



2014 First Quarterly Report

WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269

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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 ended 30 June 2014 together with the unaudited comparative figures for the corresponding period in 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2014

	Notes	For the three months ended 30 June	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue	3	214,903	3,197
Cost of sales		(213,737)	(2,070)
Gross profit		1,166	1,127
Other income	3	172	128
Selling expenses		(240)	(338)
Administrative expense		(6,073)	(3,894)
Other expenses		(9,095)	(918)
Finance costs	4	(6,260)	–
Loss before taxation	5	(20,330)	(3,895)
Taxation	6	806	–
Loss for the period		(19,524)	(3,895)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
– Exchange differences arising on translation of foreign operations		–	5
Total comprehensive expense for the period		(19,524)	(3,890)

		For the three months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
<i>Notes</i>		HK\$'000	HK\$'000
Loss for the period attributable to:			
	Owners of the Company	(19,510)	(3,895)
	Non-controlling interests	(14)	–
		<u>(19,524)</u>	<u>(3,895)</u>
Total comprehensive expense for the period attributable to:			
	Owners of the Company	(19,510)	(3,890)
	Non-controlling interests	(14)	–
		<u>(19,524)</u>	<u>(3,890)</u>
Loss per share			
	Basic and diluted (HK cents)	1.45	0.39

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2014

	Attributable to owners of the Company								Non-controlling		Total
	Share capital	Share premium	Warrants reserve	Merger reserve	Translation reserve	Share-based payment reserve	Legal reserve	(Accumulated loss)	Total	interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2014 (Audited)	13,491	168,514	6,039	(4,246)	(556)	17,313	485	(132,197)	68,843	220	69,063
Loss for the period	-	-	-	-	-	-	-	(19,510)	(19,510)	(14)	(19,524)
Changes in equity for the period	-	-	-	-	-	-	-	(19,510)	(19,510)	(14)	(19,524)
At 30 June 2014 (Unaudited)	13,491	168,514	6,039	(4,246)	(556)	17,313	485	(151,707)	49,333	206	49,539
At 1 April 2013 (Audited)	9,992	112,660	-	(4,246)	(383)	4,132	485	24,991	147,631	23	147,654
Other comprehensive income for the period	-	-	-	-	5	-	-	-	5	-	5
Loss for the period	-	-	-	-	-	-	-	(3,895)	(3,895)	-	(3,895)
Changes in equity for the period	-	-	-	-	5	-	-	(3,895)	(3,890)	-	(3,890)
At 30 June 2013 (Unaudited)	9,992	112,660	-	(4,246)	(378)	4,132	485	21,096	143,741	23	143,764

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

For the three months ended 30 June 2014

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 three months ended 30 June 2014 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 2014, 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 2014.

3. REVENUE AND OTHER INCOME

	For the three months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue		
Sale of packaged food	3,693	3,197
Trading of natural resources and commodities	211,210	–
	<u>214,903</u>	<u>3,197</u>
Other income		
Interest income	156	128
Others	16	–
	<u>172</u>	<u>128</u>

4. FINANCE COSTS

	For the three months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Effective interests on promissory note	1,043	–
Effective interests on bonds	5,217	–
	<u>6,260</u>	<u>–</u>

5. LOSS BEFORE TAXATION

	For the three months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
The Group's loss before taxation is arrived at after charging the followings:		
Cost of inventories recognised as an expense	213,737	2,070
Depreciation	396	318
Amortisation of intangible assets	4,886	–
Operating lease rentals in respect of:		
– land and buildings	829	775
Staff costs including directors' emoluments		
– Salaries, bonus and allowances	2,261	1,786
– Retirement benefit scheme contributions	314	202
	—————	—————

6. TAXATION

	For the three months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Current	–	–
Deferred tax credit	(806)	–
	—————	—————
	(806)	–
	—————	—————

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

No provision for Hong Kong Profits Tax has been made for the three months ended 30 June 2014 (2013: Nil) as the Group did not generate any assessable profits arising in Hong Kong.

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 the first two hundred thousand patacas assessable profits being free from tax. However, Greenfortune (Macao Commercial Offshore) Limited, wholly-owned subsidiary of the Company, operating in Macau during the year is in compliance with the Decree-Law No. 58/99/M of Macau Special Administrative Region, and thus, the profits generated by the subsidiary is exempted from the Macau Complementary Tax. Further, in the opinion of the directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdictions in which the Group operates.

7. LOSS PER SHARE

The calculations of basic loss per share for the three months ended 30 June 2014 were based on the unaudited consolidated loss of HK\$19,510,000 (2013: HK\$3,895,000) attributable to the owners of the Company for the three months ended 30 June 2014 and the weighted average number of 1,349,144,000 shares in issue (weighted average number of shares in issue for the three months ended 30 June 2013: 662,400,000 shares).

The computation of diluted loss per share for the three months ended 30 June 2014 does not assume the exercise of the Company's share options and warrants as they would reduce loss per share.

8. EVENT AFTER THE REPORTING PERIOD

On 1 August 2014, the Company and an independent third party entered into a memorandum of understanding in relation to the possible acquisition (the "Possible Acquisition") of the 100% equity interest in Southernpec Singapore Storage and Logistics Limited (together with its subsidiaries, the "Target Group"), being a company incorporated in the British Virgin Islands with limited liability, which operates in the mid-stream of the petrochemical industry and owns a total of eight vessels including two very large crude carriers, one chemical tanker, one petrochemical tanker and four bunker barges, and the principal activities of the Target Group is principally engaged in storage and logistics operation of the petrochemical products in the People's Republic of China, Hong Kong, Singapore and the Southeast Asia region. Subject to the terms and conditions of the formal sale and purchase agreement which may be entered into in relation to the Possible Acquisition, the consideration for the Possible Acquisition is expected to be satisfied by the Company by way of allotment and issue of new shares at the price of HK\$0.2198 per share, or the issue of convertible bonds carrying rights to convert into new shares at the initial conversion price of HK\$0.2198 per share, or a combination of both, or by any other kind of consideration.

On the same day, the Company also entered into an agreement with an independent third party (the "Arranger"), pursuant to which in consideration for the Arranger in facilitating the Company in liaising with different parities in the Possible Acquisition, the Company shall pay an arranger fee of HK\$10 million to the Arranger within 10 business days after completion of the Possible Acquisition which shall be settled by the Company by way of allotment and issue of convertible bonds/new shares bearing the same terms as those of the convertible bonds/new shares to be issued to settle the consideration for the Possible Acquisition.

9. RELATED PARTY TRANSACTIONS

- (a) Pursuant to an agreement entered into between Rockhound Assets Management Limited ("Rockhound") and the Company, 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 three months ended 30 June 2014 was HK\$90,000 (2013: 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.
- (b) During the period, the Company also entered into a technical advisory contract with Rockhound pursuant to which Rockhound will provide technical work in relation to certain identified projects for the Group at an estimated fee of approximately HK\$500,000. The fee was charged in accordance with the terms negotiated between relevant parties and was determined with reference to amounts charged by third parties. 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 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.

10. APPROVAL OF UNAUDITED CONSOLIDATED RESULTS

The unaudited consolidated results of the Group for the three months ended 30 June 2014 were approved by the Board on 14 August 2014.

11. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the three months ended 30 June 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the first quarter ended 30 June 2014, the Group's consolidated revenue increased from HK\$3.2 million in the same period in prior year to HK\$214.9 million this year. The growth was driven by the Group's engagement in the trading of natural resources and commodities which contributed HK\$211.2 million of the revenue in this quarter whereas none of such revenue was recorded in the same period in prior year. However, the introduction of trading in such new products was yet to provide a remarkable contribution to the Group's overall gross profit which remained nearly the same as in the same period in prior year of HK\$1.1 million.

Administrative expenses and other expenses (the "Operating Expenses") incurred for the period amounted to HK\$15.2 million (2013: HK\$4.8 million). Excluding the major non-cash item in relation to amortization of other intangible assets of HK\$4.9 million in current period, Operating Expenses would have amounted to HK\$10.3 million as compared to HK\$4.8 million in the same period in prior year. The change was primarily due to the increase in staff costs as a result of expanded management team and the increase in general legal and professional fee including audit fees. Expenses in relation to acquired business after mid-2013 and those for exploring potential projects since then also attributed to the increase in Operating Expenses.

The Group recorded finance costs amounted to HK\$6.3 million for the three months ended 30 June 2014 (2013: Nil) which was mainly composed of effective interests on the bonds and promissory note issued both for the purpose of financing business acquisition as well as working capital needs and remained outstanding during the period.

Loss for the period amounted to HK\$19.5 million (2013: HK\$3.9 million). With the exclusion of non-cash amortization of other intangible assets and the reversal of deferred tax, the Group would have recorded a loss for the period of approximately HK\$15.4 million.

Business Review and Prospect

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

Packaged Food Segment

Revenue generated from this segment was steady as compared to the same period in 2013 with its major customer base being built in the mainland China which provide a relative stable demand since last year. Despite of this fact, the operating result is not outstanding during this quarter but at a near breakeven situation.

Natural Resources and Commodities Segment

During the period, the Group continued mainly engaging in the trading of coal and crude palm oil. The segment generated a revenue of approximately HK\$211.2 million (2013: Nil).

(a) Coal Trading Business

The Group's coal trading business was operated by an associate, Goldenbase Limited (together with its subsidiaries, the "Goldenbase Group"). As set out in the Company's 2014 annual report and the Company's announcement dated 13 June 2014, certain major coal supply agreements entered into among certain coal suppliers in PRC and the Goldenbase Group prior to the date on which the Company acquired its interest in the Goldenbase Group were terminated. Despite of this, the Goldenbase Group was successful in entering into certain new trading contracts which are to be carried out by a new wholly-foreign owned enterprise (the "WFOE"), which is wholly-owned by Goldenbase Group, in Qinghai Province, the PRC. The WFOE obtained a business license ("營業執照") and tax registration certificate ("稅務登記證") on 15 December 2013 and 3 March 2014 respectively. New business license and tax registration certificate were issued on 5 June 2014 and 3 July 2014 respectively following the change of the registered address of the WFOE to an economic & technological development zone in Xining City, Qinghai Province, the PRC. On 30 July 2014, the local tax bureau of the State Administration of Taxation has granted the ordinary taxation qualification ("一般納稅人資格") for issuing VAT invoices to its customers and is currently regarded as "mentoring period ordinary VAT payer". The Company was advised by the management of Goldenbase Group that the WFOE will commence operation shortly. The management of Goldenbase Group also advised that it will continue to pursue its existing business plan by utilizing its business connections to liaise with different potential suppliers and customers in widening its supplier and customer bases. Despite of the above, the Goldenbase Group achieved a turnover of HK\$163 million (2013: Nil) with an operating result of nearly break-even (2013: loss of HK\$0.3 million) for the three months ended 30 June 2014.

(b) Iron Ore Trading Business

Although the Group has started the iron ore trading activity near the date of the reporting period, the prospect of iron ore trading is not optimistic in view of the fact that the global market price of iron ore has been dropping from approximately US\$140 per tonne in early April 2013 to approximately US\$95 per tonne in early August 2014 representing a drop of nearly one-third in price. The persistent weakened price may affect the initiative of suppliers in supplying goods at a discount as required under the supply agreements. The iron ore trading business carried out by the Group was sluggish during the current period. As such, the Group has been closely monitoring the business condition of this business stream and appropriate measures will be taken where necessary.

(c) Other Natural Resources and Commodities Trading Business

The Group's trading in crude palm oil was carried out under certain master trading agreements with both its suppliers and customers. The original master agreements expired in late July 2014. In view of the thin profit margin derived from these trades, the Group has been negotiating with these suppliers and customers in order to achieve better trading terms for the renewal of the master agreements. The negotiations are on-going as at the reporting date. The directors did not consider that the outcomes of the negotiation will have any significant impact to the Group's overall profit or loss.

(d) Other Business

On 22 May 2014, a subsidiary of the Company, Angle Fund Company Limited, has been granted the money lenders license to carry on business as a money lender in Hong Kong. The subsidiary has since then started to solicit customers and expects to commence its operation shortly.

Material Transactions

- (a) On 17 January 2014, the Group entered into a non-legally binding memorandum of understanding with the relevant vendors in relation to the possible acquisition of the entire equity interests of Guangzhou Shouchuang Investment Limited (the "Target Company"), being a company established in the PRC with limited liability. Details of the possible acquisition were disclosed in the announcement of the Company dated 17 January 2014. On 1 April 2014, the Group entered into an acquisition agreement with the relevant vendors pursuant to which the Group conditionally agreed to acquire and the vendors conditionally agreed to dispose of the 100% equity interest in the Target Company, at an aggregate consideration of RMB5,000,000 (equivalent to approximately HK\$6,250,000). Pursuant to an arranger agreement dated 1 April 2014 (as supplemented by a supplemental arranger agreement dated 23 April 2014) entered into between the Group and an independent third party, as arranger, an arranger fee of HK\$9,600,000 to be satisfied by way of issue of 32,000,000 new shares of the Company will be payable to the arranger upon completion of the acquisition in consideration for the arranger in facilitating the acquisition. The acquisition has not yet been completed as at the date of this report.

- (b) On 30 April 2014, the Company entered into a memorandum of understanding for the establishment of the joint venture in Hong Kong which will be principally engaged in project investments. The memorandum of understanding does not constitute legally-binding commitment in respect of the possible establishment of the joint venture. The establishment of the Joint Venture is subject to the execution and completion of a formal agreement. At the reporting date, the negotiation is on-going.

- (c) On 9 May 2014, the Company entered into a non-legally binding memorandum of understanding with two vendors in relation to the possible acquisition of the entire equity interests in a company established in the PRC with limited liability. The group headed by this PRC company was principally engaged in coal mines development and investment, coal mining, sale of construction materials, electrical and mechanical equipment and metallic materials etc. It owns and/or will own a series of coal mining rights in respect of certain coal mines in Guizhou Province, the PRC covering an aggregate area of approximately 19,000,000 square meters. Based on the information provided by the vendors, the original valid periods of the licenses for the coal mining rights ranged from approximately 3 years to 10 years with an aggregate planned production scale of approximately 2,400,000 tonnes per annum. At the reporting date, the negotiation is on-going.

Subsequent Event

On 1 August 2014, the Company and an independent third party entered into a memorandum of understanding in relation to the possible acquisition (the "Possible Acquisition") of the 100% equity interest in Southernpec Singapore Storage and Logistics Limited (together with its subsidiaries, the "Target Group"), being a company incorporated in the British Virgin Islands with limited liability, which operates in the mid-stream of the petrochemical industry and owns a total of eight vessels including two very large crude carriers, one chemical tanker, one petrochemical tanker and four bunker barges, and the principal activities of the Target Group is principally engaged in storage and logistics operation of the petrochemical products in the People's Republic of China, Hong Kong, Singapore and the Southeast Asia region. Subject to the terms and conditions of the formal sale and purchase agreement which may be entered into in relation to the Possible Acquisition, the consideration for the Possible Acquisition is expected to be satisfied by the Company by way of allotment and issue of new shares at the price of HK\$0.2198 per share, or the issue of convertible bonds carrying rights to convert into new shares at the initial conversion price of HK\$0.2198 per share, or a combination of both, or by any other kind of consideration.

On the same day, the Company also entered into an agreement with an independent third party (the “Arranger”), pursuant to which in consideration for the Arranger in facilitating the Company in liaising with different parties in the Possible Acquisition, the Company shall pay an arranger fee of HK\$10 million to the Arranger within 10 business days after completion of the Possible Acquisition which shall be settled by the Company by way of allotment and issue of convertible bonds/new shares bearing the same terms as those of the convertible bonds/new shares to be issued to settle the consideration for the Possible Acquisition.

Outlook

The Group has been adjusting its business strategies in order to cope with the changing business environments in a responsive manner. The possible acquisition of the 100% equity interest of Guangzhou Shouchuang Investment Limited represents a step forward in cooperating with PRC conglomerate in meeting the challenge of the coal industry.

Concurrently, the entering into a memorandum of understanding for the acquisition of the 100% equity interest in Southernpec Singapore Storage and Logistics Limited is another milestone in cooperation with an international energy enterprise, the Southernpec Group, with operations in the PRC, Southeast Asia and Africa. The Board considers the Possible Acquisition, in a shorter term, allows the Group to tap into the mid-stream of the petrochemical industry as the storage and logistics service provider in petrochemical products and strengthens the Group’s asset base and it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio and to broaden the Group’s source of income. Whereas, in a longer term, the relationship built between the Group and the Southernpec Group may create certain synergy effects from both logistics and natural resources related business perspective.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 26 September 2010 (the "Share Option Scheme"), certain Directors and participants were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable during the three months ended 30 June 2014 are set out below:

Name	Date of grant	Exercise period (note d)	Exercise price per share HK\$	Number of share options outstanding
				as at 1 April 2014 and 30 June 2014
Directors:				
Mr. Wong Ka Wah, Albert	21 February 2014	21 February 2014 to 20 February 2019	0.260	15,000,000 (note a)
Mr. Hong Sze Lung	21 February 2014	21 February 2014 to 20 February 2019	0.260	15,000,000 (note a)
Mr. Lau Wan Pui, Joseph	21 February 2014	21 February 2014 to 20 February 2019	0.260	5,000,000 (note b)
Mr. Law Chung Lam, Nelson	21 February 2014	21 February 2014 to 20 February 2019	0.260	5,000,000 (note b)
Mr. Kwong Yuk Lap	21 February 2014	21 February 2014 to 20 February 2019	0.260	2,000,000 (note b)
Mr. Chow Chi Fai	21 February 2014	21 February 2014 to 20 February 2019	0.260	1,000,000 (note b)
Mr. May Tai Keung, Nicholas (note c)	21 February 2014	21 February 2014 to 20 February 2019	0.260	1,000,000 (note b)
Mr. Tam Chak Chi	21 February 2014	21 February 2014 to 20 February 2019	0.260	1,000,000 (note b)
Other employees:				
In aggregate	11 July 2011	11 July 2011 to 10 July 2016	0.355	10,000,000
In aggregate	21 February 2014	21 February 2014 to 20 February 2019	0.260	17,000,000 (note b)
Other grantees:				
In aggregate	11 July 2011	11 July 2011 to 10 July 2016	0.355	10,000,000
In aggregate	17 February 2014	17 February 2014 to 16 February 2019	0.240	39,000,000
In aggregate	21 February 2014	21 February 2014 to 20 February 2019	0.260	36,000,000 (note b)
				157,000,000

Notes:

- (a) As at 1 April 2014, these share options were conditionally granted to two executive directors of the Company. Such grants were subject to (i) the approval of the independent shareholders at the extraordinary general meeting to be held on 15 April 2014 (the "EGM"); and (ii) the approval of the proposed refreshment of the existing scheme mandate limit under the Share Option Scheme (the "Proposed Refreshment") by the shareholders at the EGM. The proposed grants were approved by shareholders at the EGM on 15 April 2014.
- (b) As at 1 April 2014, these share options were conditionally granted to other directors; employees of the Company and other grantees. Such grants are subject to the approval of the Proposed Refreshment by the shareholders at the EGM. The proposed grants were approved by shareholders at the EGM on 15 April 2014.
- (c) Mr. May Tai Keung, Nicholas ("Mr. May") has resigned as independent non-executive Director of the Company on 31 July 2014. Pursuant to the provisions under the Share Option Scheme, Mr. May may exercise the options vested on him within three months from 31 July 2014.
- (d) These share options are vested immediately upon the grant date.

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

Save as disclosed above, there were no other options granted, exercised, cancelled or lapsed during the three months ended 30 June 2014.

Subsequent to the date of the reporting period, the Company granted share options to certain individuals to subscribe for a total of 36,900,000 ordinary shares of the HK\$0.01 each of the Company at an exercise price of HK\$0.27 per share. The share options granted has a validity period from 14 July 2014 to 13 July 2016 (both dates inclusive). The share options are vested immediately upon the grant date.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND SHARE OPTIONS

As at 30 June 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and 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 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 Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Aggregate long positions in shares or underlying shares

Name of Directors	Capacity of interests	Number of shares held	Number of share options held	Total interests	Approximate percentage of total issued shares
Mr. Wong Ka Wah, Albert	Beneficial owner	-	15,000,000	15,000,000	1.11%
Mr. Hong Sze Lung	Beneficial owner	8,992,000	15,000,000	23,992,000	1.78%
Mr. Lau Wan Pui, Joseph	Beneficial owner	-	5,000,000	5,000,000	0.37%
Mr. Law Chung Lam, Nelson	Beneficial owner	-	5,000,000	5,000,000	0.37%
Mr. Kwong Yuk Lap	Beneficial owner	-	2,000,000	2,000,000	0.15%
Mr. Chow Chi Fai	Beneficial owner	-	1,000,000	1,000,000	0.07%
Mr. May Tai Keung, Nicholas (Note)	Beneficial owner	-	1,000,000	1,000,000	0.07%
Mr. Tam Chak Chi	Beneficial owner	-	1,000,000	1,000,000	0.07%

Note: Mr. May Tai Keung, Nicholas has resigned as independent non-executive Director of the Company on 31 July 2014.

Save as disclosed above, as at 30 June 2014, 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 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 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 Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosures on the share options granted to the Directors in the section headed "Directors' and Chief Executive's Interests in Shares and Share Options" above, at no time during the three months ended 30 June 2014 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective associates, or were any such rights exercised by them; or was the Company or any of its subsidiaries, or its holding company, or any of its fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2014, so far as was known to the Directors, the interests and short positions of the persons (other than the interests and short positions of the Directors or chief executive of the Company as disclosed above) in the shares and/or 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 pursuant to Section 336 of the SFO, or as otherwise notified to the Company are set out below:

Aggregate long positions in shares or underlying shares

Name of shareholders	Capacity of interests	Number of shares in interest	Approximate percentage of total issued shares
Mega World Resources Limited ("Mega World") (note 1)	Person having security interest in shares	392,000,000	29.06%
Conrich Investments Limited ("Conrich") (note 2)	Beneficial owner	306,880,000	22.75%
Ms. Lee Yau Lin, Jenny ("Ms. Lee") (note 3)	Interest in controlled corporation/ Beneficial owner	310,880,000	23.04%
Mr. Leung Kai Tong, Tommy ("Mr. Leung") (note 4)	Spouse	310,880,000	23.04%
Adamas Asset Management (HK) Limited ("Adamas") (note 5)	Investment manager	130,000,000	9.64%

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, a former Director of the Company. These shares in interests are duplicated in the interests held by Ms. Lee and Mr. Leung.
3. Ms. Lee is the beneficial owner of 100% of the issued share capital of Conrich. Ms. Lee 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 on 11 July 2011.
4. Mr. Leung is the spouse of Ms. Lee 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.

CONNECTED TRANSACTIONS

Save as disclosed in note 9 to the financial statements, the Directors are not aware of any connected transactions of the Group that shall be disclosed in this report.

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 three months ended 30 June 2014.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the three months ended 30 June 2014 and up to the date of this report, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective associates (as defined under the GEM 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.

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. Leung Ka Tin and Mr. Tam Chak Chi. The unaudited consolidated results of the Group for the three months ended 30 June 2014 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 August 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. Leung Ka Tin, Mr. Tam Chak Chi and Mr. Chow Chi Fai.