WEALTH GLORY HOLDINGS LIMITED
富 譽 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8269

Third Quarterly Report 2013

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This report, for which the directors of Wealth Glory Holdings Limited (the "Directors") 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 Wealth Glory Holdings Limited. 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.

The board of directors (the "Board") of Wealth Glory Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 31 December 2013 together with the unaudited comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2013

		Three months ended 31 December		Nine months ended 31 December	
	Note	**2013 (Unaudited) *HK$'000***	2012 (Unaudited) *HK$'000*	**2013 (Unaudited) *HK$'000***	2012 (Unaudited) *HK$'000*
Turnover	4	**113,139**	9,092	**133,091**	43,478
Cost of goods sold		**(111,730)**	(7,464)	**(129,432)**	(35,515)
Gross profit		**1,409**	1,628	**3,659**	7,963
Other income	4	**134**	135	**354**	387
Selling expenses		**(367)**	(560)	**(1,101)**	(1,279)
Administrative expenses		**(19,309)**	(5,202)	**(29,487)**	(9,367)
Other operating expenses		**(2,592)**	(1,181)	**(10,371)**	(4,420)
Finance costs	5	**(6,583)**	–	**(8,344)**	–
Loss before tax	6	**(27,308)**	(5,180)	**(45,290)**	(6,716)
Income tax	7	**1,442**	–	**1,442**	–
Loss for the period		**(25,866)**	(5,180)	**(43,848)**	(6,716)
Other comprehensive income					
Other comprehensive income for the period (after tax) that may be reclassified subsequently to profit and loss:					
– Exchange difference on translating foreign operations		**–**	21	**64**	21
Total comprehensive income for the period		**(25,866)**	(5,159)	**(43,784)**	(6,695)
Loss for the period attributable to:					
Equity shareholders of the Company		**(25,860)**	(5,180)	**(43,842)**	(6,716)
Non-controlling interests		**(6)**	–	**(6)**	–
		(25,866)	(5,180)	**(43,848)**	(6,716)
Total comprehensive income for the period attributable to:					
Equity shareholders of the Company		**(25,860)**	(5,159)	**(43,778)**	(6,695)
Non-controlling interests		**(6)**	–	**(6)**	–
		(25,866)	(5,159)	**(43,784)**	(6,695)
Loss per share attributable to equity shareholders of the Company	8				
– Basic *(HK cents)*		**(2.17)**	(0.54)	**(4.05)**	(0.88)
– Diluted *(HK cents)*		**N/A**	N/A	**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2013

	Attributable to equity shareholders of the Company										
	Share capital (Unaudited) *HK$'000*	Share premium (Unaudited) *HK$'000*	Warrants (Unaudited) *HK$'000*	Merger reserve (Unaudited) *HK$'000*	Foreign currency translation reserve (Unaudited) *HK$'000*	Share-based payment reserve (Unaudited) *HK$'000*	Legal reserve (Unaudited) *HK$'000*	Retained profits/ (Accumulated losses) (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*	Non-controlling Interests (Unaudited) *HK$'000*	Total equity (Unaudited) *HK$'000*
At 1 April 2013 (Audited)	9,992	112,660	–	(4,246)	(383)	4,132	485	24,991	147,631	23	147,654
Total comprehensive income/(loss) for the period	–	–	–	–	64	–	–	(43,842)	(43,778)	(6)	(43,784)
Issue of warrants	–	–	9,709	–	–	–	–	–	9,709	–	9,709
Issue of consideration shares	1,930	30,494	–	–	–	–	–	–	32,424	–	32,424
Share issue expenses	–	(243)	–	–	–	–	–	–	(243)	–	(243)
Cancellation of share options	–	–	–	–	–	(1,798)	–	1,798	–	–	–
Formation of non wholly-owned subsidiaries	–	–	–	–	–	–	–	–	–	253	253
Changes in equity for the period	1,930	30,251	9,709	–	64	(1,798)	–	(42,044)	(1,888)	247	(1,641)
At 31 December 2013 (Unaudited)	**11,922**	**142,911**	**9,709**	**(4,246)**	**(319)**	**2,334**	**485**	**(17,053)**	**145,743**	**270**	**146,013**
At 1 April 2012 (Audited)	6,624	59,383	–	(4,246)	(465)	4,132	485	38,863	104,776	–	104,776
Total comprehensive income/(loss) for the period	–	–	–	–	21	–	–	(6,716)	(6,695)	–	(6,695)
Issue of shares on placement	2,898	47,181	–	–	–	–	–	–	50,079	–	50,079
Share issue expenses	–	(1,421)	–	–	–	–	–	–	(1,421)	–	(1,421)
Issue of shares on subscription	470	7,520	–	–	–	–	–	–	7,990	–	7,990
Changes in equity for the period	3,368	53,280	–	–	21	–	–	(6,716)	49,953	–	49,953
At 31 December 2012 (Unaudited)	9,992	112,663	–	(4,246)	(444)	4,132	485	32,147	154,729	–	154,729

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

For the nine months ended 31 December 2013

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is 17/F., No. 8 Wyndham Street, Central, Hong Kong. The Company's shares were listed on GEM of the Stock Exchange.

The Company is an investment holding company. During the period, the Group was involved in the following principal activities:

(i) manufacture and sale of fresh and dried noodles;
(ii) investment in coal trading business; and
(iii) trading of natural resources and commodities.

2. BASIS OF PRESENTATION AND PREPARATION

The unaudited consolidated results for the nine months ended 31 December 2013 have been prepared in accordance with Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. The unaudited consolidated results should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with HKFRSs.

The accounting policies and methods of computation used in the preparation of the unaudited consolidated results are consistent with those used in the audited financial statements included in the annual report of the Company for the year ended 31 March 2013, except for adoption of the new and revised HKFRSs.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

During the nine months ended 31 December 2013, the Group has adopted the new and revised HKFRSs that are relevant to its operations and effective for the first time for this period beginning on 1 April 2013. 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. Of these, the following developments are relevant to the Group's financial statements:

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these unaudited consolidated results has been modified accordingly.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made substantial disclosures in these unaudited consolidated results as a result of adopting HKFRS 12.

HKFRS 13 Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

The Group has not applied any new HKFRSs that have been issued but are not yet effective for the current accounting period. In addition, the Group has applied the following accounting policies during the current period.

Business combinations

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities, other than derivative financial instruments are subsequently measured at amortised cost, using the effective interest method.

4. TURNOVER AND OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2013	2012	**2013**	2012
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Turnover				
Sale of packaged food	**4,068**	9,092	**11,063**	43,478
Trading of natural resources and commodities	**109,071**	–	**122,028**	–
	113,139	9,092	**133,091**	43,478
Other income				
Interest income	**127**	105	**347**	278
Others	**7**	30	**7**	109
	134	135	**354**	387

5. FINANCE COSTS

The finance costs represent interest on short-term borrowings and bonds and promissory note issued as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2013	2012	**2013**	2012
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest on other borrowings wholly repayable within five years	**77**	–	**137**	–
Imputed interest on promissory note	**1,051**	–	**1,321**	–
Imputed interest on bonds	**5,455**	–	**6,886**	–
	6,583	–	**8,344**	–

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging the following:

	Three months ended 31 December		Nine months ended 31 December	
	2013 (Unaudited) *HK$'000*	2012 (Unaudited) *HK$'000*	**2013 (Unaudited) *HK$'000***	2012 (Unaudited) *HK$'000*
Cost of inventories sold	**111,730**	7,464	**129,432**	35,515
Depreciation	**328**	132	**969**	305
Amortisation of other intangible costs	**8,737**	–	**8,737**	–
Operating lease charges				
– Land and buildings	**833**	252	**2,400**	930
Staff costs (including directors' emolumnets)				
– Salaries, bonus and allowances	**2,976**	2,302	**8,630**	4,627
– Retirement benefit scheme contributions	**287**	277	**807**	597
Write off of other receivables	**1,133**	–	**1,133**	–
Acquisition-related expenses	**2,590**	1,072	**10,369**	4,085

7. INCOME TAX

	Three months ended 31 December		Nine months ended 31 December	
	2013 (Unaudited) *HK$'000*	2012 (Unaudited) *HK$'000*	**2013 (Unaudited) *HK$'000***	2012 (Unaudited) *HK$'000*
Current	**–**	–	**–**	–
Deferred tax credit	**(1,442)**	–	**(1,442)**	–
	(1,442)	–	**(1,442)**	–

No provision for Hong Kong Profits Tax has been made for the nine months ended 31 December 2013 as the Group did not generate any assessable profits arising in Hong Kong (2012: Nil).

The subsidiary, Shui Ye Foods (Shanghai) Co., Ltd., operating in the PRC, is subject to corporate income tax rate of 25% on its taxable profit in accordance with the PRC Corporate Income Tax Law. No provision for corporate income tax has been made as it has no assessable profit for the nine months ended 31 December 2013 (2012: Nil).

According to the current applicable laws of the Macau Special Administrative Region, Macau Complementary Tax is calculated at a progressive rate from 9% to 12% on the estimated assessable profits for the year with first two hundred thousand patacas assessable profits being free from tax. However, Greenfortune (Macao Commercial Offshore) Limited, a subsidiary of the Company operating in Macau during the period is in compliance with the Decree-Law No. 58/99/M of Macau Special Administrative Region, and thus, the profits generated by the subsidiary was exempted from the Macau Complementary Tax. No provision for Macau Complementary Tax has been made as it has no assessable profit for the nine months ended 31 December 2013 (2012: Nil).

Deferred tax credit represents release of deferred tax liabilities of the Group during the period, which arose from the fair value adjustment in connection with acquisition of subsidiaries during the period.

8. LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The calculations of basic loss per share for the three months and nine months ended 31 December 2013 were based on the unaudited consolidated loss of HK$25,860,000 and HK$43,842,000 attributable to equity shareholders of the Company for the three months and nine months ended 31 December 2013 respectively (three months and nine months ended 31 December 2012: loss of HK$5,180,000 and HK$6,716,000 respectively) and the weighted average number of 1,192,248,000 and 1,081,360,727 shares respectively in issue (weighted average number of shares in issue for the three months and nine months ended 31 December 2012: 957,867,565 and 765,463,302 shares respectively in issue).

No diluted loss per share are presented as the effect of all potential ordinary shares is anti-dilutive for the three months and nine months ended 31 December 2013 and 31 December 2012.

9. EVENTS AFTER THE REPORTING PERIOD

On 15 January 2014, the Group entered into a Supplemental Letter of Intent with a customer to amend the purchase schedule of magnetite sand concentrate under a Letter of Intent signed between the Group and this customer. Pursuant to the terms of the Supplemental Letter of Intent, the term for the supply of magnetite sand concentrate to be supplied by the Group to this customer has been revised from the period from 1 March 2013 to 31 December 2018 to the period from 1 March 2013 to 31 December 2019. Pursuant to the Supplemental Letter of Intent, upon the expiry of the term of the Letter of Intent, if both parties have no objection, the term of the Letter of Intent shall be automatically extended for one year up to 31 December 2020, of which not less than 5,000,000 DMT magnetite sand concentrate will be sold by the Group to the customer during the period from 1 January 2020 to 31 December 2020. Despite the amendment, the overall quantity of magnetite sand concentrate to be supplied by the Group remained unchanged. On the same date, the Group also entered into three separate Supplemental Supply Agreements with three suppliers to amend the terms of the three corresponding Supply Agreements signed between the Group and each of the three suppliers. Pursuant to each of the Supplemental Supply Agreements, the term for the supply of magnetite sand concentrate to be supplied by each of the three suppliers has been revised from the period from 1 March 2013 to 31 December 2018 to the period from 1 March 2013 to 31 December 2019, respectively. Pursuant to the Supplemental Supply Agreements, the schedule for the supply of magnetite sand concentrate by each of the Suppliers to the Group has also been revised. Further, pursuant to each of the Supplemental Supply Agreements, upon the expiry of the term of each of the Supply Agreements, if both parties have no objection, the term of each of the Supply Agreements shall be automatically extended for one year up to 31 December 2020, of which an aggregate of not less than 5,000,000 DMT magnetite sand concentrate will be supplied by the suppliers to the Group during the period from 1 January 2020 to 31 December 2020.

Despite the amendments, the overall quantity of magnetite sand concentrate to be supplied by the three suppliers remained unchanged. Details of the amendments were set out in the Company's announcement dated 15 January 2014.

On 17 January 2014, the Group entered into a non-legally binding memorandum of understanding with independent third parties (the "Vendors") in relation to the possible acquisition by the Group of the entire interests of a company incorporated in the People's Republic of China (the "PRC") which in turn was in the course of acquiring 49% equity interest in a company incorporated in the PRC with limited liability and is principally engaged in the operation of a coal trading center, called "Southern Coal Trading Center (南方煤炭交易中心)" in Guizhou Province, the PRC. The consideration for this possible acquisition shall be about RMB5,000,000, and shall be subject to further negotiation between the Group and the Vendors. Details of this possible acquisition were set out in the Company's announcement dated 17 January 2014. The possible acquisition has not completed at the date of this report.

On 18 January 2014, the Company entered into a subscription agreement with a subscriber, who is an independent third party, pursuant to which the Company has conditionally agreed to allot and issue and the subscriber has conditionally agreed to subscribe for a total of 58,824,000 shares in cash at a subscription price of HK$0.17 per share. The gross proceeds from the subscription was HK$10,000,080. The net proceeds from the subscription, after deducting related expenses, was approximately HK$9,880,000. The subscription was completed on 29 January 2014.

On 20 January 2014, the Company entered into another subscription agreement with another subscriber, who is an independent third party and also independent to the subscriber referred to in the preceding paragraph, pursuant to which the Company has conditionally agreed to allot and issue and this subscriber has conditionally agreed to subscribe for 52,624,000 shares in cash at a subscription price of HK$0.19 per share. The gross proceeds from the subscription was HK$9,998,560. The net proceeds from the subscription, after deducting related expenses, was approximately HK$9,930,000. The subscription was completed on 29 January 2014.

10. Related party transactions

During the period, the Group entered into an agreement with Rockhound Assets Management Limited ("Rockhound") pursuant to which Rockhound will provide technical support to the Group on technical issues regarding minerals engineering and minerals exploration at a monthly fee of HK$30,000 for a period of one year subject to renewal. The fee was charged in accordance with the terms negotiated between relevant parties and was determined with reference to amounts charged by third parties. The amount of fees paid in the nine months ended 31 December 2013 was HK$90,000 (2012: Nil). Mr. Lau Wan Pui, Joseph is a non-executive director of the Company and a beneficial owner and a director of Rockhound. The transaction was a continuing connected transaction (as defined in the GEM Listing Rules) which was exempted from reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

11. APPROVAL OF UNAUDITED CONSOLIDATED RESULTS

The unaudited consolidated results of the Group for the nine months ended 31 December 2013 were approved by the Board on 14 February 2014.

12. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the nine months ended 31 December 2013 (2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the nine months ended 31 December 2013, the Group recorded a turnover of HK$133.1 million representing a surge of approximately 206.1% as compared to the corresponding period in 2012 of HK$43.5 million. The effect of drop in turnover in sales of packaged food was wiped out by the soar of revenue generated from natural resources and commodities trading business carried out by the Group since the second quarter of the period under review.

Gross profit of the Group for the nine months ended 31 December 2013 dropped to HK$3.7 million as compared to HK$8.0 million for the corresponding period in 2012, a drop of 54.0%. The decrease in gross profit was mainly attributed to the substantial increase in proportion of sales in current period being derived from trading of natural resources and commodities that have a lower gross profit margin rate than that of packaged food.

The Group's selling expenses for the nine months ended 31 December 2013 amounted to HK$1.1 million representing a slight drop as compared to the corresponding period in 2012 of HK$1.3 million.

Administrative expenses incurred for the period amounted to HK$29.5 million (2012: HK9.4 million). Excluding the major non-cash item in relation to amortization of other intangible assets of HK$8.7 million, administrative expenses would have amounted to HK$20.8 million which represented a significant increase of HK$11.4 million as compared to the same period in 2012. Major increases included staff cost which accounted for HK$4.2 million and premises cost in connection with the office premises which accounted for nearly HK$1.5 million of the increase.

Other operating expenses increased by HK$6.0 million to HK$10.4 million for the nine months ended 31 December 2013 (2012: HK$4.4 million) mainly attributed to the legal and professional fees incurred and consultancy services fee paid in connection with the acquisition related matters and various proposed fund raising activities.

The Group recorded finance costs amounted to HK$8.3 million for the nine months ended 31 December 2013 (2012: Nil) which was mainly composed of the imputed interests on the bonds issued during the period under review and the promissory note outstanding during the period.

With the various factors set out above, the Group reported a loss attributable to owners of the Company of HK$43.8 million, an increase of more than 5.5 times to that in the same period in 2012.

Business Review and Prospect

The Group's business is organized in two segments namely (i) Natural Resources and Commodities Segment; and (ii) Packaged Food Segment.

Natural Resources and Commodities Segment

The Group's natural resources and commodities business segment has commenced operation in the second quarter of this reporting period and continued growing in the third quarter. During the period under review, the Group engaged in the trading the coal and crude palm oil. Trading volume in this segment has been multiplied as compared to the previous quarter.

(i) Coal Trading Business

The coal trading business operated by the Group's associated company, Goldenbase Limited (together with its subsidiaries, the "Goldenbase Group"), was carried out under the coal trading license of its PRC co-operator. There were delays in operation of the business due to certain tax administrative procedures. In order to resolve these issues permanently, the management of the Goldenbase Group decided to set up a wholly-foreign owned enterprise (the "WFOE") in Qinghai Province, the PRC and to be wholly-owned by the Goldenbase Group to operate the coal trading business by its own. On 25 November 2013, the Goldenbase Group successfully obtained the approval documentation from the Business Bureau of Xinin City (西寧市商務局) approving the setting up of the WFOE. Subsequently, a business license was granted by the Qinghai Province State Administration for Industry & Commerce to the WFOE on 15 December 2013. The Goldenbase Group is currently in the process of arranging the injection of capital to the WFOE and thereafter the capital verification procedure as well as the registration with the Tax Bureau and the State Administration of Foreign Exchange. The management of the Goldenbase Group expected that it will pick up its domestic coal trading business to a normal trading level gradually once the WFOE has put into operation upon completion of the set up.

Despite the above matter, during the period under review, the Goldenbase Group achieved a turnover of approximately HK$140 million and recorded a loss before tax of HK$1.2 million.

(ii) Other Natural Resources and Commodities Trading Business

During the period under review, the Group also started to engage in the trading of crude palm oil via its wholly-owned subsidiary, Grand Charm Commodities Limited. Trading volume of crude palm oil recorded in the third quarter was over seven-folds that of in the second quarter. Although the profit margin from this product line was still thin, there is positive contribution being recorded from the trading of this product. The underlining importance of engaging in such trading is the diversification of the products in the commodities trading business segment and widen the Group's business network in the field of commodities trading.

On 6 September 2013, the Group has successfully acquired the entire equity interest in Digital Rainbow Holdings Limited (together with its wholly-owned subsidiary, "the Digital Rainbow Group"). As detailed in the Company's circular dated 29 June 2013, the Digital Rainbow Group will be engaged in the business of trading in magnetite sand concentrate. In relation to such business, the Digital Rainbow Group has separately entered into three legally binding offtake agreements ("Supply Agreements") with three companies established in the Philippines (the "Suppliers"). Pursuant to the Supply Agreements, the Digital Rainbow Group secured the supply of an aggregate of not less than 23.5 million dry metric tonne ("DMT") magnetite sand concentrate (subject to (+/-) 10% fluctuation) from the Suppliers over the period from 1 March 2013 to 31 December 2018 extendable for one additional year to 31 December 2019 of which not less than aggregate of 5 million DMT magnetite sand concentrate will be supplied by the Suppliers. The Digital Rainbow Group also entered into a legally binding letter of intent with a state-owned enterprise of the PRC (the "Customer"), pursuant to which the Customer has agreed to buy an aggregate of not less than 23.5 million DMT magnetite sand concentrate (subject to (+/-) 10% fluctuation) over the period from 1 March 2013 to 31 December 2018 extendable for one additional year to 31 December 2019 of which not less than aggregate of 5 million DMT magnetite sand concentrate will be bought by the Customer (the "Purchase Schedule"). The Digital Rainbow Group has also managed to obtain pricing models with the Suppliers and the Customer separately so that the Digital Rainbow Group was able to secure a gross profit margin (excluding other expenses) of US$3 per DMT. Pursuant to the Purchase Schedule, 500,000 DMT magnetite sand concentrate will be purchased by the Customer from the Digital Rainbow Group by 31 December 2013. On 29 November 2013, Digital Rainbow Group received a letter from the Customer notifying that it was unable to fulfill the Purchase Schedule of purchase of 500,000 DMT of magnetite sand concentrate by 31 December 2013 and requesting a postponement of the original Purchase Schedule. In view of the long-term business relationship with the Customer and after negotiating with the Suppliers, the Group agreed that the terms for the supply of magnetite sand concentrate to be supplied by the Group to the Customer and those for the supply of magnetite sand concentrate to be supplied by each of the three suppliers to be revised from the period from 1 March 2013 to 31 December 2018 to the period from 1 March 2013 to 31 December 2019 and a supplemental letter of intent (the "Supplemental Letter of Intent") was entered into between the Group and the Customer on 15 January 2014 and three supplemental supply agreements (the "Supplemental Supply Agreements") were entered into between the Group and each of the three Suppliers respectively on 15 January 2014. Despite the amendments, the overall quantity of magnetite sand concentrate to be supplied by the Group remained unchanged. Nevertheless, the Group will continue to negotiate with the Customer and the Suppliers and other potential customers with the objective to regain the deficit in trading volume arising from the revised trading schedules. Details of the amendments are set out in the section "Subsequent events" of this report.

Packaged Food Segment

In the third quarter of the period under review, the Group's revenue from sale of noodles persistently stayed at a low level as those in the previous two quarters. Accumulative sales plunged by nearly 74.5% as compared to the corresponding period in 2012. The sale of dried noodles to customers outside the PRC had fallen to a minimal level. The majority of revenue from noodle business in the period was the sale of noodles in the PRC.

Prospect

In the period under review, the Group has successfully built up an enhanced business network which enables it to possess an unparalleled advantage in doing business in connection with natural resources such as coal products. With such a business connection, subsequent to the reporting date, the Group entered into a non-legally binding memorandum of understanding with independent third parties for the purpose of acquiring 49% interest in a coal trading center, called "Southern Coal Trading Center (南方煤炭交易中心)" in Guizhou Province, the PRC. In the event the acquisition be realized and completed, it will strengthen the Group's presence in the coal-related business and allow the Group access to more business and investment opportunities in the PRC and further enhance the profitability of the Group. Details of this possible acquisition were set out in the section "Subsequent events" of this report.

Looking into the fourth quarter, apart from the above, the Group is also considering to engage in trading of other general consumable products in order to diversify its business lines.

Material Transactions

During the period under review, the Group issued corporate bonds of aggregate principal amount of HK$21.0 million to independent third parties. The bonds are unsecured, bearing interest ranging from 5% to 5.33% per annum and with maturity dates ranging from 24 to 90 months.

Subsequent Events

On 15 January 2014, the Group entered into a Supplemental Letter of Intent with a customer to amend the purchase schedule under a Letter of Intent signed between the Group and this customer. Pursuant to the terms of the Supplemental Letter of Intent, the term for the supply of magnetite sand concentrate to be supplied by the Group to this customer has been revised from the period from 1 March 2013 to 31 December 2018 to the period from 1 March 2013 to 31 December 2019. Pursuant to the Supplemental Letter of Intent, upon the expiry of the term of the Letter of Intent, if both parties have no objection, the term of the Letter of Intent shall be automatically extended for one year up to 31 December 2020, of which not less than 5,000,000 DMT magnetite sand concentrate will be sold by the Group to the customer during the period from 1 January 2020 to 31 December 2020. Despite the amendment, the overall quantity of magnetite sand concentrate to be supplied by the Group remained unchanged. On the same date, the Group also entered into three separate Supplemental Supply Agreements with three suppliers to amend the terms of the three corresponding Supply Agreements signed between the Group and each of the three suppliers. Pursuant to each of the Supplemental Supply Agreements, the term for the supply of magnetite sand concentrate to be supplied by each of the three suppliers has been revised from the period from 1 March 2013 to 31 December 2018 to the period from 1 March 2013 to 31 December 2019, respectively. Pursuant to the Supplemental Supply Agreements, the schedule for the supply of magnetite sand concentrate by each of the Suppliers to the Group has also been revised. Further, pursuant to each of the Supplemental Supply Agreements, upon the expiry of the term of each of the Supply Agreements, if both parties have no objection, the term of each of the Supply Agreements shall be automatically extended for one year up to 31 December 2020, of which an aggregate of not less than 5,000,000 DMT magnetite sand concentrate will be supplied by the suppliers to the Group during the period from 1 January 2020 to 31 December 2020. Despite the amendments, the overall quantity of magnetite sand concentrate to be supplied by the three suppliers remained unchanged. Details of the amendments were set out in the Company's announcement dated 15 January 2014.

On 17 January 2014, the Group entered into a non-legally binding memorandum of understanding with independent third parties (the "Vendors") in relation to the possible acquisition by the Group of the entire interests of a company incorporated in the PRC which in turn was in the course of acquiring 49% equity interest in a company incorporated in the PRC with limited liability and is principally engaged in the operation of a coal trading center, called "Southern Coal Trading Center (南方煤炭交易中心)" in Guizhou Province, the PRC. The consideration for this possible acquisition shall be about RMB5,000,000, and shall be subject to further negotiation between the Group and the Vendors. Details of this possible acquisition were set out in the Company's announcement dated 17 January 2014. The possible acquisition has not completed at the date of this report.

On 18 January 2014, the Company entered into a subscription agreement with a subscriber, who is an independent third party, pursuant to which the Company has conditionally agreed to allot and issue and the subscriber has conditionally agreed to subscribe for a total of 58,824,000 shares in cash at a subscription price of HK$0.17 per share. The gross proceeds from the subscription was HK$10,000,080. The net proceeds from the subscription, after deducting related expenses, was approximately HK$9,880,000. The subscription was completed on 29 January 2014.

On 20 January 2014, the Company entered into another subscription agreement with another subscriber pursuant to which the Company has conditionally agreed to allot and issue and this subscriber, who is an independent third party and also independent to the subscriber as referred to in the preceding paragraph, has conditionally agreed to subscribe for 52,624,000 shares in cash at a subscription price of HK$0.19 per share. The gross proceeds from the subscription was HK$9,998,560. The net proceeds from the subscription, after deducting related expenses, was approximately HK$9,930,000. The subscription was completed on 29 January 2014.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 26 September 2010, certain former Directors and participants were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable during the nine months ended 31 December 2013 are set out below:

				Number of share options		
Details of grantees	**Date of grant**	**Period during which options are exercisable**	**Exercise price per share option**	**Balance as at 1 April 2013**	**Cancelled during the period**	**Balance as at 31 December 2013**
Former Directors						
Ms. Lee Yau Lin, Jenny *(Note 1)*	11 July 2011	11 July 2011 to 10 July 2016	HK$0.355	4,000,000	–	4,000,000
Mr. Wong Wing Fat *(Note 1)*	11 July 2011	11 July 2011 to 10 July 2016	HK$0.355	4,000,000	–	4,000,000
Ms. Mak Yun Chu *(Note 2)*	11 July 2011	11 July 2011 to 10 July 2016	HK$0.355	400,000	–	400,000
Mr. Ho Wai Hung *(Note 3)*	11 July 2011	11 July 2011 to 10 July 2016	HK$0.355	400,000	(400,000)	–
Ms. Cheung Kin, Jacqueline *(Note 3)*	11 July 2011	11 July 2011 to 10 July 2016	HK$0.355	400,000	(400,000)	–
Others						
Employees in aggregate	11 July 2011	11 July 2011 to 10 July 2016	HK$0.355	22,000,000	(16,000,000)	6,000,000
Service providers in aggregate	11 July 2011	11 July 2011 to 10 July 2016	HK$0.355	12,000,000	(2,000,000)	10,000,000
				43,200,000	(18,800,000)	24,400,000

Notes:

1. Ms. Lee Yau Lin, Jenny and Mr. Wong Wing Fat resigned as executive Directors with effect from 18 November 2013 and 11 September 2013 respectively but remained as directors of the Company's subsidiaries.

2. Ms. Mak Yun Chu resigned as independent non-executive Directors with effect from 18 November 2013.

3. Mr. Ho Wai Hung and Ms. Cheung Kin, Jacqueline resigned as independent non-executive Directors with effect from 11 September 2013. Their respective balance of share options were cancelled during the period.

The options granted to the former Directors are registered under the names of the former Directors whom are also the beneficial owners.

All the above options granted had no vesting period imposed. Save for the cancellation of options as disclosed above, there were no other options exercised, cancelled or lapsed during the nine months ended 31 December 2013.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2013, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (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 and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Aggregate long positions in shares

Name of Director	Capacity of interests	Number of shares in interest	Approximate percentage of interest in shares
Mr. Hong Sze Lung	Beneficial owner	8,992,000	0.75%

Save as disclosed above, as at 31 December 2013, 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 any of its associated corporations (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 and short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2013, so far as was known to the Directors, the interests or short positions of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company were as follows:

Aggregate long positions in shares

Name of shareholder	Capacity of interests	Number of shares in interest	Approximate percentage of interest in shares
Mega World Resources Limited ("Mega World") *(Note 1)*	Person having security interest in shares	392,000,000	32.88%
Conrich Investments Limited ("Conrich") *(Note 2)*	Beneficial owner	306,880,000	25.74%
Ms. Lee Yau Lin, Jenny *(Note 3)*	Interest in controlled corporation/Beneficial owner	310,880,000	26.08%
Mr. Leung Kai Tong, Tommy *(Note 4)*	Spouse	310,880,000	26.08%
Adamas Asset Management (HK) Limited ("Adamas") *(Note 5)*	Investment manager	130,000,000	10.90%

Notes:

1. Mega World, a limited company incorporated in the British Virgin Islands, and is a special purpose vehicle wholly-owned by Greater China Credit Fund LP, a discretionary fund, the investment advisor of which is Adamas and the manager of which is Adamas Global Alternative Investment Management Inc. These shares in interests are aggregate number of shares over which fixed charges have been executed by the shareholders of these shares and have been granted in favour of Mega World pursuant to a placing agreement dated 3 May 2013 entered into between the Company and a placing agent in relation to the placing of bonds of HK$80 million. Mega World is the sole bondholder of the bonds of HK$80 million issued by the Company.

2. Conrich is an investment holding company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Ms. Lee Yau Lin, Jenny, a former Director of the Company. These shares in interests are duplicated in the interests held by Ms. Lee Yau Lin, Jenny and Mr. Leung Kai Tong, Tommy.

3. Ms. Lee Yau Lin, Jenny is the beneficial owner of 100% of the issued share capital of Conrich. Ms. Lee Yau Lin, Jenny is deemed to be interested in, and duplicated the interests of, the 306,880,000 shares held by Conrich under section 316(2) the SFO. The remaining interests in 4,000,000 shares of the Company are share options granted by the Company to Ms. Lee Yau Lin, Jenny on 11 July 2011.

4. Mr. Leung Kai Tong, Tommy is the spouse of Ms. Lee Yau Lin, Jenny and is deemed to be interested in, and duplicated the interest of, all shares held by Ms. Lee under Section 316(1) of the SFO.

5. Adamas is the investment advisor of Mega World.

Save as disclosed above, as at 31 December 2013, so far as was known to the Directors, no other person, other than a Director or chief executive of the Company, had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Directors' Interests In Securities", at no time during the reporting period were there 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 there 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, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2013.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

As at 31 December 2013, none of the Directors, the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete 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 as 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 2013.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The principal duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group and to provide advice and comments thereon to the Board.

The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Chow Chi Fai (the Chairman of the Audit Committee), Mr. May Tai Keung, Nicholas and Mr. Tam Chak Chi. The unaudited consolidated results of the Group for the nine months ended 31 December 2013 have been reviewed by the Audit Committee.

By order of the Board
Wealth Glory Holdings Limited
Wong Ka Wah, Albert
Chairman and Executive Director

Hong Kong, 14 February 2014

As at the date of this report, the Board comprises eight Directors, including two executive Directors, namely Mr. Wong Ka Wah, Albert and Mr. Hong Sze Lung; three non-executive Directors namely, Mr. Lau Wan Pui, Joseph, Mr. Law Chung Lam, Nelson and Mr. Kwong Yuk Lap and three independent non-executive Directors, namely Mr. May Tai Keung, Nicholas, Mr. Tam Chak Chi and Mr. Chow Chi Fai.