



CHANCETON FINANCIAL GROUP LIMITED
川盟金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8020)



2012 Third Quarterly Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (“Directors”) of Chanceton Financial Group Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or in this report misleading.

HIGHLIGHTS

- Unaudited revenue of the Group for the nine months ended 31 December 2012 amounted to HK\$7,293,000, representing a decrease of approximately 15.62% over the corresponding period in 2011.
- Consolidated profit attributable to owners of the Company for the nine months ended 31 December 2012 was approximately HK\$1,135,000.
- Earnings per share for the nine months ended 31 December 2012 was approximately HK\$0.23 cents.
- The Directors of the Company do not recommend the payment of a dividend for the nine months ended 31 December 2012.

THIRD QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the "Board") is pleased to present the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2012, together with the unaudited comparative figures for the corresponding period in 2011, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 December 2012

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Revenue	3	1,983	2,463	7,293	8,643
Other income and gains	3	14	18	107	182
Administrative and operating expenses		(2,434)	(1,737)	(5,745)	(4,094)
Operating (loss)/profit		(437)	744	1,655	4,731
Expenses incurred in connection with the Listing		-	(3,859)	-	(3,859)
(Loss)/profit before income tax	4	(437)	(3,115)	1,655	872
Income tax expenses	5	(77)	(145)	(520)	(862)
(Loss)/profit for the period attributable to owners of the Company		(514)	(3,260)	1,135	10
Dividends	6	-	-	-	6,000
(Loss)/earning per share attributable to owners of the Company	7				
Basic and diluted (Hong Kong cents)		(0.10)	(0.741)	0.23	0.007

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2012

	Three months ended		Nine months ended	
	31 December		31 December	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Loss)/profit for the period	(514)	(3,260)	1,135	10
Other comprehensive income for the period, net of tax	—	—	—	—
Total comprehensive income for the period	(514)	(3,260)	1,135	10
Total comprehensive income for the period attributable to owners of the Company	(514)	(3,260)	1,135	10

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2012

	Attributable to owners of the Company					
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Equity component of convertible bonds <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2012 (audited)	5,000	29,456	–	529	7,699	42,684
Total comprehensive income for the period	–	–	–	–	1,135	1,135
Issue of new shares on completion of acquisition	250	53,500	–	–	–	53,750
Issue of convertible bonds	–	–	60,439	–	–	60,439
Transaction costs attributable to issue of new shares	–	(150)	–	–	–	(150)
At 31 December 2012 (unaudited)	5,250	82,806	60,439	529	8,834	157,858
At 1 April 2011 (audited)	530	–	–	–	11,616	12,146
Total comprehensive income for the period	–	–	–	–	10	10
Effect of Company's reorganisation	(529)	–	–	529	–	–
Interim dividend paid	–	–	–	–	(6,000)	(6,000)
Effect of capitalisation issue	3,799	(3,799)	–	–	–	–
Issue of new shares upon listing	1,200	34,800	–	–	–	36,000
Transaction costs attributable to issue of new shares	–	(1,545)	–	–	–	(1,545)
At 31 December 2011 (unaudited)	5,000	29,456	–	529	5,626	40,611

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

For the nine months ended 31 December 2012

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 20 April 2011 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is located at Unit A, 23/F, CMA Building, 64-66 Connaught Road Central, Hong Kong. The Company's shares were listed on the GEM of the Stock Exchange on 12 October 2011 (the "Listing").

The Company is an investment holding company. The principal activities of its subsidiaries are provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated third quarterly financial statements for the nine months ended 31 December 2012 ("Third Quarterly Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the GEM Listing Rules. The principal accounting policies used in the Group's unaudited condensed consolidated third quarterly financial statements are consistent with those adopted in the annual consolidated financial statements for the year ended 31 March 2012 and these unaudited condensed consolidated third quarterly financial statements should be read in conjunction with such annual consolidated financial statements.

The Group's Third Quarterly Financial Statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair values. The Group's Third Quarterly Financial Statements are presented in Hong Kong dollars ("HK\$") except when otherwise indicated. The Group has adopted new or revised standards, amendments to standards and interpretations of Hong Kong Financial Reporting Standards ("new HKFRSs") which are effective for accounting periods commencing on or after 1 April 2012. The adoption of such new HKFRSs does not have material impact on the condensed consolidated financial statements and does not result in substantial changes to the Group's accounting policies.

The Third Quarterly Financial Statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents fees income received from corporate finance advisory services rendered during the period.

An analysis of revenue and other income and gains is as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
Corporate finance advisory income	<u>1,983</u>	<u>2,463</u>	<u>7,293</u>	<u>8,643</u>
	1,983	2,463	7,293	8,643
Other income and gains				
Management fee income	10	18	51	153
Exchange gain	-	-	-	-
Others	<u>4</u>	<u>-</u>	<u>56</u>	<u>29</u>
	14	18	107	182

4. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging the following:

	Three months ended		Nine months ended	
	31 December	2011	31 December	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(a) Employee benefit expenses (including directors' remuneration)				
– Wages, salaries, allowances and bonus	879	995	2,810	2,311
– Pension scheme contributions*	32	28	99	71
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total employee benefit expenses	911	1,023	2,909	2,382
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
(b) Depreciation	30	30	89	89
(c) Minimum lease payment under operating lease:				
– Property rental	161	165	482	496
(d) Expenses incurred in connection with the Listing	–	3,859	–	3,859
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

* As at 31 December 2011 and 2012, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years.

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) for the three months and nine months ended 31 December 2012 and 2011.

	Three months ended		Nine months ended	
	31 December		31 December	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax	<u>77</u>	<u>145</u>	<u>520</u>	<u>862</u>

There was no significant unprovided deferred tax for the relevant periods and at the end of each reporting period.

6. DIVIDENDS

	Three months ended		Nine months ended	
	31 December		31 December	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividends distributed by subsidiaries (<i>Note</i>)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>

The dividend rate not presented as such information is considered not meaningful for the purpose of this report.

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2012.

Note: The amount represented interim dividends declared and paid by the Company's subsidiaries to their shareholder during the nine months ended 31 December 2011 prior to the listing of the Company on 12 October 2011. The dividend rate are not presented as such information is considered not meaningful for the purpose of the Third Quarterly Financial Statements.

7. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share for each of the three months and nine months ended 31 December 2012 are calculated by dividing the (loss)/profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the periods.

	For the three months ended 31 December 2012	For the nine months ended 31 December 2012
(Loss)/profit attributable to equity holders of the Company	(HK\$514,000)	HK\$1,135,000
Weight average number of ordinary share in issue	507,336,957	502,454,545
(Loss)/earnings per share (HK cents per share)	(0.10)	0.23

The calculation of basic earnings per share for the nine months ended 31 December 2011 was based on the unaudited profit attributable to the owners of the Company for the nine months ended 31 December 2011 of approximately HK\$10,000 and the weighted average of 147,272,736 ordinary shares in issue throughout the nine months ended 31 December 2011.

The calculation of basic loss per share for the three months ended 31 December 2011 was based on the unaudited loss attributable to the owners of the Company for the three months ended 31 December 2011 of approximately HK\$3,260,000 and the weighted average of 440,217,403 ordinary shares in issue throughout the three months ended 31 December 2011.

There were no potential dilutive ordinary shares for each of the three months and nine months ended 31 December 2012 and 2011, and therefore, diluted earnings per share were the same as the basic earnings per share.

8. APPROVAL OF THIRD QUARTERLY FINANCIAL STATEMENTS

The Third Quarterly Financial Statements were approved and authorised for issue by the Board on 14 February 2013.

DIVIDEND

The Directors of the Company do not recommend the payment of a dividend for the nine months ended 31 December 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Company's shares were successfully listed on GEM of the Stock Exchange on 12 October 2011.

The Group is principally engaged in the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC. The Group continues seeking to position itself as one of the active local corporate finance advisory service providers in Hong Kong. The Group provides a broad range of corporate finance advisory services to its clients, including:

- (i) advising on the Listing Rules, the GEM Listing Rules and the Takeovers Code;
- (ii) acting as independent financial adviser to transactions of listed issuers falling under the Listing Rules, the GEM Listing Rules and the Takeovers Code;
- (iii) advising on M&A activities and other corporate activities; and
- (iv) advising on corporate resumption.

During the period under review, the Group continued to focus on the provision of corporate finance advisory services to its clients. The Group also continued to maintain professional networks to facilitate new client referrals and client retention through business luncheons, dinners, cocktails and other social occasions, and involvement in various professional bodies and educational institutions. However, due to the continuous unfavourable sentiment in the global economy and the volatile finance market, the Group recorded revenue of HK\$7,293,000 for the nine months ended 31 December 2012, representing a decrease of approximately 15.62% when compared to the corresponding period in 2011. Profit attributable to owners of the Company for the nine months ended 31 December 2012 was approximately HK\$1,135,000, representing an increase of approximately 112.5 times when compared to the corresponding period in 2011.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**Business Review (Continued)**

On 24 August 2012, Mysteriously Time Investments Limited, a wholly-owned subsidiary of the Company, and Mr. Tsang Yan entered into a sale and purchase agreement with Refulgent Sunrise Limited (the "Vendor") in relation to the possible acquisition of 20% equity interests in Revenue Synthesis Limited, which together with its subsidiaries, engages in AIDS medication business at an aggregate consideration of HK\$237.50 million payable by way of a combination of consideration shares and convertible bonds (the "Acquisition"). The Acquisition was completed on 5 December 2012 and the 25,000,000 consideration shares had been allotted and issued and the first tranche convertible bonds with principal amount of HK\$87.50 million had been issued to the Vendor in accordance with the terms and conditions of the sale purchase agreement. Details of the Acquisition were disclosed in the announcements of the Company dated 27 August 2012, 29 October 2012 and 5 December 2012.

The Board is of the view that the Acquisition is in line with one of the business strategies of the Group as stated in the prospectus of the Company dated 28 September 2011 (the "Prospectus") which is to seek investment in high-return projects. The Board considers that the Acquisition will diversify the Group's business and in the best interests of the shareholders of the Company as a whole.

The Company's Directors and management will continue to dedicate their best effort to lead the Group to strive for the best interests for its shareholders.

Financial Review***Results***

For the nine months ended 31 December 2012, turnover of the Group decreased by approximately 15.62% to approximately HK\$7,293,000 from approximately HK\$8,643,000 in the corresponding period in 2011.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Review (Continued)

Results (Continued)

The Group's administrative and operating expenses for the nine months ended 31 December 2012 decreased by approximately 27.8% to approximately HK\$5,744,000 compared to approximately HK\$7,953,000 for the corresponding period in 2011. The decrease was mainly resulted from the release from the recognition of one-off non-recurring Listing expenses amounting to approximately HK\$3,859,000 upon Listing on 12 October 2011. During the period under review, the Group's total employee benefit expenses was approximately HK\$2,909,000 (2011: approximately HK\$2,382,000), representing an increase of approximately 22.1%. The increase in total employee benefit expenses and other administrative and operating expenses were primarily due to (i) the expansion of the Group; (ii) the increase in administrative and operating expenses and professional fees (including but not limited to, remuneration to independent non-executive Directors, compliance advisers fees) after the Listing in order to comply with the GEM Listing Rules; and (iii) professional fees of approximately HK\$0.8 million incurred in relation to the Acquisition.

The Group's profit attributable to owners of the Company for nine months ended 31 December 2012 increased by approximately 112.5 times to approximately HK\$1,135,000 compared to approximately HK\$10,000 for the corresponding period last year. Such increase was mainly resulted from the release from the recognition of one-off non-recurring listing expenses amounting to approximately HK\$3,859,000 upon Listing on 12 October 2011.

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Referring to the announcement of the Company dated 17 December 2012 and the circular of the Company dated 8 January 2013, the Company entered into a placing agreement (the "Placing Agreement") with the placing agent (the "Placing Agent") pursuant to which the Company has appointed the Placing Agent to procure altogether not less than six places, on a best effort basis, for subscribing up to an aggregate of 30,000,000 placing shares of the Company (the "Placing Share") at HK\$2.00 per Placing Share (the "Placing"), which represents (i) approximately 5.71% of the existing issued share capital of the Company; and (ii) approximately 5.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The Placing Shares shall be issued under a specific mandate was approved by the shareholders of the Company at the extraordinary general meeting on 24 January 2013. The estimated net proceeds from the Placing (after deducting placing commission, professional fees and all related expenses) are estimated to be approximately HK\$58 million. The Company intends to use the net proceeds for the Group's general working capital and for any possible acquisition when opportunities arise in the future. Details of the Placing Agreement were set out in the announcement of the Company dated 17 December 2012 and the circular of the Company dated 8 January 2013. The Placing was still not completed on the date of this report.

FOREIGN EXCHANGE EXPOSURE

The Group continues to adopt a conservative treasury policy with all bank deposits being kept in Hong Kong dollars, keeping a minimum exposure to foreign exchange risks.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

PLEDGE OF ASSETS

As at 31 December 2012, the Group did not pledge any of its assets (31 March 2012: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2012, the Group had 16 employees (30 September 2011: 14), including Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$2,909,000 for the nine months ended 31 December 2012 as compared to approximately HK\$2,382,000 for the nine months ended 31 December 2011. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical benefit to its employees in Hong Kong.

OUTLOOK

With our Listing behind us, we have embarked on our next phase of growth, armed with a new currency and a new set of valued-shareholders to run the next league of our journey with us. We are optimistic and see potential opportunities in the corporate finance advisory services industry. As stated in the Prospectus, we will continue to pursue our core business, that is, the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC, and to strengthen it by enhancing technical competence, expanding the alliance network, improving public awareness, expanding the pre-initial public offering ("IPO") fundraising business for non-listed companies. The Group also will seek to increase value-added corporate financial services to listed and non-listed companies by conducting feasible studies on various services such as debt financing and IPO sponsoring. The Group will try to retain its existing clients by offering outstanding and competitive services and to obtain more new engagements from broadening of the client base, while maintaining its existing cost-effective business structure to stay competitive in the industry.

The Group believes that enlarging its range of services is crucial to its long-term success. The Group will implement the formulated expansion and action plans for two new financial service areas (namely equity capital market, with a focus on acting as an underwriter or placing agent in fund raising or other activities of its clients, and asset management) in the financial year ending 31 March 2013.

OUTLOOK (CONTINUED)

The Group is keen on project investment. The Group will continue to study feasible projects with good potential returns to contribute a maximum wealth to shareholders of the Company. In particular, the Group will seek investment opportunities in the medical or related business, after the Group's possible acquisition of 20% equity interests in Revenue Synthesis Limited which together with its subsidiaries engages in acquired immunodeficiency syndrome ("AIDS") medication business, details please refer to the Company's announcements dated 27 August 2012, 29 October 2012 and 5 December 2012.

The Company's Directors and management will continue to dedicate their best effort to lead the Group to strive for the best interests for its shareholders.

SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme (the "Scheme") on 21 September 2011 under which certain selected classes of participants (including, among others, full-time employees) may be granted options to subscribe for the Company's shares. The principal terms of the Scheme are summarised in the paragraph headed "Share Option Scheme" in Appendix V to the Prospectus.

From the adoption date of the Scheme to 31 December 2012, no share option was granted, exercised, lapsed or cancelled under the Scheme.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2012, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

Long positions in the Company

Name of Director and chief executive	Capacity	Number of ordinary shares held	Number of underlying shares pursuant to share option	Aggregate Interests	Approximate percentage of shareholding in the Company
Mr. Wong Kam Wah	Interest of controlled corporation	300,000,000 (Note)	–	300,000,000	57.14%
Ms. Man Wing Yee Ginny	Beneficial owner	47,510,000	–	47,510,000	9.50%

Note: These shares are registered in the name of Kate Glory Limited. Mr. Wong Kam Wah is the beneficial owner of 100% of the issued share capital of Kate Glory Limited. Mr. Wong Kam Wah is deemed to be interested in 300,000,000 shares of the Company held by Kate Glory Limited.

Save as disclosed above, as at 31 December 2012, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2012, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group were as follows:

(a) Long positions in the Company

Name of shareholders	Capacity	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding in the Company
Kate Glory Limited (Note 1)	Beneficial owner	Corporate	300,000,000	57.14%
Ms. Man Wing Yee Ginny	Beneficial owner	Personal	47,510,000	9.50%
Ms. Ho Chiu Ha Maisy (Note 2)	Beneficial owner	Personal	24,000,000	4.57%
	Interest of a controlled corporation	Corporate	100,000,000	19.04%
Refulgent Sunrise Limited (Note 2)	Beneficial owner	Corporate	100,000,000	19.04%
Mr. Tsang Yan (Note 2)	Interest of a controlled corporation	Corporate	100,000,000	19.04%

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

(a) Long positions in the Company (Continued)

Note:

- 1) Kate Glory Limited is an investment holding company incorporated in the BVI with limited liability, its entire issued share capital is wholly and beneficially owned by Mr. Wong Kam Wah.
- 2) Ms. Ho Chiu Ha Maisy has a total interest in 124,000,000 shares, of which (i) 25,000,000 shares were allotted to Refulgent Sunrise Limited, a company owned as to 64% by Mr. Tsang Yan and 36% by Ms. Ho Chiu Ha Maisy. As a result, Ms. Ho Chiu Ha Maisy and Mr. Tsang Yan are deemed to be interested in this shareholding through Refulgent Sunrise Limited by virtue of the SFO; (ii) Ms. Ho Chiu Ha Maisy personal held 24,000,000 shares; and (iii) 75,000,000 shares relate to Ms. Ho Chiu Ha Maisy and Mr. Tsang Yan's derivative interests in convertible bonds through their shareholding in Refulgent Sunrise Limited. Details of which are disclosed in "Convertible Bonds" below.

(b) Convertible bonds

Name of bondholder	Date of issue	Conversion period	Conversion price per share HK\$	Outstanding	Number of underlying shares	Approximate percentage of the issued share capital of the Company
				as at 31 December 2012		
Refulgent Sunrise Limited	5 December 2012	5 December 2012 – 5 December 2017	2.50	35,000,000	35,000,000	6.67%
	–	–	2.50	40,000,000	40,000,000	7.62%

Save as disclosed above, as at 31 December 2012, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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

Neither the Company, nor any of its subsidiaries, has purchased, redeemed or sold any of the Company's listed shares during the nine months ended 31 December 2012.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the joint compliance adviser of the Company, Grand Vinco Capital Limited and Ample Capital Limited (the "Joint Compliance Adviser"), neither the Joint Compliance Adviser or their directors, employees or associates had any interests in the share capital of the Group (including options or rights to subscribe for such securities) as at 31 December 2012.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the nine months ended 31 December 2012, none of the Directors, the management shareholders or substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 31 December 2012.

CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions of Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules throughout the nine months ended 31 December 2012, except code provision A.2.1 which provides that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Board considers that the Company is still in its growing stage and it would be beneficial to the Group for Mr. Wong Kam Wah to assume both roles as the chief executive and executive chairman of the Company, since the two roles tend to reinforce each other and are mutually enhancing in respect of the Group's continual growth and development. When the Group has developed to a more sizeable organization, the Board will consider splitting the two roles. With the strong business experience of the Directors, they do not expect any issues would arise due to the combined role of Mr. Wong Kam Wah. The Group also has in place an internal control system to perform the check and balance function.

AUDIT COMMITTEE

The Company set up an audit committee (the "Committee") on 21 September 2011, with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive Directors, namely Mr. Chiu Chi Kong, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond (as the Committee chairman) and an executive Director, Mr. Lau Ling Tak. The unaudited consolidated results of the Group for the nine months ended 31 December 2012 have not been audited by the Company's auditors, but have been reviewed by the Committee, who is of the opinion that the Third Quarterly Financial Statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board
Chanceton Financial Group Limited
Wong Kam Wah
Chairman

Hong Kong, 14 February 2013

As at the date of this report, the executive Directors are Mr. Wong Kam Wah (Chairman), Dr. Cheung Victor Chor Keung, Mr. Leung Man Kit and Mr. Lau Ling Tak, non-executive Director is Ms. Man Wing Yee Ginny and the independent non-executive Directors are Mr. Chiu Chi Kong, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond.