SUCCESS DRAGON INTERNATIONAL HOLDINGS LIMITED
勝龍國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

The board of directors (the "Board") of Success Dragon International Holdings Limited (the "Company") announces that the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2017 (the "Period") together with the comparative figures for the corresponding period are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 September 2017

		Six months ended 30 September	
		2017	2016
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	5	**65,771**	81,692
Cost of sales		**(52,292)**	(57,200)
Gross profit		**13,479**	24,492
Other income	6	**5,868**	3,739
Other gains and losses	7	**(490)**	642
Selling and distribution costs		**(2,591)**	(2,165)
Administrative and other expenses		**(44,024)**	(56,154)
Loss from operations		**(27,758)**	(29,446)
Finance costs	8	**(841)**	(769)
Loss before tax		**(28,599)**	(30,215)
Income tax	9	**—**	—

	Notes	Six months ended 30 September 2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)
Loss for the period	10	**(28,599)**	(30,215)
Other comprehensive income/(loss):			
Items that may be reclassified to profit or loss:			
Foreign currency translation reserve reclassified to profit or loss upon disposal/deregistration of subsidiaries		**777**	(1,061)
Exchange differences on translating foreign operations		**(698)**	764
Total other comprehensive income/(loss) for the period, net of tax		**79**	(297)
Total comprehensive loss for the period		**(28,520)**	(30,512)
Loss for the period attributable to:			
Owners of the Company		**(28,106)**	(29,279)
Non-controlling interests		**(493)**	(936)
		(28,599)	(30,215)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(28,027)**	(29,576)
Non-controlling interests		**(493)**	(936)
		(28,520)	(30,512)
Loss per share (HK cents per share)	12		
Basic and diluted loss per share		**(1.36)**	(1.73)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	30 September 2017 HK$'000 (Unaudited)	31 March 2017 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	13	**30,922**	41,235
Available-for-sale investments	14	**158,568**	158,568
Deposits and other receivables		**—**	886
		189,490	200,689
Current assets			
Inventories		**256**	344
Trade receivables	15	**—**	1,790
Deposits and other receivables		**8,930**	10,964
Bank and cash balances		**6,017**	14,201
		15,203	27,299
Current liabilities			
Trade and other payables	16	**21,146**	23,524
Net current (liabilities)/assets		**(5,943)**	3,775
Total assets less current liabilities		**183,547**	204,464
Non-current liabilities			
Other loan	17	**16,747**	—
Shareholder's loan	18	**826**	17,392
		17,573	17,392
NET ASSETS		**165,974**	187,072

	Notes	**30 September 2017** *HK$'000* **(Unaudited)**	31 March 2017 *HK$'000* (Audited)
Capital and reserves			
Share capital	19	**20,737**	20,728
Reserves		**145,237**	169,543
Equity attributable to owners of the Company		**165,974**	190,271
Non-controlling interests		**—**	(3,199)
TOTAL EQUITY		**165,974**	187,072

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

1. GENERAL INFORMATION

Success Dragon International Holdings Limited (the "Company" together with its subsidiaries, the "Group") was incorporated in Bermuda as an exempted company with limited liability under the Bermuda Companies Act. The addresses of the registered office of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Principal place of business has been changed from Unit 3503B-05, 35/F., 148 Electric Road, North Point, Hong Kong to Unit 403A, 4/F., Block B, Sea View Estate, 4-6 Watson Road, North Point, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding and the principal activities of the Group are provision of outsourced business process management for electronic gaming machines in Macau, packaging products business and information technology services.

2 BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2017 ("2017 Annual Report"). The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the 2017 Annual Report.

The Company incurred a loss of approximately HK$28,599,000 for the six months ended 30 September 2017 and as at 30 September 2017 the Company had net current liabilities of approximately HK$5,943,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

These condensed consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the substantial shareholder, at a level sufficient to finance the working capital requirements of the Company. The substantial shareholder has agreed to provide shareholders loan for the Company to meet its liabilities as they fall due, as disclosed in notes 18 and 26 to the financial statements. The directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Company be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Company's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current reporting period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2017. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current and prior periods.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2017 and earlier application is permitted. However, the Group has not early adopted these new or amended standards in preparing the condensed consolidated financial statements. The Group is continuing to assess the implications of the adoption of these standards. Based on preliminary assessment, the Group has provided details below about the standards issued but not yet effective and applied by the Group.

HKFRS 9 Financial Instruments

The standard replaces HKAS 39 Financial Instruments: Recognition and Measurement. The Group currently plans to adopt this new standard when it becomes mandatory on 1 January 2018.

The standard introduces a new approach to the classification of financial assets which is based on cash flow characteristics and the business model in which the asset is held. A debt instrument that is held within a business model whose objective is to collect the contractual cash flows and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at amortised cost. A debt instrument that is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the instruments and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at fair value through other comprehensive income. All other debt instruments are measured at fair value through profit or loss. Equity instruments are generally measured at fair value through profit or loss. However, an entity may make an irrevocable election on an instrument-by-instrument basis to measure equity instruments that are not held for trading at fair value through other comprehensive income.

The requirements for the classification and measurement of financial liabilities are carried forward largely unchanged from HKAS 39 except that when the fair value option is applied changes in fair value attributable to changes in own credit risk are recognised in other comprehensive income unless this creates an accounting mismatch.

HKFRS 9 introduces a new expected-loss impairment model to replace the incurred-loss impairment model in HKAS 39. It is no longer necessary for a credit event or impairment trigger to have occurred before impairment losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income, an entity will generally recognise 12-month expected credit losses. If there has been a significant increase in credit risk since initial recognition, an entity will recognise lifetime expected credit losses. The standard includes a simplified approach for trade receivables to always recognise the lifetime expected credit losses.

The de-recognition requirements in HKAS 39 are carried forward largely unchanged.

HKFRS 9 substantially overhauls the hedge accounting requirements in HKAS 39 to align hedge accounting more closely with risk management and establish a more principle based approach.

The Group is in the process of assessing the potential impact on the financial performance resulting from the adoption of HKFRS 9. So far it has concluded that the new expected credit loss impairment model in HKFRS 9 may result in the earlier recognition of impairment losses on the Group's trade receivables and other financial assets. For instance, the Group will be required to replace the incurred loss impairment model in HKAS 39 with the expected loss impairment model that will apply to various exposures to credit risk. The Group anticipates that the adoption of HKFRS 9 in the future may not have other significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's financial instruments as at 30 September 2017.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces all existing revenue standards and interpretations.

HKFRS 15 is mandatory for the Group's financial statements for annual periods beginning on or after 1 April 2018. The Group currently plans to adopt this new standard when it becomes mandatory on 1 January 2018.

The core principle of the standard is that an entity recognises revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to become entitled in exchange for those goods and services.

An entity recognises revenue in accordance with the core principle by applying a 5-step model:

1. Identify the contract with a customer

2. Identify the performance obligations in the contract

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations in the contract

5. Recognise revenue when or as the entity satisfies a performance.

The standard also includes comprehensive disclosure requirements relating to revenue which aim to enable users of financial statements to understand the nature, timing and uncertainty of revenue and cash flow arising from contracts with customers.

The Group anticipates that the application of HKFRS 15 in the future may have resulted in the identification of separate performance obligations which could affect the timing of the recognition of revenue. Certain costs incurred in fulfilling a contract which are currently expensed may need to be recognised as an asset under HKFRS 15. More disclosures of revenue are also required. However, the Group anticipates that the application of HKFRS 15 will not have a material impact on the timing and amounts in revenue recognition.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. HKFRS 16 is mandatory for the Group's financial statements for annual periods beginning on or after 1 April 2019. The Group currently plans to adopt this new standard when it becomes mandatory on 1 January 2019.

The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

The leases of the Group's certain offices are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straightline basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

A preliminary assessment indicated that the new requirement of HKFRS 16 will result in recognise a right-of-use asset and a related lease liability in respect of these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the Group does not expect the adoption of HKFRS 16 would result in significant impact on the Group's result but may result changes in measurement, presentation and disclosure as indicated above.

4. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

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

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

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 30 September 2017:

Fair value measurements as at 30 September 2017 using:

	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
Recurring fair value measurements:				
Available-for-sale investments				
Private equity investments	—	—	158,568	158,568
Total recurring fair value measurements	—	—	158,568	158,568

Fair value measurements as at 31 March 2017 using:

	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements:				
Available-for-sale investments				
Private equity investments	—	—	158,568	158,568
Total recurring fair value measurements	—	—	158,568	158,568

During the six months ended 30 September 2017, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3 (31 March 2017: nil). The Group's policy is to recognise transfer between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The Group's directors are responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. Valuation assessment as well as discussion of process and results are conducted at least twice a year.

The level 3 fair value measurements as at 30 September 2017, were reference to the valuation of the fair value performed by Roma Appraisals Limited, an independent professionally qualified valuer which holds a recognised relevant professional qualification and has recent experience in valuation.

(b) Reconciliation of assets measured at fair value based on level 3:

	Available-for-sale investments Private equity investments
	HK$'000
At 1 April 2016 and at 30 September 2016	**—**
At 1 April 2017 and at 30 September 2017	**158,568**

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 September 2017:

Key unobservable inputs used in level 3 fair value measurements are mainly:

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 30 September 2017
					HK$'000
Available-for-sale investments	Market approach	Price-to-book multiple	8.37	Increase	
		Forward price-to-sales multiple	2.5	Increase	
		Discount of lack of marketability	14.8%	Decrease	158,568

Available-for-sale investments represent investment in Primus Power Corporation ("Primus") as at 30 September 2017 which are measured using valuation techniques based on inputs that can be observed in the market in addition to unobservable inputs such as company specific financial information.

The key inputs of market comparable companies are used, which includes the valuation multiples and recent transaction price, to determine the fair value of the available-for-sale investments as at 30 September 2017. The unobservable inputs are valuation multiples and discount for lack of marketability. Valuation multiples include price-to-book multiple and forward price-to-sales multiple. The higher the valuation multiples and the lower the discount for lack of marketability, the higher the fair value.

Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2017:

Key unobservable inputs used in level 3 fair value measurements are mainly:

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 31 March 2017 *HK$'000*
Available-for-sale investments	Market approach	Price-to-book multiple	6.57-6.83	Increase	
		Forward price-to-sales multiple	5.53-5.57	Increase	
		Discount of lack of marketability	42.44%–42.45%	Decrease	158,568

5. REVENUE AND SEGMENT INFORMATION

For management purpose, the Group's operating segments and their principal activities are as follows:

Outsourced business process management	—	Provision of services on management of electronic gaming equipment in Macau
Packaging products business	—	Trading of packaging products
Information technology services	—	Provision of information technology services to Vietnam parimutuel sector

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The operation of packaging products business was disposed from the Group during the current interim period.

Upon the discontinuation of information technology services business in Vietnam, no revenue had been generated during the current interim period.

Information regarding the above segment is reported below.

(a) Segment revenue and results

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

	For the six-month period ended 30 September							
	Outsourced business process management		**Packaging products business**		**Information technology services**		**Total**	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE:								
Revenue from external customers	60,369	64,034	5,402	9,332	—	8,326	65,771	81,692
RESULTS:								
Segment (loss)/profit	(9,219)	(1,952)	(913)	1,401	(2,081)	(10,044)	(12,213)	(10,595)
Interest income							2	3
Unallocated corporate expenses							(11,810)	(17,792)
Equity-settled share-based payments							(3,737)	(1,062)
Finance costs							(841)	(769)
Loss before tax							(28,599)	(30,215)

(b) Segment assets and liabilities

	At 30 September 2017 *HK$'000* (Unaudited)	At 31 March 2017 *HK$'000* (Audited)
Segment assets		
Outsourced business process management	**37,479**	43,721
Packaging products business	**—**	2,090
Information technology services	**378**	4,507
Total segment assets	**37,857**	50,318
Other unallocated assets	**166,836**	177,670
Consolidated assets	**204,693**	227,988
Segment liabilities		
Outsourced business process management	**12,734**	11,352
Packaging products business	**—**	875
Information technology services	**1,629**	6,184
Total segment liabilities	**14,363**	18,411
Other unallocated liabilities	**24,356**	22,505
Consolidated liabilities	**38,719**	40,916

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment loss/profit represents the loss/profit of each segment without allocation of interest income, finance costs and unallocated corporate income and expenses. This is the measure reported to the chief operating decision maker of the Group for the purposes of resource allocation and assessment of segment performance.

The Group's unallocated corporate assets at the end of the reporting period mainly consist of bank and cash balances, available-for-sale investments and deposits and other receivables. The Group's unallocated liabilities at the end of the reporting period consist of shareholder's loan, other loan and other payables.

6. OTHER INCOME

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Management fee income	**1,578**	3,155
Interest income	**2**	3
Waiver of other payables *(note)*	**3,572**	—
Reversal of equity-settled share-based payments	**534**	—
Others	**182**	581
	5,868	3,739

Note: Waiver of other payables represented the data processing fees being waived by a service provider after the decision of discontinuation of the information technology services being made.

7. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other gains and losses		
Net foreign exchange gain/(loss)	**578**	(1,115)
Gain on de-registration of subsidiaries *(note)*	**—**	1,061
Loss on disposal of subsidiaries *(note 21)*	**(2,591)**	—
Gain on disposal of property, plant and equipment	**37**	683
Fair value gain on other loan *(note 17)*	**1,486**	—
Others	**—**	13
	(490)	642

Note:

The gain on the de-registration of the Group's subsidiary, Kingbox (Huizhou) Manufactory Limited, represented the cumulative exchange difference recycled from foreign currency translation reserve to profit or loss upon the completion of the de-registration procedures during the previous interim period.

8. FINANCE COSTS

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on borrowings		
— Imputed interest on shareholder's loan	**758**	55
— Imputed interest on other loan	**83**	—
— Imputed interest on convertible notes	**—**	714
	841	769

9. INCOME TAX

No provision for Hong Kong profits tax is required since the Group has no assessable profit for the six months ended 30 September 2017 (six months ended 30 September 2016: Nil).

Macau Complementary Tax is calculated at a progressive rate from 9% to 12% on the estimated assessable profit for the period ended 30 September 2017 and 2016. No provision for Macau Complementary Tax is required as the Company's subsidiary in Macau incurred tax losses for the period ended 30 September 2017 and 2016. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC was 25% in previous reporting period.

No provision for Vietnam tax is required for the six months ended 30 September 2017 and 2016 (collectively, the "Periods") since the Group did not generate any assessable profits arising in Vietnam during the periods. Tax arising in other jurisdictions is calculated at the rates prevailing the respective jurisdictions.

There was no significant unprovided deferred tax for the period ended 30 September 2017 and 2016 and at the end of each reporting period.

10. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging:

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold *(note)*	**4,980**	7,299
Depreciation and amortisation	**7,208**	12,487
Operating lease rentals in respect of land and buildings	**2,437**	3,132
Directors' remuneration	**6,841**	3,398
Staff costs (including directors' remuneration):		
Salaries, allowances and other benefits in kind	**17,089**	19,652
Equity-settled share-based payments	**3,737**	1,062
Pension scheme contributions	**319**	522
Total staff costs	**21,145**	21,236

Note:

During the six months ended 30 September 2017, no inventory written-off had been recognised in cost of inventories sold (for the six months ended 30 September 2016: HK$261,000).

11. DIVIDEND

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

12. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss of approximately HK$28,106,000 (for the six months ended 30 September 2016: HK$29,279,000) for the period attributable to owners of the Company and the weighted average number of 2,073,541,000 (for the six months ended 30 September 2016: 1,693,084,000) ordinary shares in issue during the six months ended 30 September 2017 (the "Period").

(b) Diluted loss per share

No diluted loss per share is presented for the periods ended 30 September 2017 and 2016 as the exercise of the Company's outstanding share options would be anti-dilutive.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2017, the Group acquired property, plant and equipment of approximately HK$1,316,000 (six months ended 30 September 2016: HK$90,792,000).

In addition, during the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately HK$3,890,000 (six months ended 30 September 2016: HK$4,688,000) for a total consideration of approximately HK$3,927,000 (six months ended 30 September 2016: HK$5,371,000), of which approximately HK$3,570,000 (six months ended 30 September 2016: HK$12,000) had been settled by cash during the current interim period.

14. AVAILABLE-FOR-SALE INVESTMENTS

	30 September 2017	31 March 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unlisted equity securities, at fair value	**158,568**	158,568

As at 31 March 2017, the Group invested HK$155,460,000 in Primus, a company incorporated in United States of America and owned 73,251,487 Series E Preferred Shares (the "Primus Shares") and representing 20.82% equity interests in Primus. As the Group is unable to exercise significant influence over Primus as a result of certain contractual arrangements with the other shareholders of Primus, the investment is classified as available-for-sale financial assets.

Fair value gain of available-for-sale investments of approximately HK$3,108,000 had been recognised as other comprehensive income during the year ended 31 March 2017.

As at 30 September 2017, the Group owned the same number of the Primus Shares, representing approximately 20.80% equity interests in Primus.

No fair value gain/loss of available-for-sale investments had been recognised during the six months ended 30 September 2017 (six months ended 30 September 2016: Nil).

15. TRADE RECEIVABLES

	30 September 2017	31 March 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	—	1,790

(a) The Group grants a credit period normally ranging from 0 to 45 days (31 March 2017: 0 to 45 days) to its trade customers.

(b) Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that the recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

(c) At the end of the reporting period, the aging analysis of the trade receivables, based on invoice date and net of impairment losses, is as follows:

	30 September 2017	31 March 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 60 days	—	1,622
61 to 90 days	—	66
91 to 180 days	—	72
181 to 365 days	—	30
	—	1,790

16. TRADE AND OTHER PAYABLES

	30 September 2017 *HK$'000* **(Unaudited)**	31 March 2017 *HK$'000* (Audited)
Trade payables	**—**	6,234
Other payables and accrued expenses	**21,146**	17,290
	21,146	23,524

(a) At the end of the reporting period, the aging analysis of trade payables, presented based on the invoice date, is as follows:

	30 September 2017 *HK$'000* **(Unaudited)**	31 March 2017 *HK$'000* (Audited)
Within 60 days	**—**	1,185
61 to 90 days	**—**	260
91 to 180 days	**—**	1,937
181–365 days	**—**	2,714
Over 365 days	**—**	138
	—	6,234

(b) The average credit period on purchase of goods ranges from 30 to 90 days (31 March 2017: 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

17. OTHER LOAN

As at 31 March 2017, the balance of shareholder's loan of approximately HK$17,392,000 represented an unsecured and unguaranteed interest-free loan with principal amount of HK$20,000,000 (the "Loan") from its former substantial shareholder, namely Mr. Yong Khong Yoong Mark ("Mr. Yong"), which will mature and become repayable on 11 August 2018. The Loan was carried at amortised cost using the effective interest method. The effective interest rate applied was 10% per annum. The difference between the principal amount and the fair value of the loan at initial recognition amounting to approximately HK$3,471,000 was credited as deemed capital contribution from the shareholder in equity.

With reference to the Company's announcement dated 28 August 2017, Mr. Yong had disposed of 503,669,620 shares of the Company on 22 August 2017 and Mr. Yong ceased to be a substantial shareholder of the Company. The loan was reclassified as other loan as at 30 September 2017.

On 11 September 2017, Mr. Yong and the Company had entered into a supplemental loan agreement, pursuant to which the repayment date of the Loan has been revised to 11 August 2019. As a result, a fair value gain of approximately HK$1,486,000 on the other loan had been recognised during the six months ended 30 September 2017.

18. SHAREHOLDER'S LOAN

During the six months ended 30 September 2017, the Group entered into a shareholder loan agreement with a substantial shareholder of the Company namely, Mr. Tsang Ho Kwan ("Mr. Tsang") for an unsecured and unguaranteed interest-free loan facility of HK$5 million in total (the "Shareholder's Loan"). As at 30 September 2017, HK$1 million had been drawn by the Company and will be matured and become repayable on 28 September 2019. The Shareholder's Loan was carried at amortised cost by applying an effective interest rate of 10% per annum. The difference between the principal amount and the fair value of the Shareholder's Loan at initial recognition amounting to approximately HK$174,000 was credited as deemed capital contribution from the shareholder in equity.

As at 30 September 2017, the remaining facility amount of the Shareholder's Loan was HK$4,000,000.

The proceeds from the Shareholder's Loan have been used to fund working capital for the Group's general operation.

19. SHARE CAPITAL

	30 September 2017	31 March 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Authorised:		
30,000,000,000 (2016: 30,000,000,000) ordinary shares of HK$0.01	**300,000**	300,000
Issued and fully paid:		
2,073,676,547 (31 March 2017: 2,072,826,547) ordinary shares of HK$0.01 each	**20,737**	20,728

Movement of the number of shares issued and the share capital during the current period is as follows:

	Notes	**Number of share issued** *'000*	**Share capital** *HK$'000*
At 1 April 2016 (audited)		1,686,503	16,865
Exercise of share options granted	(a)	790	8
Conversion of convertible notes	(b)	73,333	733
At 30 September 2016 (unaudited)		1,760,626	17,606
Exercise of share options granted	(c)	200	2
Issue of ordinary shares upon placement	(d)	312,000	3,120
At 31 March 2017 (audited)		2,072,826	20,728
Exercise of share options granted	(e)	850	9
At 30 September 2017 (unaudited)		2,073,676	20,737

Notes:

(a) During the six months ended 30 September 2016, the subscription rights attaching to 790,000 share options were exercised at the subscription price of HK$0.415 per share, resulting in the issue of 790,000 additional ordinary shares of HK$0.01 each of the Company for a total cash consideration, before expenses, of approximately HK$328,000, out of which approximately HK$8,000 and HK$481,000 were recorded in share capital and share premium respectively.

(b) Convertible notes with nominal value of HK$11,000,000 were converted into 73,333,333 ordinary shares with conversion price of HK$0.15 per convertible note. Approximately HK$733,000 and HK$19,125,000 were recorded in share capital and share premium respectively.

(c) During the period from 1 October 2016 to 31 March 2017, the subscription rights attaching to 200,000 share options were exercised at the subscription price of HK$0.415 per share, resulting in the issue of 200,000 additional ordinary shares of HK$0.01 each for a total cash consideration, before expenses, of approximately HK$83,000, out of which approximately HK$2,000 and HK$122,000 were recorded in share capital and share premium respectively.

(d) On 15 March 2017, the Company completed a share placement in which 312,000,000 shares were issued at a price of HK$0.57. The net proceeds of approximately HK$169,602,000 were raised from the share placement, of which approximately HK$3,120,000 was credited to share capital and the remaining balance of approximately HK$166,482,000 (net of issuing expenses of approximately HK$8,238,000) was credited to the share premium account.

(e) During the six months ended 30 September 2017, the subscription rights attaching to 850,000 share options were exercised at the subscription price of HK$0.415 per share, resulting in the issue of 850,000 additional ordinary shares of HK$0.01 each for a total cash consideration, before expenses, of approximately HK$353,000, out of which approximately HK$9,000 and HK$533,000 were recorded in share capital and share premium respectively.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the associated risks, and take appropriate actions to adjust the Group's capital structure. The Group's overall strategy remains unchanged from prior periods.

20. EQUITY-SETTLED SHARE–BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 28 September 2012 and amended on 8 August 2014 for the primary purpose of providing incentives to the eligible participants, and unless otherwise cancelled or amended, will expire on 8 August 2024.

The table below discloses movement of the Company's share options held by the eligible participants:

	Number of share options
Outstanding as at 1 April 2016 (audited)	**107,800,000**
Exercised during the period	(790,000)
Lapsed during the period	(6,920,000)
Outstanding as at 30 September 2016 (unaudited)	**100,090,000**
Exercised during the period	(200,000)
Lapsed during the period	(10,320,000)
Outstanding as at 1 April 2017 (audited)	**89,570,000**
Granted during the period	20,700,000
Exercised during the period	(850,000)
Lapsed during the period	(34,610,000)
Outstanding as at 30 September 2017 (unaudited)	**74,810,000**

The weighted average share price at the date of exercise for share options exercised during the Period was HK$0.534 (six months ended 30 September 2016: HK$0.950).

21. DISPOSAL OF SUBSIDIARIES

(a) On 31 May 2017, the Group entered into disposal agreement with an independent third party, pursuant to which the Group would dispose 510 shares (the "Sale Shares") among 1,000 ordinary shares, being the entire shares owned by the Group, in issue of Success Dragon Gaming Investments Limited (together with its subsidiaries, "the SDGI Group") at a total cash consideration of HK$10,000. The disposal was completed on 31 May 2017.

The SDGI Group was principally engaged in investment holding and provision of services management eletronic gaming machines. The assets and liabilities of the SDGI Group at the date of the disposal were as follows:

	HK$'000
Net liabilities of the SDGI Group disposed of:	
Deposits and other receivables	1
Trade and other payables	(14)
Net liabilities disposed of	(13)
Release of foreign currency translation reserve	(3)
Non-controlling interests	3,692
Loss on disposal of subsidiaries	(3,666)
Total consideration — satisfied by cash	10
Analysis of net outflow of cash and cash equivalent in respect of disposal of subsidiaries:	
Consideration received in cash and cash equivalents	10

(b) Reference is made to the Company's announcement dated 31 August 2017, the Group and the purchaser entered into disposal agreement on 31 August 2017, pursuant to which the Group had agreed to sell and the purchaser had agreed to acquire the entire equity interest in the Company's subsidiary, Ace Luck International Limited (together with its subsidiaries, the "Ace Luck Group") at an aggregate cash consideration of HK$2,000,000. The purchaser is a managerial staff of the Group, who is a third party independent to the Company and its connected parties. The completion date of disposal was on 31 August 2017.

The Ace Luck Group was principally engaged in investment holding and trading of packaging products for luxury goods. The assets and liabilities of the Ace Luck Group at the date of the disposal were as follows:

	HK$'000
Net assets of the Ace Luck Group disposed of:	
Trade receivables	1,094
Deposits and other receivables	456
Bank and cash balances	1,482
Trade and other payables	(2,887)
Net assets disposed of	145
Release of foreign currency translation reserve	780
Gain on disposal of subsidiaries	1,075
Total consideration — satisfied by cash	2,000
Analysis of net outflow of cash and cash equivalent in respect of disposal of subsidiaries:	
Consideration received in cash and cash equivalents	2,000
Cash and cash equivalents disposed of	(1,482)
	518

22. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had no transactions with its related parties.

(b) Compensation of key management

The remuneration of key management personnel (only the Directors) of the Group during the current period was as follow:

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries allowances and other benefits in kind	**3,102**	3,380
Retirement benefits scheme contributions	**2**	18
Equity-settled share-based payments	**3,737**	—
	6,841	3,398

23. LITIGATIONS

(a) The Company against Mr. Cheng Chee Tock Theodore (deceased) ("Mr. Cheng"), Ms. Leonora Yung ("Ms. Yung") and others

For details, background and the development of this litigation in the prior years, please refer to previously issued annual report since 2010/2011 and interim report since 2011/2012.

There was no other development for this litigation during the Period.

(b) The Company and Highsharp Investments Limited, as the Plaintiffs

For details, background and the development of this litigation in the prior years, please refer to previously issued annual report since 2010/2011 and interim report since 2011/2012.

There was no other development for this litigation during the Period.

(c) The Company and Ace Precise International Limited, as the Plaintiffs

For details, background and the development of this litigation in the prior years, please refer to previously issued annual report since 2010/2011 and interim report since 2011/2012.

There was no other development for this litigation during the Period.

(d) The Company together with former subsidiaries of the Company against Mr. Cheng

For details, background and the development of this litigation in the prior years, please refer to previously issued annual report since 2010/2011 and interim report since 2011/2012.

By the order made on 28 June 2017, it was ordered that the hearing of the summons be adjourned to 7 December 2017.

There was no other development for this litigation in the Period.

24. CAPITAL COMMITMENTS

As at 30 September 2017, the Group's capital expenditure contracted for but not provided in respect of acquisition of property, plant and equipment amounted to approximately HK$5,350,000 (31 March 2017: HK$6,897,000).

25. CONTINGENT LIABILITIES

As at 30 September 2017 and 31 March 2017, the Group did not have any significant contingent liabilities.

26. EVENT AFTER REPORTING PERIOD

As at 8 November 2017, the Company, being the borrower, and Mr. Tsang, being the lender, entered into the second shareholder loan agreement for a loan facility amount of HK$5 million (the "Second Shareholder's Loan Facility"), which would be unsecured, unguaranteed and interest-free. As at the approval date of these condensed consolidated financial statements, the Group did not draw any loan from the Second Shareholder's Loan Facility.

27. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of Directors on 24 November 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 September 2017 (the "Period Under Review"), the Group was principally engaged in provision of outsourced business process management for electronic gaming machines in Macau (the "Outsourced Business Process Management") and packaging products business. During the Period Under Review, the business of provision of information technology services to Vietnam pari-mutuel sector (the "Information Technology Services") was discontinued due to the changes in regulatory environment in Vietnam. In light of the change in the market in relation to trading of packaging products for luxury goods in recent years, the Company considered that the line of business undertaken by such segment will no longer bring satisfactory return to the Group in future. As a result, on 31 August 2017 the Company disposed such operation to an independent third party (the "Purchaser") of the Group, save and except that the Purchaser was a managerial staff of the Group, at a cash consideration of HK$2,000,000. The Group considered it would be more beneficial to reallocate its resources to and strengthen the existing business and operations, namely, Outsourced Business Process Management, which is the core focus of the Group.

During the Period Under Review, revenue generated from the Outsourced Business Process Management slightly decreased by approximately 5.7% from approximately HK$64 million in the same period of last year (the "Last Corresponding Period") to approximately HK$60.4 million during the Period Under Review. The decrease was mainly attributable to intense competition in the Macau gaming market faced by the Group. Despite the cost control measures implemented by the Group in Macau operations, the loss from such segment increased. The loss from this captioned segment during the Period Under Review was approximately HK$9.2 million compare with loss of approximately HK$2.0 million during the Last Corresponding Period, which is mainly due to heavy operating cost and worse performance of one of the operation outlets located at the Landmark Macau. As a result, the management of the Group decided to cease such operation at the Landmark Macau as at the end of the Period Under Review. Regarding the packaging business, the Group recorded revenue of approximately HK$5.4 million and loss of approximately HK$0.9 million during the Period Under Review, as opposed to revenue of approximately HK$9.3 million and gain of approximately HK$1.4 million in the Last Corresponding Period.

On one hand, the Group strives to continuously concentrate on its Outsourced Business Process Management business and on the other hand, the Group will take cautious control of its operating costs so as to maintain its competitiveness in the market.

FUTURE DEVELOPMENTS IN THE BUSINESS OF THE GROUP

Looking ahead, in addition to the Group's commitment to the development of its core business, the Board seeks to open up different revenue channels in different markets, achieving sustainable growth in the next few years and elevate itself to be a major player in high growth industries and markets. In particular, the Group will leverage on its experience and know-how in the existing businesses to capture market opportunities in technology-related sectors. The Company wishes to form strategic partnerships with major players in the region, exploiting its strong business networks and grow in markets of this strategic fit to deliver strong and sustainable returns to the shareholders of the Company.

As at the date of this interim results announcement, the Group had no plans for material investments or acquisition of capital assets. However, the Group will continue to identify new opportunities for business development. In the event that any definitive agreement is entered into in relation to any material investments or acquisition of capital assets, further announcement(s) will be made if and when required or as appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

FINANCIAL REVIEW

For the Period Under Review, the Outsourced Business Process Management business continued to be the Group's core business which contributed approximately 91.8% (Last Corresponding Period: approximately 78.4%) of the Group's total revenue. The revenue derived from this business segment was approximately HK$60.4 million, representing a decrease of approximately 5.7% (Last Corresponding Period: approximately HK$64.0 million). For the packaging products business, revenue decreased by approximately 42.1% due to the reason stated above and the fact that it was disposed on 31 August 2017. The revenue derived from the packaging products business during the Period Under Review was approximately HK$5.4 million (Last Corresponding Period: approximately HK$9.3 million). During the Period Under Review, no revenue was generated from the Information Technology Services business following its termination with effect from 28 June 2017 according to the announcement published on the same date, in whilst, it had contributed revenue of approximately HK$8.3 million to the Group in the Last Corresponding Period. As a result of the above, for the six months ended 30 September 2017, the Group recorded a total revenue of approximately HK$65.8 million (Last Corresponding Period: approximately HK$81.7 million), representing a decrease of approximately 19.5%.

During the Period Under Review, the Group recorded a decrease in administrative and other expenses by approximately HK$12.1 million or 21.6% from approximately HK$56.2 million for the Last Corresponding Period to approximately HK$44 million for the Period Under Review. The decrease was primarily attributed to the reduction of operating expenses resulted from the discontinuation of Information Technology Services, including but not limited to depreciation and amortisation costs, operating lease rentals as well as consultancy fees relating to the operation in Vietnam, which was partially offset by the increase of operating cost relating to the Outsourced Business Process Management as aforementioned.

As compared to the Last Corresponding Period, other income increased by approximately HK$2.1 million or 57%. The increase was mainly due to the net effect of the Group had recorded a gain on waiver of other payables amounted to approximately HK$3.6 million while offset by the decrease in management fee income of approximately HK$1.6 million. The Group's other gains and losses changed from gains of approximately HK$0.6 million in the Last Corresponding Period to losses of approximately HK$0.5 million, which was mainly due to the net effect of (i) loss on disposal of subsidiaries amounted to approximately HK$2.6 million; and (ii) a fair value gain of approximately HK$1.5 million on other loan from a former substantial shareholder recognised during the six months ended 30 September 2017. Selling and distribution costs of the Group during the Period Under Review was recorded at approximately HK$2.6 million which was similar to that of the Last Corresponding Period of approximately HK$2.2 million.

As a result of the above, the Group recorded a slight decrease of net loss of approximately HK$1.6 million from approximately HK$30.2 million for the Last Corresponding Period to approximately HK$28.6 million during the Period Under Review.

LIQUIDITY, FINANCIAL RESOURCES AND FOREIGN CURRENCY EXPOSURE

As at 30 September 2017, the Group had bank and cash balances of approximately HK$6.0 million. As at the same date, the Group had a liability component of the unsecured long term loan of approximately HK$16.7 million, which was borrowed from a former substantial shareholder of the Company namely, Mr. Yong Khong Yoong Mark, for a principal amount of HK$20 million. On 11 September 2017, Mr. Yong and the Company had entered into a supplemental loan agreement, pursuant to which the repayment date of the Loan had been extended to 11 August 2019.

During the Period Under Review, the Group entered into a shareholder loan agreement with a substantial shareholder of the Company, namely, Mr. Tsang Ho Kwan ("Mr. Tsang") for an unsecured and unguaranteed interest-free loan facility of HK$5 million in total. As at 30 September 2017, HK$1 million had been drawn by the Company and will be matured and become repayable on 28 September 2019 (the "Shareholder's Loan"). On 8 November 2017, the Group had entered into a second shareholder's loan agreement with Mr. Tsang for a loan facility amount of HK$5 million (the "Second Shareholder's Loan Facility"), which would be unsecured and unguaranteed interest-free. As at the date of this interim results announcement, the Group did not draw any loan from the Second Shareholder's Loan Facility. Apart from the above, the Group did not have any other borrowings and had not engaged in any financial instruments for hedging or speculative activities.

The gearing ratio of loans against the total equity as at 30 September 2017 was approximately 10.6%. As the bank deposits and cash on hand were denominated in Hong Kong dollar, followed by Macau Pataca, Vietnam Dong, US Dollar and Renminbi, the Group's exchange risk exposure continues to depend on the movement of the exchange rates of the aforesaid currencies.

As at 30 September 2017, the Group recorded a net current liability of approximately HK$5.9 million, which was mainly contributed by the decrease in deposits and other receivables and bank and cash balances from 31 March 2017.

TREASURY POLICY

The Group maintains a conservative approach on foreign exchange exposure management and ensures that its exposure to fluctuations in foreign exchange rates is minimised. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposures during the six months ended 30 September 2017. The Group will continue to monitor its foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Apart from the term loans borrowed from the Company's former substantial shareholder and Mr. Tsang (the current substantial shareholder of the Company) as described hereinabove, the Group did not have any other borrowings.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

On 31 August 2017, the Company entered into the disposal agreement to dispose of entire issued share capital of Ace Luck International Limited, a then wholly owned subsidiary of the Company, at a total cash consideration of HK$2,000,000. Details of the disposal are set out in the announcement of the Company dated 31 August 2017.

Saved as disclosed above, the Company did not have any material acquisition, disposal and significant investment in subsidiaries and affiliated companies during the Period.

PLEDGE OF ASSETS

As at 30 September 2017, no asset was pledged by the Group.

CAPITAL COMMITMENTS

As at 30 September 2017, the Group's capital expenditure contracted for but not provided in the interim financial statements in respect of acquisition of property, plant and equipment amounted to approximately HK$5.4 million.

EMPLOYEES AND REMUNERATION POLICY

The Group employed 42 permanent employees as at 30 September 2017, with 13 employees in Hong Kong, 21 employees in Macau and 8 employees in Vietnam.

The Group continued to review the remuneration packages of employees with reference to the level and compensation of pay, general market condition and individual performance. Staff benefits offered by the Group to its employees include contribution to defined contribution retirement scheme, discretionary bonus, share option scheme, medical allowance and hospitalization scheme and housing allowance, the quality of which are generally in line with the local practice. The Group supports a fair, transparent and high performance culture through its human resources policies, by developing and improving its programs particularly on recruitment, performance management, training and development and employee relations.

LITIGATION

The Group has a number of pending litigations and in the opinion of the legal counsel of the Company engaged in respect of such litigations, it is premature to predict the outcomes. Details of litigation are disclosed in note 23 to the interim financial statements.

OTHER INFORMATION

Interim Dividend

The Board of Directors of the Company resolved not to declare the payment of an interim dividend for the Period (six months ended 30 September 2016: HK$Nil). Accordingly, no closure of register of members of the Company is proposed.

Corporate Governance

The Board is satisfied that the Company has complied with the applicable code provisions set out in the Corporate Governance Code contained in Appendix 14 (the "CG Code") to the Listing Rules throughout the Period except for the following deviation:

(1) Code Provision A.4.1 of the CG Code provides, inter alia, that non-executive Directors should be appointed for a specific term and subject to re-election.

The independent non-executive Directors of the Company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the Company's Bye-laws and the Listing Rules.

(2) **Code Provision A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.**

The roles of chairman and chief executive officer of the Company are both performed by Mr. TAN Teng Hong ("Mr. TAN"), an executive Director of the Company with effect from 7 June 2017. The Board considers that having Mr. TAN to act as the chairman and chief executive officer of the Company will enhance the operation efficiency and core competitiveness of the Group, more clearly define the organisational structure, and simplify the Group's decision-making mechanism. Therefore, the Board considers that such deviation is beneficial to the Group's overall business development.

The Board will continue to review the management structure of the Group from time to time and shall make necessary changes when appropriate and inform the shareholders of the Company accordingly.

Model code for securities transactions by directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Upon specific enquiry of all the Directors made by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code regarding securities transactions by the Directors during the Period.

Remuneration committee

The Company established the remuneration committee (the "Remuneration Committee") which has adopted written terms of reference in compliance with the Listing Rules. As at the date of this interim results announcement, the Remuneration Committee is composed of three independent non-executive Directors, namely Mr. CHI Dong Eun (Chairman), Mr. YONG Peng Tak and Mr. CHUNG Yuk Lun and one executive Director, Mr. TAN Teng Hong. The Remuneration Committee is responsible for reviewing, determining and making recommendations to the Board on the remuneration, compensation and benefits of Directors and senior management. The terms of reference of the Remuneration Committee are available and accessible on the Company's website.

Nomination committee

The Company established the nomination committee (the "Nomination Committee") which has adopted written terms of reference in compliance with the Listing Rules. As at the date of this interim results announcement, the Nomination Committee is composed of executive Director, Mr. TAN Teng Hong (Chairman) and three independent non-executive Directors, namely Mr. YONG Peng Tak, Mr. CHI Dong Eun and Mr. CHUNG Yuk Lun. The Nomination Committee is responsible for making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. The Nomination Committee reviews the structure, size and composition of the Board, identifies suitably qualified candidates to become Board members. The Nomination Committee also ensures the Board comprises members with mixed skills and experience with appropriate weights necessary to accomplish the Group's business development, strategies, operation, challenges and opportunities. The terms of reference of the Nomination Committee are available and accessible on the Company's website.

Audit committee

The Company established the audit committee (the "Audit Committee") which has adopted written terms of reference in compliance with the Listing Rules. As at the date of this interim results announcement, the Audit Committee is composed of three independent non-executive Directors, namely Mr. YONG Peng Tak (Chairman), Mr. CHI Dong Eun and Mr. CHUNG Yuk Lun. The Audit Committee is responsible for considering appointment of the external auditor, reviewing the interim and annual financial statements before submission to the Board, and overseeing the Group's financial reporting, risk management and internal control systems. The terms of reference of the Audit Committee are available and accessible on the Company's website.

Changes in Directors' information

Changes in Directors' information in respect of the period between the publication date of the 2016/2017 annual report and this interim results announcement are set out below:

Ms. LI Xuehua resigned as an executive Director, the chairperson, an authorised representative under the Listing Rules, the member of the Nomination Committee and Remuneration Committee of the Company with effect from 7 June 2017.

Mr. JIANG Dan resigned as an executive Director, chief executive officer, the member of the Remuneration Committee and the Nomination Committee of the Company with effect from 7 June 2017.

Dr. JIA Limin resigned as an independent non-executive Director and the member of the Remuneration Committee, the Nomination Committee and the Audit Committee of the Company with effect from 7 June 2017.

Mr. TAN Teng Hong was appointed as an executive Director, the chairman, the chief executive officer, an authorised representative under the Listing Rules, the member of the Remuneration Committee and the Nomination Committee of the Company with effect from 7 June 2017. Mr. TAN Teng Hong was re-designated as the chairman of the Nomination Committee of the Company on 14 September 2017.

Mr. CHUNG Yuk Lun ("Mr. Chung") as appointed as an independent non-executive Director and the member of the Remuneration Committee, the Nomination Committee and the Audit Committee of the Company with effect from 7 June 2017. Mr. Chung was appointed as a member of the Independent Board Committee upon conclusion the annual general meeting of the Company on 14 September 2017. Mr. Chung was appointed as a company secretary of QPL International Holdings Limited (stock code: 243) on 21 July 2017. Mr. Chung resigned as an independent non-executive director of China Shandong Hi-Speed Financial Group Limited (formerly known as China Innovative Finance Group Limited) (stock code: 412) with effect from 10 November 2017.

Mr. Carlos Luis SALAS PORRAS resigned as an executive Director with effect from 1 April 2017.

Mr. ER Kwong Wah retired as an independent non-executive Directors and ceased to be the chairman of the Remuneration Committee and member of the Nomination Committee, the Audit Committee and the Independent Board Committee of the Company upon conclusion the annual general meeting of the Company on 14 September 2017.

Mr. ZHENG Jian Peng retired as an independent non-executive Directors and ceased to be the chairman of the Nomination Committee and the member of the Remuneration Committee, the Audit Committee and Independent Board Committee of the Company upon conclusion the annual general meeting of the Company on 14 September 2017.

Mr. CHI Dong Eun was appointed as an independent non-executive Directors and the chairman of the Remuneration Committee and member of the Audit committee; Nomination committee and Independent Board Committee of the Company upon conclusion the annual general meeting of the Company on 14 September 2017.

Review of interim results

The Audit Committee has reviewed the unaudited condensed consolidated results for the Period.

Purchase, sale or redemption of the company's securities

During the Period, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

By order of the Board
SUCCESS DRAGON INTERNATIONAL HOLDINGS LIMITED
TAN Ten Hong
Chairman, Chief Executive Office and Executive Director

Hong Kong, 24 November 2017

As at the date of this announcement, the board comprises, two executive Director, Mr. TAN Teng Hong and Mr. GOH Hoon Leum; and three independent non-executive Directors, namely Mr. YONG Peng Tak, Mr. CHUNG Yuk Lun and Mr. CHI Dong Eun.