst there was a gross loss in the last year's corresponding period due to fire broke-out in the said working site and increase in direct costs; (iii) significant increase in interest income earned from the money lending business since its commencement of business in the second quarter of last year; and (iv) gross profit attributable from sourcing and merchandising of fine and rare wines, a new business segment commenced in the third quarter of last year.

### ***Loss for the period***

Administrative expenses increased by approximately HK\$2.5 million or approximately 24.0% from last year's corresponding period of approximately HK\$10.3 million to approximately HK\$12.8 million for the six months ended 30 September 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 and incidental costs relating to the acquisition of a subsidiary.

As a result, loss for the six months ended 30 September 2017 was approximately HK\$6.6 million (six months ended 30 September 2016: HK\$15.5 million), representing a decrease in loss of approximately HK\$8.9 million or approximately 57.2% as compared with last corresponding period. Such decrease in loss was mainly attributable to overall improvement in the performance of each of the business segments of the Group and gain from a bargain purchase.

## **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 a total of 9 design and fitting-out projects on hand during the six months ended 30 September 2017, of which 7 new projects were contracted. The Group has completed 4 projects during the period. As a result, there were 5 design and fitting-out services projects in progress as at 30 September 2017, all of which are in Hong Kong.

During the six months ended 30 September 2017, the Group has no design and procurement of furnishings and decorative materials projects on hand.

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 and six months ended 30 September 2017, the Group has successfully bid for 4 and 7 new projects respectively 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 six months ended 30 September 2017. There was loan portfolio in Hong Kong with principal amount of approximately HK\$30.5 million as at 30 September 2017. The Group recognized an aggregate interest income of approximately HK\$2.1 million for the six months ended 30 September 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 Merchandising") has been developing steadily and attributed a total revenue of approximately HK\$7.8 million during the six months ended 30 September 2017 while the Wines 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 Merchandising will have a steady growth. The Group will continue to explore and develop its customer base and network in the fine and rare wines market in order to broaden its revenue base.

### ***Other Business Development***

As disclosed in note 21 to this announcement, the Group has completed the acquisition of OC Consultants Limited, a company with licences to carry on Type 1, 4 and 9 regulated activities under the Securities and Future Ordinance (the “SFO Licences”) in September 2017. The Group expects to commence the securities business under the SFO Licences in the coming quarters.

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 six months ended 30 September 2017, the Group financed its operations by its internal resources and banking facilities. As at 30 September 2017, the Group had net current assets of approximately HK\$89.3 million (31 March 2017: HK\$114.2 million), including bank deposit, cash and bank balances of approximately HK\$38.5 million (31 March 2017: HK\$60.3 million).

The current ratio, being the ratio of current assets to current liabilities, was approximately 8.3 times as at 30 September 2017 (31 March 2017: 10.6 times). The decrease in the current ratio was attributable to the settlement of the consideration payable in the amount of HK\$16.5 million and the incidental costs payable upon completion of the acquisition of a subsidiary during the period.

### **CAPITAL STRUCTURE AND GEARING**

The capital of the Group comprises only ordinary shares. As at 30 September 2017, the Company has 363,000,000 ordinary shares in issue. There was no movement in the share capital of the Group during the six months ended 30 September 2017. Total equity attributable to owners of the Company amounted to approximately HK\$132.0 million as at 30 September 2017 (31 March 2017: HK\$138.6 million).

As at 30 September 2017, the Group’s borrowings comprised bank borrowings of approximately HK\$6.8 million (31 March 2017: HK\$7.0 million) and obligation under a finance lease of approximately HK\$0.1 million (31 March 2017: HK\$0.2 million). The Group’s gearing ratio, calculated by dividing total borrowings by total equity, was approximately 5.3% (31 March 2017: 5.2%). There was no material fluctuation in the gearing ratio during the six months ended 30 September 2017.

## **PROPOSED PLACING OF SHARES**

Reference is made to the announcement issued by the Company on 1 November 2017 in relation to the placing of new shares under general mandate (the “Proposed Placing”).

On 1 November 2017, the Company entered into a placing agreement with a placing agent to place up to 72,600,000 new shares (the “Shares”) of the Company at a placing price of HK\$1.2 per Share to not less than six places. The closing price per Share on that date was HK\$1.4.

Upon completion of the Proposed Placing, the gross proceeds are estimated to be HK\$87.12 million and the net proceeds are estimated to be approximately HK\$84.5 million (equivalent to HK\$1.16 per Share). The Company intends to apply the net proceeds from the Proposed Placing as to (i) approximately HK\$50 million for the development of the securities business through a subsidiary which holds licences to carry on Type 1, 4 and 9 regulated activities under SFO and (ii) approximately HK\$34.5 million for the general working capital of the Group.

## **INTERIM DIVIDENDS**

The Directors do not recommend the payment of interim dividends for the six months ended 30 September 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 THE GROUP’S ASSETS**

As at 30 September 2017, an investment property and a motor vehicle of the Group with carrying value of approximately HK\$22.5 million (31 March 2017: HK\$22.5 million) and HK\$0.1 million (31 March 2017: HK\$0.2 million) respectively were pledged to banks to secure for certain banking facilities of the Group.

## **SIGNIFICANT ACQUISITION AND DISPOSAL**

As disclosed in note 21 to this announcement, the Group has completed the acquisition of a subsidiary in September 2017.

Save as disclosed above, there has been no other significant acquisition and disposal of subsidiaries or assets of the Group during the six months ended 30 September 2017.

## **CONTINGENT LIABILITIES**

Save as disclosed in note 22 to this announcement, the Group did not have any other contingent liabilities as at 30 September 2017.

## **COMMITMENTS**

Save as disclosed in note 23 to this announcement, the Group did not have any other commitments as at 30 September 2017.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 30 September 2017, the Group had 33 employees (30 September 2016: 30 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 six months ended 30 September 2017 (including directors' emoluments and salaries to staff and directors including MPF contributions) was approximately HK\$6.5 million (six months ended 30 September 2016: HK\$5.5 million). The increase in the remuneration was mainly due to the staff costs incurred by the Wines Merchandising segment which was commenced in the third quarter of last year.

## **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 September 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 September 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 Director	Capacity/Nature of interests in capital	Number of Shares held	Approximate percentage of the issued Shares
Superb Smart Limited ( <i>Note 1</i> )	Beneficial owner	54,440,000	15.00%
Ms. Zheng Juhua ( <i>Note 1</i> )	Interest of a controlled corporation	54,440,000	15.00%
Time Vanguard Holdings Limited ( <i>Note 2</i> )	Beneficial owner	50,000,000	13.77%
China Huarong International Holdings Limited ( <i>Note 2</i> )	Interest of a controlled corporation	50,000,000	13.77%
Huarong Real Estate Co., Ltd. ( <i>Note 2</i> )	Interest of a controlled corporation	50,000,000	13.77%
China Huarong Asset Management Co., Ltd. ( <i>Note 2</i> )	Interest of a controlled corporation	50,000,000	13.77%
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 ( <i>Note 3</i> )	Beneficial owner	20,000,000	5.51%
Mr. Chan Tat Wah ( <i>Note 3</i> )	Interest of a controlled corporation	20,000,000	5.51%
Ms. Lee Yuk Pui Kawina ( <i>Note 3</i> )	Family interest	20,000,000	5.51%

*Notes:*

1. 54,440,000 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.
2. 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.

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 September 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 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 September 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 six months ended 30 September 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 six months ended 30 September 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 six months ended 30 September 2017.

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

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the six months ended 30 September 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 six months ended 30 September 2017.

### **COMPETING INTERESTS**

During the six months ended 30 September 2017 and up to the date of this report, the following Directors have an interest in 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:

<b>Director</b>	<b>Name of company</b>	<b>Nature of business</b>	<b>Nature of interests</b>
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 September 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 six months ended 30 September 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 six months ended 30 September 2017.

## **CHANGES IN INFORMATION OF DIRECTORS**

Mr. Chan Chi Yuen had resigned as independent non-executive director of Jun Yang Financial Holdings Limited (stock code: 397) on 20 October 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 six months ended 30 September 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.

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

Hong Kong, 10 November 2017

*As at the date of this announcement, the executive Directors are Mr. Chan Chi Yuen (Chairman), Mr. Liu Rongsheng (CEO) 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).*