Prosper One International Holdings Company Limited
富一國際控股有限公司*

(formerly known as Tic Tac International Holdings Company Limited 滴達國際控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1470)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2017

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Prosper One International Holdings Company Limited (the "**Company**") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "**Group**" or "**Prosper One**") for the six months ended 31 October 2017 (the "**Review Period**") with the relevant comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 October 2017

		Six months ended 31 October	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**139,624**	149,716
Cost of sales		**(94,687)**	(99,217)
Gross profit		**44,937**	50,499
Selling and distribution costs		**(46,675)**	(47,165)
Administrative expenses		**(5,828)**	(7,899)
Finance costs	*5*	**(254)**	(218)
Loss before tax		**(7,820)**	(4,783)
Income tax expense	*6*	**(458)**	(758)
Loss and total comprehensive loss for the period attributable to owners of the Company		**(8,278)**	(5,541)
Basic and diluted loss per share (HK cents per share)	*8*	**(1.03)**	(0.69)
Dividend	*7*	**—**	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2017

	Notes	31 October 2017 HK$'000 (Unaudited)	30 April 2017 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**5,940**	6,258
Deposits and prepayments	*9*	**12,643**	12,643
Deferred income tax assets		**2,712**	2,989
		21,295	21,890
Current assets			
Inventories		**72,536**	97,893
Trade receivables, other receivables and prepayments	*9*	**5,548**	7,442
Tax recoverable		**4,259**	7,800
Cash and cash equivalents		**59,686**	37,071
		142,029	150,206
Total assets		**163,324**	172,096
EQUITY			
Equity attributable to the owners of the Company			
Share capital	*10*	**8,000**	8,000
Reserves		**114,634**	122,912
Total equity		**122,634**	130,912

	Notes	31 October 2017 HK$'000 (Unaudited)	30 April 2017 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Provision for other liabilities and charges	*11*	**1,302**	1,653
Deferred income tax liabilities		**—**	—
Borrowings	*12*	**848**	202
		2,150	1,855
Current liabilities			
Trade and other payables	*11*	**23,429**	23,451
Borrowings	*12*	**14,814**	15,811
Current income tax liabilities		**297**	67
		38,540	39,329
Total liabilities		**40,690**	41,184
Total equity and liabilities		**163,324**	172,096

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 31 October 2017

	Attributable to owners of the Company				
	Share capital	**Share premium**	**Capital reserve**	**Retained earnings**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 May 2016 (Audited)	8,000	118,368	24,094	8,141	158,603
Total comprehensive loss					
Loss for the period	—	—	—	(5,541)	(5,541)
Total contributions by and distributions to owners of the Company, recognised directly in equity	—	—	—	—	—
Balance at 31 October 2016 (Unaudited)	8,000	118,368	24,094	2,600	153,062
Balance at 1 May 2017 (Audited)	8,000	118,368	24,094	(19,550)	130,912
Total comprehensive loss					
Loss for the period	—	—	—	(8,278)	(8,278)
Balance at 31 October 2017 (Unaudited)	**8,000**	**118,368**	**24,094**	**(27,828)**	**122,634**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 October 2017

	Six months ended 31 October	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash generated from operations	**24,247**	12,271
Income tax paid	**—**	(1,665)
Net cash generated from operating activities	**24,247**	10,606
Net cash used in investing activities		
Purchases of property, plant and equipment	**(1,027)**	(2,681)
Cash flows from financing activities		
Proceeds from new borrowings	**28,753**	19,962
Repayment of borrowings	**(29,750)**	(23,785)
Proceeds from inception/(Repayment of principal elements) of a finance lease	**646**	(113)
Interest paid	**(254)**	(218)
Net cash used in financing activities	**(605)**	(4,154)
Net increase in cash and cash equivalents	**22,615**	3,771
Cash and cash equivalents at beginning of the period	**37,071**	41,771
Cash and cash equivalents at end of the period	**59,686**	45,545

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 October 2017

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 June 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Pursuant to a special resolution passed at an extraordinary general meeting of the Company on 26 October 2017, the English name of the Company has been changed from "Tic Tac International Holdings Company Limited" to "Prosper One International Holdings Company Limited" and its Chinese name has been changed from "滴達國際控股有限公司" to "富一國際控股有限公司" which is for identification purpose only.

The Company is an investment holding company and its subsidiaries are principally engaged in the retail and wholesale of watches in Hong Kong.

The issued shares of the Company have been listed on the Main Board of the Stock Exchange since 12 May 2015.

These condensed consolidated interim financial statements for the Review Period (the "**Interim Financial Statements**") are presented in Hong Kong dollars ("**HK$**") unless otherwise stated.

The Interim Financial Statements were approved for issue on 28 December 2017.

The Interim Financial Statements have not been audited.

2. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the Interim Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Interim Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirement of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and the Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the "**Hong Kong Companies Ordinance**").

The Interim Financial Statements have been prepared on the historical cost basis and should be read in conjunction with the annual financial statements. The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 30 April 2017, except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs and HKAS, that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendments)	Disclosure of Interests in Other Entities

The application of the above new amendments to HKASs and HKFRSs in the current interim period has no material effect on the amounts reported and/or disclosures set out in the Interim Financial Statements.

The following new standards and amendments to HKFRSs have been issued but not effective for the financial period beginning 1 May 2017, and have not been early adopted in preparing these Interim Financial Statements:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related amendments[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instrument with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRS, 2014-2016 Cycle[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

Management is in the process of making an assessment of what the impact of these new and revised standards is expected to be in the period of initial application. So far, the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

HKFRS 16

Currently, the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group only enters into leases as the lessee. Once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease, the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for property, plant and equipment, which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As at 31 October 2017, the majority of Group's future minimum lease payments under non-cancellable operating leases are payable either within one year or between one and five years after the reporting date. Some of these amounts may, therefore, need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

The Group is considering whether to adopt HKFRS 16 before its effective date of 1 January 2019. However, early adoption of HKFRS 16 is only permitted if this is no earlier than the adoption of HKFRS 15. It is, therefore, unlikely that HKFRS 16 will be adopted before the effective date of HKFRS 15, being 1 January 2018.

3. SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision-makers of the Group, who review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the information received by them.

The Group is principally engaged in the wholesale and retail of watches in Hong Kong. The executive Directors separately consider the performance and resources allocation of each retail outlet and each wholesale company. Each retail outlet or each wholesale company is considered as a separable operating segment.

The results of all the retail outlets have been aggregated in arriving at the retail business reporting segment of the Group. The retail segment derives its revenue primarily from retail of multi brands of watches in Hong Kong. All the retail outlets sell similar class of watches with similar pricing strategy and targeted customers.

The results of the wholesale companies have been aggregated in arriving at the wholesale business reporting segment of the Group. The wholesale segment derives its revenue primarily from wholesale of multi brands of watches in Hong Kong. All the wholesale companies sell similar class of watches with similar pricing strategy and targeted customers.

The executive Directors assess the performance of the operating segments based on a measure of operating profit excluding finance cost, group expenses and listing expenses.

For the six months ended 31 October 2017

	Retail	**Wholesale**	**Elimination**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Revenue				
External sales	**136,512**	**1,251**	**—**	**137,763**
External service income	**1,861**	**—**	**—**	**1,861**
Inter-segment sales	**—**	**1,286**	**(1,286)**	**—**
	138,373	**2,537**	**(1,286)**	**139,624**
Segment (loss)/profit	**(6,307)**	**375**	**—**	**(5,932)**
Finance costs				**(254)**
Unallocated Group expenses				**(1,634)**
Loss before income tax				**(7,820)**

For the six months ended 31 October 2016

	Retail	Wholesale	Elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue				
External sales	148,287	807	—	149,094
External service income	622	—	—	622
Inter-segment sales	487	1,171	(1,658)	—
	149,396	1,978	(1,658)	149,716
Segment (loss)/profit	(2,956)	107	—	(2,849)
Finance costs				(218)
Unallocated Group expenses				(1,716)
Loss before income tax				(4,783)

Sales between segments are carried out at terms mutually-agreed between the parties involved in transactions. The revenue from external parties reported to the executive Directors is measured in a manner consistent with that in the condensed consolidated statement of profit or loss and other comprehensive income.

The Group's revenue is mainly derived from customers in Hong Kong. The principal assets of the Group were also located in Hong Kong. Accordingly, no analysis by geographical segment is provided. For the six months ended 31 October 2017, there were no (2016: Nil) single external customers who contributed more than 10% revenue of the Group.

Other profit and loss disclosures

	Six months ended 31 October					
	2017			2016		
	Retail	**Wholesale**	**Total**	Retail	Wholesale	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**1,277**	**—**	**1,277**	2,518	—	2,518
Provision for slow-moving inventories	**1,841**	**(211)**	**1,630**	752	317	1,069
Impairment of property, plant and equipment	**67**	**—**	**67**	1,125	—	1,125
(Write-back)/Provision for onerous operating leases	**(547)**	**—**	**(547)**	1,347	—	1,347

4. LOSS BEFORE TAX

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

	Six months ended 31 October	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**93,057**	98,148
Allowance for slow-moving inventories	**1,630**	1,069
	94,687	99,217
Employee benefit expense	**14,590**	16,853
Depreciation of property, plant and equipment	**1,277**	2,518
Impairment of property, plant and equipment	**67**	1,125
Operating lease expenses		
— Office premises	**29**	547
— Repair centres	**33**	33
— Retail outlets	**27,781**	23,367
(Write-back)/Allowance for onerous operating leases	**(547)**	1,347
Auditors' remuneration	**300**	502

5. FINANCE COSTS

	Six months ended 31 October	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expense on bank borrowings	**240**	209
Interest element of finance leases	**14**	9
	254	218

For the six months ended 31 October 2017, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$240,000 (2016: HK$209,000).

6. INCOME TAX EXPENSE

The amount of income tax charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 31 October	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong profits tax		
Current income tax	**180**	715
Deferred income tax	**278**	43
	458	758

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the period.

7. DIVIDEND

The Board does not declare the payment of an interim dividend for the six months ended 31 October 2017 (2016: Nil).

8. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 31 October	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company	**(8,278)**	(5,541)
Weighted average number of ordinary shares in issue (thousands)	**800,000**	800,000
Basic loss per share (HK cents per share)	**(1.03)**	(0.69)

(b) Diluted

For the six months ended 31 October 2017 and 2016, diluted loss per share equals basic loss per share as there was no dilutive potential share.

9. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	31 October	30 April
	2017	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables *(Note a)*		
— third parties	**103**	2,735
— a related company	**—**	4
	103	2,739
Rental and utilities deposits	**16,791**	15,818
Prepayments	**1,297**	1,245
Other receivables	**—**	283
	18,191	20,085
Less: non-current portion		
— rental deposits	**(12,643)**	(12,643)
	(12,643)	(12,643)
Current portion	**5,548**	7,442

Note:

(a) Trade receivables and an amount due from a related company

The trade receivables and an amount due from a related company mainly comprise receivables from credit card companies for retail sales and wholesale customers. There was no specific credit terms granted to those credit card companies. The receivables due from credit card companies were usually settled within 7 days. The Group's credit terms granted to wholesale customers, including a related party customer, generally ranged from 30 to 90 days from the invoice date. As at 31 October 2017 and 30 April 2017, the ageing analysis of the trade receivables based on the invoice date is as follows:

	31 October 2017	30 April 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**103**	2,635
31 to 60 days	**—**	104
over 60 days	**—**	—
	103	2,739

As at 31 October 2017, none of the trade receivables was past due but not impaired (30 April 2017: Nil).

10. SHARE CAPITAL

	Number of shares	**Nominal value**
		HK$'000
Authorized — ordinary shares of HK$0.01 each		
At 30 April 2017 (Audited) and at 31 October 2017 (Unaudited)	10,000,000,000	100,000
Issued and fully paid — ordinary shares of HK$0.01 each		
At 30 April 2016 (Audited) and at 31 October 2016 (Unaudited)	800,000,000	8,000

11. PROVISION FOR OTHER LIABILITIES AND CHARGES, TRADE AND OTHER PAYABLE

	31 October 2017	30 April 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables *(Note a)*		
— third parties	**9,585**	9,575
— related parties	**17**	17
	9,602	9,592
Rent payable	**1,095**	1,574
Accrued employee benefit expense	**2,596**	2,888
Provision for reinstatement costs *(Note b)*	**1,885**	1,776
Provision for onerous operating leases *(Note c)*	**8,050**	8,598
Other accruals and payables	**1,503**	676
	24,731	25,104
Less: non-current portion	**(1,302)**	(1,653)
Current portion	**23,429**	23,451

As at 31 October 2017 and 30 April 2017, the carrying amounts of trade and other payables approximated to their fair values and were mainly denominated in HK$.

Notes:

(a) Trade payables and amount due to related companies

As at 31 October 2017 and 30 April 2017, the aging analysis of the trade payables based on due date is as follows:

	31 October 2017	30 April 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**9,134**	9,124
31 to 60 days	**435**	435
Over 61 days	**33**	33
	9,602	9,592

(b) Provision for reinstatements costs

Movements in the Group's provision for reinstatement costs are as follows:

	31 October 2017 *HK$'000* **(Unaudited)**	30 April 2017 *HK$'000* (Audited)
At beginning of the period/year	**1,776**	1,776
Additional provision during the period/year	**109**	—
Settlements	**—**	—
At end of the period/year	**1,885**	1,776

(c) Provision for onerous operating leases

Movements in the Group's provision for onerous operating leases are as follows:

	31 October 2017 *HK$'000* **(Unaudited)**	30 April 2017 *HK$'000* (Audited)
At beginning of the period/year	**8,598**	6,323
Provision during the period/year	**1,806**	6,237
Release of provision upon payment of rental charges	**(2,354)**	(3,962)
At end of the period/year	**8,050**	8,598

The provision for onerous operating leases represented the anticipated unavoidable costs for fulfilling the onerous non-cancellable lease agreements. All the lease agreements will expire by the end of the year ending 30 April 2020. The provision amount would be reduced upon the payment of the remaining rental charges.

12. BORROWINGS

	31 October 2017 *HK$'000* **(Unaudited)**	30 April 2017 *HK$'000* (Audited)
Non-current		
Finance lease liabilities *(Note b)*	**848**	202
Current		
Short-term bank loans *(Note a)*	**14,578**	15,575
Finance lease liabilities *(Note b)*	**236**	236
	14,814	15,811
Total borrowings	**15,662**	16,013

Notes:

(a) Bank borrowings

The bank loans of HK$5.5 million as at 30 April 2017 were drawn from one of the Group's banking facilities for which one of the covenants requirements was in breach. In July 2017, the bank granted a one-off waiver from compliance with the relevant breached covenant requirement for the year ended 30 April 2017.

The weighted average interest rates were 3.3% (30 April 2017: 2.7%) per annum.

The carrying amounts of the Group's bank loans were denominated in HK$ and unsecured and approximated to their fair values.

As at 31 October 2017, the Group had aggregate banking facilities of HK$76.1 million (30 April 2017: HK$76.1 million), for overdrafts and loans. Unused facilities as at the same date were HK$61.5 million (30 April 2017: HK$60.5 million). The banking facilities were granted to the subsidiaries of the Company and were subject to an annual review and guaranteed by unlimited guarantees from the Company and certain subsidiaries of it.

(b) Finance lease liabilities

The rights to the leased assets are reverted to the lessor in the event of default of the lease liabilities by the Group.

	31 October 2017	30 April 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Gross finance lease liabilities — minimum lease payments		
Within 1 year	**544**	245
In the second year	**579**	204
In the third year	**—**	—
	1,123	449
Future finance charges on finance lease liabilities	**(39)**	(11)
Present value of finance lease liabilities	**1,084**	438

The present value of finance lease liabilities was as follows:

	31 October 2017	30 April 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 1 year	**518**	236
In the second year	**566**	202
In the third year	**—**	—
	1,084	438

CHANGE OF CONTROLLING SHAREHOLDER

On 28 July 2017, Prosper One Enterprises Limited (the "**Offeror**") as purchaser and Tic Tac Investment Holdings Limited (the "**Vendor**") as vendor entered into a sale and purchase agreement and on 4 August 2017, the Offeror and the Vendor entered into a supplemental agreement to the above agreement (together, the "**SPA**"), pursuant to which the Vendor had conditionally agreed to sell, and the Offeror had conditionally agreed to purchase, the sale shares (the "**Sale Shares**"), being a total of 565,000,000 shares of the Company (the "**Shares**"), representing approximately 70.625% of the total issued share capital of the Company, at an aggregate consideration of HK$534,375,000 (equivalent to HK$0.9458 per Sale Share).

Completion of the SPA (the "**Completion**") took place on 15 August 2017. Mr. Meng Guangyin, the sole ultimate beneficial shareholder of the Offeror has become the ultimate controlling shareholder of the Company upon the Completion. Subsequent to the Completion, an unconditional mandatory cash offer was made to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) at a price of HK$0.9458 per Share (the "**Offer**"), and the Offer was closed on 27 September 2017. Upon the close of the Offer, the Offeror and the parties acting in concert with it were interested in, held, controlled or directed an aggregate of 689,940,000 Shares, representing approximately 86.243% of the total issued share capital of the Company.

On 20 November 2017, the Offeror entered into a placing agreement with Changjiang Securities Brokerage (HK) Limited, Aristo Securities Limited and Ruibang Securities Limited (collectively, the "**Placing Agents**") for the placing of 89,940,000 Shares held by the Offeror at a placing price of HK$0.90 per Share on a best effort basis to not less than six placees (the "**Placing**"). The Company was informed by the Offeror that 89,940,000 Shares (representing 11.2% of the issued Shares) had been placed through the Placing Agents to not less than six placees at the placing price of HK$0.90 per Share. Completion of the Placing took place on 22 November 2017. None of the placees under the Placing has become a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Placing. Immediately after the completion of the Placing, the Offeror and the parties acting in concert with it are interested in 600,000,000 Shares, representing 75.0% of the issued shares of the Company, whereas 200,000,000 Shares, representing 25.0% of the issued shares of the Company are held by the public.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Our Group is principally engaged in the retail of mid-end watches in Hong Kong. We offer a wide range of branded mid-end watches with diverse design, style and functionality for business and casual uses, mainly targeting mid-income consumers and tourists. Our Group controls, operates and manages its retail outlet network comprising a total of 20 retail outlets as at 31 October 2017 in top class shopping malls located at prime locations such as Times Square in Causeway Bay, Harbour City and iSquare in Tsim Sha Tsui, Langham Place in Mongkok and New Town Plaza in Shatin, which are widely perceived as shopping landmarks in Hong Kong. Our Group's retail network covered 11 multi-brand outlets and 9 single-brand boutique outlets as of 31 October 2017.

The Group's net loss for the six months ended 31 October 2017 amounted to approximately HK$8.3 million, representing an increase of approximately HK$2.8 million as compared to a net loss of approximately HK$5.5 million for the six months ended 31 October 2016.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately HK$10.1 million or 6.7% from approximately HK$149.7 million for the six months ended 31 October 2016 to approximately HK$139.6 million for the six months ended 31 October 2017. The decrease in revenue was mainly the impact of the slowdown in economic growth of the People's Republic of China and the weak local consumption sentiment throughout the Review Period.

Cost of sales

Our cost of sales primarily consists of cost of inventories sold and provision for slow-moving inventories. Our cost of sales decreased by approximately HK$4.5 million or 4.6% from approximately HK$99.2 million for the six months ended 31 October 2016 to approximately HK$94.7 million for the six months ended 31 October 2017. During the Review Period, the Group recorded a provision for slow-moving inventories of approximately HK$1.6 million (six months ended 31 October 2016: approximately HK$1.1 million) to profit or loss. The provision for slow-moving inventories as at 31 October 2017 amounted to approximately HK$24.3 million (As at 30 April 2017: approximately HK$22.7 million).

Eliminating the effect of provision for slow-moving inventories, cost of sales before provision of slow-moving inventory decreased by approximately HK$5.0 million or 5.1% from approximately HK$98.1 million for the six months ended 31 October 2016 to approximately HK$93.1 million for the Review Period. The decrease primarily reflected the decrease in revenue for the Review Period.

Gross profit and gross profit margin

Our gross profit decreased by approximately HK$5.6 million or 11.0% from approximately HK$50.5 million for the six months ended 31 October 2016 to approximately HK$44.9 million for the six months ended 31 October 2017, which was in line with the decrease in the Group's revenue. Our overall gross profit margin decreased from approximately 33.7% for the six months ended 31 October 2016 to approximately 32.2% for the six months ended 31 October 2017. The decrease was mainly attributable to the increase in provision for slow-moving inventories during the Review Period.

Eliminating the effect of provision for slow-moving inventories, the gross profit margin decreased from approximately 34.4% for the six months ended 31 October 2016 to approximately 33.4% for the six months ended 31 October 2017.

Selling and distribution expenses

Our selling and distribution expenses decreased by approximately HK$0.5 million or 1.0% from approximately HK$47.2 million for the six months ended 31 October 2016 to approximately HK$46.7 million for the six months ended 31 October 2017. The decrease was primarily attributable to a decrease of depreciation expense for selling and distribution during the Review Period.

Administrative expenses

Our administrative expenses decreased by approximately HK$2.1 million or 26.2% from approximately HK$7.9 million for the six months ended 31 October 2016 to approximately HK$5.8 million for the six months ended 31 October 2017. The decrease was primarily attributable to a decrease in administrative staff salaries and allowance expenses during the Review Period.

Finance costs

Our finance costs increased by approximately HK$0.03 million or 16.5% from approximately HK$0.22 million for the six months ended 31 October 2016 to approximately HK$0.25 million for the six months ended 31 October 2017. The increase was primarily attributable to an increase in interest rate during the Review Period.

Loss before income tax and loss attributable to owners of the Company

As a result of the foregoing, our loss before income tax increased by approximately HK$3.0 million or 63.5% from the loss before income tax of approximately HK$4.8 million for the six months ended 31 October 2016 to that of approximately HK$7.8 million for the six months ended 31 October 2017.

The loss attributable to owners of the Company increased by approximately HK$2.8 million or 49.4% from approximately HK$5.5 million for the six months ended 31 October 2016 to that of approximately HK$8.3 million for the six months ended 31 October 2017.

FINANCIAL POSITION

The Group funded its liquidity and capital requirements primarily through cash inflows from operating activities and bank borrowings.

As at 31 October 2017, the Group's total cash and bank balances were approximately HK$59.7 million (As at 30 April 2017: approximately HK$37.1 million), most of which were denominated in HK$. The current ratio (calculated by current assets divided by current liabilities) of the Group maintained at approximately 3.7 times as at 31 October 2017 and 3.8 times as at 30 April 2017. The gearing ratio (calculated by net debt divided by total equity) was not applicable as the Group maintained at a net cash position as at 31 October 2017 and 30 April 2017. As at 30 April 2017, the Group failed to comply with one of the covenant requirements related to the Group's banking facilities which amounted to approximately HK$5.5 million. In July 2017, the bank granted a one-off waiver from compliance with the relevant breached covenant requirement for the year ended 30 April 2017.

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING (THE "IPO")

The net proceeds from the Company's IPO (after deducting the underwriting fees and related expenses) amounted to approximately HK$107.5 million, which are intended to be applied in the manner as disclosed in the prospectus of the Company dated 28 April 2015.

During the period from 12 May 2015, being the date of listing of the Company's issued shares, to 31 October 2017, the Group has applied the net proceeds from the IPO as follows:

	Amount utilised at as 31 October 2017 *HK$'000*	**Amount unutilised at as 31 October 2017** *HK$'000*
Expand our retail and sales network	20,254	17,359
Improve our same-store sales growth and profit margin	12,622	274
Improve our supplier network and enhance the knowledge of our sales staff	333	3,965
Increase our marketing effort	5,443	2,080
Repay a short-term bank loan with interest	37,613	—
Use for working capital and other general corporate purposes	5,100	2,423
Total	81,365	26,101

The unutilised net proceeds from the IPO are placed in the accounts of the Group maintained with licensed banks in Hong Kong.

DEBTS AND CHARGE ON ASSETS

The Group had total borrowings of approximately HK15.7 million as at 31 October 2017 while that as at 30 April 2017 was approximately HK16.0 million.

The carrying amounts of the Group's borrowings are denominated in HK$ and unsecured and approximate to their fair value.

The bank loans of approximately HK$5.5 million as at 30 April 2017 were drawn from one of the Group's banking facilities for which one of the covenants requirements was in breach. In July 2017, the bank granted a one-off waiver from compliance with the relevant breached covenant requirement for the year ended 30 April 2017.

As at 31 October 2017, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives.

As at 31 October 2017, the Group had aggregate banking facilities of approximately HK$76.1 million (As at 30 April 2017: approximately HK$76.1 million) for overdrafts and loans. Unused facilities as at the same date amounted to approximately HK$61.5 million (As at 30 April 2017: HK$60.5 million). The banking facilities were granted to the subsidiaries of the Company and were subject to an annual review and guaranteed by unlimited guarantees from the Company and certain subsidiaries of the Company.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Review Period, there was no acquisition or disposal of subsidiaries and associated companies by the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans for material investments and capital assets.

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries, the Group did not hold any significant investment in equity interest in any other company as at 31 October 2017.

FOREIGN EXCHANGE EXPOSURES

As the Group's cash and cash equivalents, trade and other receivables, trade and other payables and borrowings, were mainly denominated in HK$, the Group had not experienced significant exposure to foreign currency fluctuation.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 October 2017 (As at 30 April 2016: Nil).

CAPITAL COMMITMENTS

The Group had no capital commitments as at 31 October 2017 (As at 30 April 2017: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 October 2017, the Group had a total of 99 (2016: 106) employees. The total remuneration costs incurred by the Group for the six months ended 31 October 2017 were approximately HK$14.6 million (2016: approximately HK$16.9 million). We review the performance of our employees annually and our annual salary review and promotion appraisal are based on the results of such review, in order to attract and retain valuable employees.

INTERIM DIVIDENDS

The Board does not declare the payment of any interim dividend for the six months ended 31 October 2017 (2016: Nil).

PROSPECTS

Although the watch retailing business remained tough over the first six months of our financial year 2017, same store sales recorded a notable narrowing decline whereas some other shops recorded a slight increase in sales. Sales in September and October 2017 slightly improved comparing to the same period last year. The market sentiment and sales atmosphere are improving and hopefully the market situation could be better off in year 2018. The Group will endeavour to uphold its business development via focusing on brand offering enrichment and effective market-oriented sales strategy.

The Group has been focusing on bringing in more fashionable yet affordable watch brands to the market so as to let customers own wristbands that match their character, charisma and life-styles. Wristband is no longer carrying a sole function of time-telling but also is positioning itself as a life-style accessory and living attitude.

The Group remains cautious in rationalizing the existing network of our retail outlets against the high costs of operations. We would consistently devote unrelenting effort on stringent cost containment measures to enhance our operational efficiency. As the franchise licences of two single brands will expire in 2018, a substantial decrease in revenue will be expected. Nevertheless, under these circumstances' our planned-open new concept of wristband shops may partially remedy such deficiency upon its implementation. We can expect that such new move is necessary for a sustainable growth of our business in the long run.

Following the change in controlling shareholder and the composition of the Board in September 2017, the new executive Directors have assessed and considered to continue the existing business operation of the Group.

CHANGES OF COMPANY NAME AND STOCK SHORT NAME

Following the approval of the change of company name by the shareholders by way of passing a special resolution at an extraordinary general meeting of the Company held on 16 October 2017, a Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 26 October 2017, certifying that the English name of the Company had been changed from "Tic Tac International Holdings Company Limited" to "Prosper One International Holdings Company Limited", and its Chinese name had been changed from "滴達國際控股有限公司" to "富一國際控股有限公司" which is for identification purpose only, both with effect from 26 October 2017.

The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 20 November 2017, confirming that the Company had altered its name and is now registered under the name of "Prosper One International Holdings Company Limited 富一國際控股有限公司" in Hong Kong under Part 16 of the Hong Kong Companies Ordinance.

With effect from 9:00 a.m. on 28 November 2017, the English stock short name of the Company has been changed from "TIC TAC INT'L" to "PROSPER ONE", while the Chinese stock short name of the Company has been changed from "滴達國際" to "富一國際控股" for trading in the shares on the Stock Exchange. The stock code of the Company on the Stock Exchange remains unchanged.

Please refer to the Company's announcements dated 15 September 2017, 16 October 2017 and 23 November 2017 and circular dated 25 September 2017 for further details.

CHANGES IN THE BOARD'S COMPOSITION

During the six months ended 31 October 2017, the following changes in the composition of the Board took place:

(i) On 7 September 2017, Mr. Meng Guangyin (孟廣銀), Mr. Meng Bo (孟波), Mr. Yang Haoju (楊好居), Mr. Yan Yongjian (燕永見), Mr. Huang Lei (黃磊), Mr. Liu Guoqing (劉國慶), Mr. Liu Jiaqiang (劉加強) and Mr. He Guangrui (賀光銳) were appointed as executive Directors;

(ii) On 20 September 2017, Mr. Chan, Yee Ping Michael (陳貽平), Mr. Tian Zhiyuan (田志遠) and Mr. Hu Jinrui (胡金銳) were appointed as independent non-executive Directors; and

(iii) On 28 September 2017,

(a) Mr. Lam Man Wah resigned as an executive Director and the chief executive officer of the Company (the "**Chief Executive Officer**");

(b) Ms. Chan Ka Yee, Elsa, Mr. Tsang Hok Man, Mr. Yang Haoju, Mr. Huang Lei and Mr. Yan Yongjian resigned as executive Directors;

(c) Mr. Chong Man Leung, Mr. Fung Tat Man and Mr. Lo Wai Kei, Wilkie resigned as independent non-executive Directors;

(d) Mr. Lam Man Wah resigned as the chairman of the Board and Mr. Meng Guangyin, an executive Director of the Company, was appointed as the chairman of the Board (the "**Chairman**");

(e) Mr. He Guangrui, an executive Director was appointed as the Chief Executive Officer; and

(f) Mr. Liu Guoqing, an executive Director was appointed as the chief financial officer of the Company (the "**Chief Financial Officer**"); and

(iv) On 18 October 2017,

(a) Mr. Liao Pin Tsung was appointed as an executive Director, the vice-chairman of the Board and the chief operating officer of the Company (the "**Chief Operating Officer**");

(b) Mr. Liu Guoqing was appointed as a co-chief executive officer of the Company (the "**Co-chief Executive Officer**"); and

(c) Mr. He Guangrui was re-designated from the Chief Executive Officer to a Co-chief Executive Officer.

CHANGES IN COMPOSITION OF THE BOARD COMMITTEES

During the six months ended 31 October 2017, the following changes in the composition of the Board committees took place:

On 28 September 2017:

(i) Mr. Fung Tat Man ceased to be the chairman of the audit committee of the Company (the "**Audit Committee**"), and a member of each of the remuneration committee of the Company (the "**Remuneration Committee**") and nomination committee of the Company (the "**Nomination Committee**");

(ii) Mr. Chong Man Leung ceased to be the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee;

(iii) Mr. Lo Wai Kei, Wilkie ceased to be the chairman of the Nomination Committee, and a member of each of the Audit Committee and the Remuneration Committee; and

(iv) the following Directors were appointed to the respective roles in the Board committees set out below:

Audit Committee:
Mr. Chan, Yee Ping Michael *(chairman)*
Mr. Tian Zhiyuan
Mr. Hu Jinrui

Remuneration Committee:
Mr. Tian Zhiyuan *(chairman)*
Mr. Meng Guangyin
Mr. Chan, Yee Ping Michael

Nomination Committee:
Mr. Meng Guangyin *(chairman)*
Mr. Tian Zhiyuan
Mr. Hu Jinrui

MATERIAL EVENTS AFTER REVIEW PERIOD

Save as disclosed above, no other material events occurred after the Review Period and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company is committed to ensuring a high standard of corporate governance in the interests of the shareholders and will continue to devote considerable effort to maintain a high level of business ethics and corporate governance practices.

The Company has adopted the code provisions in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules on the Stock Exchange as its own code of corporate governance on 1 November 2014. The Board considers that the Company was in compliance with all applicable code provisions set out in the CG Code during the Review Period and up to the date of this announcement, except for certain deviation as specified with considered reasons there for as explained below. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

Under Code Provision of A.2.1 of the CG Code, the role of the chairman and chief executive officer should be separated and should not be performed by the same individual. The post of chairman and chief executive officer are separated to ensure a clear division between the chairman's responsibility to manage the Board and the chief executive officer's responsibility to manage the Company's business. The separation ensures a balance of power and authority so that power is not concentrated.

During the period from 1 May 2017 to 27 September 2017, the Company did not separate the roles of the Chairman and Chief Executive Officer, with Mr. Lam Man Wah acting as the Chairman and the chief executive officer concurrently. With effect from 28 September 2017, Mr. Meng Guangyin and Mr. He Guangrui have succeeded Mr Lam Man Wah as the Chairman and the Chief Executive Officer, respectively. With effect from 18 October 2017, Mr. Liu Guoqing has also been appointed as a Co-chief Executive Officer and Mr. He Guangrui has been re-designated from the Chief Executive Officer to a Co-chief Executive Officer. The Company considers that the present arrangement is in pursuance of the requirements under Code Provision A.2.1 of the CG Code.

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 own code of conduct for carrying out securities transactions by the Directors. After specific enquiries made by the Company with all members of the Board, all Directors confirmed that they had fully complied with the required standards stipulated in the Model Code during the six months ended 31 October 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 31 October 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE REVIEW

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee currently comprises all the three independent non-executive Directors, namely Mr. Chan Yee Ping Michael (the chairman), Mr. Tian Zhiyuan and Mr. Hu Jinrui. The Group's unaudited condensed consolidated interim results for the six months ended 31 October 2017 were reviewed by the members of the Audit Committee before submission to the Board for approval.

DIRECTORS' INTEREST IN COMPETING BUSINESS

For the Review Period and up to the date of this announcement, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

Since the Company was listed on 12 May 2015 and up to the date of this announcement, the independent non-executive Directors have carried out a review on the implementation and compliance with the non-competition deed entered into between the Company and the controlling shareholders, namely the previous controlling shareholders, Mr. Lam Man Wah, Ms. Chan Ka Yee, Elsa and Tic Tac Investment Holdings Limited, the succeeding controlling shareholders with effect from 15 August 2017, Mr Meng Guangyin and Prosper One Enterprises Limited (collectively, the "**Covenantors**") and their associates (as defined under the Listing Rules). The independent non-executive Directors confirmed that the terms of the non-competition deed had been complied with by the Covenantors.

APPRECIATION

I would like to take this opportunity to express my gratitude to the Board for its brilliant leadership, to the shareholders of the Company for their strong support, to the community for their enthusiastic help, and last but not least, to our staff for their dedicated efforts.

PUBLICATION OF FINANCIAL INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The Company's interim report for the six months ended 31 October 2017 containing all applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the Stock Exchange's website *(http://www.hkexnews.hk)* and on the Company's website *(www.tictactime.com.hk)* in due course.

By order of the Board of
Prosper One International Holdings Company Limited
Meng Guangyin
Chairman and Executive Director

Hong Kong, 28 December 2017

As at the date of this announcement, the Board comprises:

Executive Directors:	Mr. Meng Guangyin *(Chairman)* Mr. Meng Bo Mr. Liu Guoqing *(Chief Financial Officer and Co-chief Executive Officer)* Mr. Liu Jiaqiang Mr. He Guangrui *(Co-chief Executive Officer)* Mr. Liao Pin Tsung *(Vice chairman and Chief Operating Officer)*
Independent Non-executive Directors:	Mr. Chan, Yee Ping Michael Mr. Tian Zhiyuan Mr. Hu Jinrui

* *For identification purposes only*