2014
Third 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 consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three and nine months ended 31 December 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 and nine months ended 31 December 2014

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2014 (Unaudited) *HK$'000*	2013 (Unaudited) *HK$'000*	**2014 (Unaudited) *HK$'000***	2013 (Unaudited) *HK$'000*
Revenue	3	**27,521**	113,139	**272,193**	133,091
Cost of sales		**(25,872)**	(111,730)	**(268,134)**	(129,432)
Gross profit		**1,649**	1,409	**4,059**	3,659
Other income		**160**	134	**477**	354
Share of results of associates		**238**	–	**87**	–
Selling expenses		**(277)**	(367)	**(804)**	(1,101)
Administrative expense		**(8,858)**	(10,572)	**(21,992)**	(20,750)
Other expenses		**(21,249)**	(11,329)	**(43,337)**	(19,108)
Impairment of goodwill	4	**(15,657)**	–	**(15,657)**	–
Impairment of intangible assets	5	**(59,759)**	–	**(59,759)**	–
Finance costs	6	**(2,896)**	(6,583)	**(19,587)**	(8,344)
Loss before taxation		**(106,649)**	(27,308)	**(156,513)**	(45,290)
Taxation	8	**10,667**	1,442	**12,279**	1,442
Loss for the period		**(95,982)**	(25,866)	**(144,234)**	(43,848)
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
– Exchange differences arising on translation of foreign operations		**–**	–	**–**	64
Total comprehensive expense for the period		**(95,982)**	(25,866)	**(144,234)**	(43,784)
Loss for the period attributable to:					
Owners of the Company		**(95,622)**	(25,860)	**(143,806)**	(43,842)
Non-controlling interests		**(360)**	(6)	**(428)**	(6)
		(95,982)	(25,866)	**(144,234)**	(43,848)
Total comprehensive expense for the period attributable to:					
Owners of the Company		**(95,622)**	(25,860)	**(143,806)**	(43,778)
Non-controlling interests		**(360)**	(6)	**(428)**	(6)
		(95,982)	(25,866)	**(144,234)**	(43,784)
Loss per share					
Basic and diluted *(HK cents)*	9	**4.82**	2.17	**9.06**	4.05

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2014

	Attributable to equity shareholders of the Company										
	Share capital	Share premium	Warrants reserve	Merger reserve	Translation reserve	Share-based payment reserve	Legal reserve	(Accumulated losses)	Total	Non-controlling Interests	Total
	HK$'000	*HK$'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	–	–	–	–	–	–	–	(143,806)	(143,806)	(428)	(144,234)
Issue of shares on placements	7,740	216,399							224,139		224,139
Transaction costs attributable to placements of shares	–	(8,625)							(8,625)		(8,625)
Issue of shares upon exercises of share options	140	5,277	–	–	–	(1,778)	–	–	3,639	–	3,639
Recognition of equity-settled share-based payments	–	–	–	–	–	15,636	–	–	15,636	–	15,636
Transfer upon lapse of options						(98)		98	–		–
Change in shareholdings of non- controlling interests									–	150	150
Changes in equity for the period	7,880	213,051	–	–	–	13,760	–	(143,708)	90,983	(278)	90,705
At 31 December 2014 (Unaudited)	**21,371**	**381,565**	**6,039**	**(4,246)**	**(556)**	**31,073**	**485**	**(275,905)**	**159,826**	**(58)**	**159,768**
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	–	–	–	–	64	–	–	–	64	(6)	58
Loss for the period	–	–	–	–	–	–	–	(43,842)	(43,842)	–	(43,842)
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)
Transfer upon lapse of options	–	–	–	–	–	(1,798)	–	1,798	–		–
Formation of non wholly-own subsidiary	–	–	–	–	–	–	–	–	–	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

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

For the nine months ended 31 December 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) trading of natural resources and commodities;
(ii) money lending and secured financing business;
(iii) investment in coal trading business; and
(iv) manufacture and sale of fresh and dried noodles.

2. BASIS OF PRESENTATION AND PREPARATION

The unaudited consolidated results for the nine months ended 31 December 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.

In the current period, the Group has adopted a number of new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 April 2014. 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 the amounts reported for the current and prior periods.

The Group has not applied the new and revised HKFRSs, which have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2014	2013	**2014**	2013
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Revenue				
Trading of natural resources and commodities	**23,465**	109,071	**260,614**	122,028
Sale of packaged food	**3,661**	4,068	**11,184**	11,063
Fee and interest income from money lending	**395**	–	**395**	–
	27,521	113,139	**272,193**	133,091
Other income				
Interest income	**159**	127	**459**	347
Others	**1**	7	**18**	7
	160	134	**477**	354

4. IMPAIRMENT OF GOODWILL

During the period, the Group has goodwill with carrying amount of HK$29,657,000 arose from the acquisition of subsidiaries engaged in the iron ore trading business which has been allocated to the cash-generating unit of the Group's Natural Resources and Commodities business segment. The recoverable amount of the cash-generating unit has been determined based on a value in use calculation, which approximates the fair value less costs of disposal.

As a consequence of a drastic deterioration of the market condition, the quantity of iron ore traded up to 31 December 2014 has significantly fallen behind the scheduled quantity as stipulated in the revised supply schedules contained in the supplemental letter of intent and the three supplemental supply agreements dated 15 January 2014, details of which are disclosed in the announcement of the Company dated 15 January 2014. In light of this, there was indication that this business unit may be impaired. The Group performed an impairment test by reference to a business valuation performed by Roma Appraisals Limited ("Roma Appraisal") using a value in use calculation.

Value in use calculation of this business cash-generating unit uses cash flow projections based on financial budgets approved by management covering a five-year period with a terminal growth rate of 3%. The growth rate used do not exceed the long-term average growth rates for the relevant industry in which the cash-generating unit operates. The cash flows are discounted using a discount rate of 19.9% (2013: 17%). The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

Based on the impairment test performed, an impairment loss of HK$15,657,000 (2013: Nil) has been provided in relation to the Group's Natural Resources and Commodities business segment for the period.

5. IMPAIRMENT OF INTANGIBLE ASSETS

As at 31 December 2014, the Group has intangible assets of net book value before impairment of HK$97,759,000 in respect of trading contracts which represented the estimated profit margin to be derived from customer agreement and suppliers' agreements on trading of iron ore. In light that the quantity of iron ore traded up to 31 December 2014 has significantly fallen behind the scheduled quantity as mentioned above, the Group has been negotiating with both the suppliers and the customer separately in formulating a revised schedule which is more commercially practicable for execution in light of the current market condition. Subject to further negotiation between the Group and the suppliers, it was agreed in principle by certain relevant parties that the supply schedule under the Supplemental Supply Agreements be further extended for one year such that the aggregate of not less than 23.5 million DMT magnetite sand concentrate will be traded from 1 March 2013 to 31 December 2020 and that the price for each shipment of the magnetite sand concentrate to be supplied to the Group be adjusted such that it will be equal to 20% discount of the average daily "Platts or BEIJING IODES 62% Fe Ore CFR North China price (the index with the lower price shall be used)" per DMT during the month of the issue of the bill of ladings after the completion of the loading and further minus US$1.00 per DMT (as opposed to minus US$3.00 per DMT under the original supply agreements) for all future trades. Based on the above arrangement, the Group has performed an impairment testing of the trading contracts by making reference to business valuation performed by Roma Appraisals using a value in use calculation on the expected revised terms of the trading contracts based on the cash flow expected to be derived from these contracts. The calculation uses cash flow projections based on financial budget approved by management covering the remaining contract term and a discount rate of 22.6% (2013: 18%). The financial budget included the terms which were agreed upon, in principle, by certain relevant customer and suppliers to be specified in customer agreement and suppliers' agreements on trading of magnetite sand concentrate. The key assumption of the value in use calculation of trading contracts is based on the budgeted cash inflows/outflows that trading contracts will be earned or expenses incurred through products sold. Based on the impairment test performed, an impairment loss of HK$59,759,000 (2013: Nil) has been provided on trading contracts in the period.

6. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2014	2013	**2014**	2013
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interests on other borrowings wholly repayable within five years	**461**	77	**461**	137
Effective interests on promissory notes	**2,123**	1,051	**4,350**	1,321
Effective interests on bonds	**312**	5,455	**14,776**	6,886
	2,896	6,583	**19,587**	8,344

7. LOSS BEFORE TAXATION

	Three months ended 31 December		Nine months ended 31 December	
	2014	2013	**2014**	2013
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The Group's loss before taxation is arrived at after charging the following:				
Cost of inventories recognised as an expense	**25,872**	111,730	**268,134**	129,432
Depreciation	**339**	328	**1,131**	969
Amortisation of intangible assets	**5,387**	8,737	**15,159**	8,737
Operating lease rentals in respect of:				
– land and buildings	**988**	833	**2,608**	2,400
– other facilities	**140**	–	**140**	–
Staff costs including directors' emolumnets				
– Salaries, bonus and allowances	**3,648**	2,976	**8,283**	8,630
– Retirement benefit scheme contributions	**41**	287	**662**	807
– Share-based payments	**620**	–	**620**	–
Share-based payments to grantees other than employees and directors	**11,583**	–	**15,016**	–
Impairment of goodwill	**15,657**	–	**15,657**	
Impairment of intangible assets	**59,759**	–	**59,759**	
Write off of other receivables	**–**	1,133	**–**	1,133

8. TAXATION

	Three months ended 31 December		Nine months ended 31 December	
	2014	2013	**2014**	2013
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current	**–**	–	**–**	–
Deferred tax credit	**(10,667)**	(1,442)	**(12,279)**	(1,442)
	(10,667)	(1,442)	**(12,279)**	(1,442)

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 People's Republic of China (the "PRC") subsidiaries is 25%.

No provision for Hong Kong Profits Tax has been made for the three and nine months ended 31 December 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% (2013: 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 ("Greenfortune"), 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.

9. LOSS PER SHARE

The calculations of basic loss per share for the three and nine months ended 31 December 2014 were based on the unaudited consolidated loss of HK$95,622,000 and HK$143,806,000 attributable to owners of the Company for the three months and nine months ended 31 December 2014 respectively (three and nine months ended 31 December 2013: loss of HK$25,860,000 and HK$43,842,000 respectively) and the weighted average number of 1,983,241,826 and 1,587,849,455 shares respectively in issue (weighted average number of shares in issue for the three and nine months ended 31 December 2013: 1,192,248,000 and 1,081,360,727 shares respectively in issue).

The computations of diluted loss per share for the three and nine months ended 31 December 2014 do not assume the exercise of the Company's share options and warrants as they would reduce loss per share.

10. 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 nine months ended 31 December 2014 was HK$180,000 (2013: HK$90,000). The aforementioned agreement expired during the period. 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 (2013: Nil). 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.

(c) During the period, the Group has provided financial assistance amounted to HK$320,000 to Mr. Law Chung Lam, Nelson, a non-executive director of the Company and directors of certain subsidiaries of the Group. 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.

11. APPROVAL OF UNAUDITED CONSOLIDATED RESULTS

The unaudited consolidated results of the Group for the nine months ended 31 December 2014 were approved by the Board on 13 February 2015.

12. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the nine months ended 31 December 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the nine months ended 31 December 2014, the Group's consolidated revenue has doubled from the same period in prior year of HK$133.1 million to HK$272.2 million this year. The growth was driven by the trading of natural resources and commodities which contributed a revenue of HK$260.6 million in the period under review as compared to HK$122.0 million of such kind of revenue being recorded in the same period in prior year. The Group has also commenced its money lending business in the period under review contributing a revenue of HK$0.4 million. However, the thin profit margin of the trading of natural resources and commodities coupled with the infant stage money lending operation were yet to make any remarkable contribution to the Group's overall gross profit which only recorded a modest increase of HK$0.4 million or 10.9% growth from the same period in 2013.

Administrative expenses and other expenses (the "Operating Expenses") incurred during the period under review amounted to HK$65.3 million (2013: HK$39.9 million). Excluding the major non-cash items in relation to amortization of intangible assets and share-based payments of HK$15.2 million (2013: HK$8.7 million) and HK$15.6 million (2013: Nil) respectively in this period under review, Operating Expenses would have amounted to HK$34.5 million as compared to HK$31.2 million on the same basis in the corresponding period in prior year. The increase was primarily due to the increase in general legal and professional fees as a consequence of the establishment of new businesses and various fund raising activities to cope with the business expansion and diversification of the Group.

During the period under review, the global iron ore market has further deteriorated which significantly affect the operation of the Group's iron ore trading business. In light of this, there was indication that this business unit may be impaired. The Group performed an impairment test by reference to a business valuation performed by Roma Appraisals using a value in use calculation. Based on the impairment test performed, an impairment loss in goodwill of HK$15.7 million (2013: Nil) has been provided for the period.

The Group's major intangible assets are trading contracts which represented the estimated profit margin to be derived from customer agreement and suppliers' agreements on trading the iron ore. As a consequence of the poor market demand of iron ore, the Group has been negotiating with both the suppliers and customer separately in rescheduling the supply schedule of iron ore and the proposed adjustment to the pricing arrangement with suppliers. During the period under review, an impairment loss of HK$59.8 million (2013: Nil) was recognized in profit and loss, which was driven by the decrease in anticipated profitability to be derived from the aforesaid trading contracts.

Finance costs incurred in the period under review amounted to HK$19.6 million (2013: HK$8.3 million) which was mainly composed of effective interests on the bonds and promissory notes issued in 2013 and during the period under review for the purpose of financing business acquisition as well as working capital needs. The redemption of certain portion of bonds and promissory notes in the period under review also accelerated the recognition of their related finance costs.

Loss for the nine months ended 31 December 2014 amounted to HK$144.2 million (2013: HK$43.8 million). With the exclusion of non-cash items such as share-based payment, impairment of goodwill, impairment and amortization of intangible assets and the reversal of deferred tax, the Group would have recorded a loss for the period of approximately HK$50.9 million (2013: HK$36.6 million on the same base).

Business Review and Prospect

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

Packaged Food Segment

The revenue generated from the Packaged Food Segment remained steady in the period under review in which HK$11.2 million was recorded as compared to the revenue of HK$11.1 million in the same period last year. However, a segment loss of HK$1.7 million (2013: loss of HK$4.0 million) was recorded. The demand of packaged food in this segment was stable with no significant growth was expected in the near future.

Natural Resources and Commodities Segment

During the period under review, the Group continued engaging in the trading of coal and crude palm oil. It also started its iron ore trading activity in the period. The segment generated a revenue of approximately HK$260.6 million (2013: HK$122.0 million) and recorded an operating loss of approximately HK$1.8 million (2013: HK$1.7 million).

(a) Coal Trading Business

The Group's coal trading business was operated by an associate, Goldenbase Limited (together with its subsidiaries, the "Goldenbase Group"). The Goldenbase Group has set up a new wholly-foreign owned enterprise (the "WFOE") in Qinghai Province, the PRC in carrying out coal trading business in the PRC since August 2014. During the period under review, the revenue generated from trading of coal products carried out by the WFOE amounted to approximately HK$35.7 million (2013: Nil). The Group was advised by the management of the Goldenbase Group that an aggregate of approximately 84,000 tonnes of coal was traded in the period.

The Goldenbase Group achieved an aggregate turnover of HK$246 million (2013: HK$140 million) and recorded a profit of HK$0.3 million (2013: loss of HK$1.2 million) for the nine months ended 31 December 2014.

(b) Iron Ore Trading Business

The Group started the iron ore trading activity during the period under review, of which, a total of approximately 2,800 dry metric tonnes ("DMT") was traded, contributing approximately HK$2.5 million revenue to this segment's revenue. However, the prospect of iron ore trading is not optimistic in view of the persistent weak demand from the iron and steel sector in which the Group's major customer operates. With a similar trend, the global market price of iron ore has been slipping from approximately US$140 per tonne in early April 2013 to approximately US$70 in late December 2014 hitting near its five-year lows. The persistent weakened price affects the initiative of suppliers in supplying goods at a discount as required under the supply agreements given that the cost of mining and production may outweigh the selling price after discount.

As a consequence, the quantity of iron ore traded has significantly fallen behind the scheduled quantity as stipulated in the revised supply schedules contained in the supplemental letter of intent and the three supplemental supply agreements (collectively, the "Supplemental Supply Agreements") entered into by the Group on 15 January 2014. In the light of the uncontrollable market condition in relation to iron ore trading, the Group has been negotiating with both the suppliers and the customer separately in formulating a revised schedule which is more commercially practicable for execution in light of the current market condition. Subject to further negotiation between the Group and the suppliers, it was agreed in principle by certain relevant parties that the supply schedule under the Supplemental Supply Agreements be further extended for one year such that the aggregate of not less than 23.5 million DMT magnetite sand concentrate will be traded from 1 March 2013 to 31 December 2020 and that the price for each shipment of the magnetite sand concentrate to be supplied to the Group be adjusted such that it will be equal to 20% discount of the average daily "Platts or BEIJING IODES 62% Fe Ore CFR North China price (the index with the lower price shall be used)" per DMT during the month of the issue of the bill of ladings after the completion of the loading and further minus US$1.00 per DMT (as opposed to minus US$3.00 per DMT under the original supply agreements) for all future trades. In addition, in order to protect the interests of the Company and to minimize the risk of non-fulfillment of the revised delivery schedule for the supply of magnetite sand concentrate, the Group is also in negotiation with one of the suppliers, Aquiflex Holdings Inc. ("Aquiflex") who has agreed in principle to procure its shareholder company to provide certain assets as security for its obligation under the new supply agreement to be entered into with the Group. Aquiflex has also indicated to the Group that it has the intention and willingness to take up, to the extent possible, the quantities which were originally to be supplied by the other two suppliers and requested the Group to procure the other suppliers to release their rights under the original respective off-take agreements dated 23 January 2013 (as supplemented by the supplemental agreements). The Group is in the process of considering Aquiflex's request and at the same time in discussion with the other two suppliers for their willingness of releasing their respective supply rights under the original agreements or to provide security with similar terms as Aquiflex for guaranteeing their obligations under the new supply agreements to be entered into with the Group. The Group will closely monitor the business condition of the iron ore trading business and will update its shareholders as and when appropriate if any definitive agreement has been reached.

In view of the above, the Group performed an impairment test by reference to a business valuation performed by Roma Appraisals using a value in use calculation. Value in use calculation of this business cash-generating unit uses cash flow projections based on financial budgets approved by management covering a five-year period with a terminal growth rate of 3%. The growth rate used does not exceed the long-term average growth rates for the relevant industry in which the cash-generating unit operates. The cash flows are discounted using a discount rate of 19.9% (2013: 17%). The discount rates used are pre-tax and reflect specific risks relating to the relevant segment. Based on the impairment test performed, an impairment loss in goodwill of HK$15.7 million (2013: Nil) has been provided in relation to the Group's Natural Resources and Commodities business segment for the period.

The Group also performed an impairment testing of the trading contracts which were recorded as intangible assets in the Group's financial statements by making reference to business valuation performed by Roma Appraisals using a value in use calculation on the expected revised terms of the trading contracts based on the cash flow expected to be derived from these contracts. The calculation uses cash flow projections based on financial budget approved by management covering the remaining contract term and a discount rate of 22.6% (2013: 18%). The financial budget included the terms which were agreed upon, in principle, by certain relevant customer and suppliers to be specified in customer agreement and suppliers' agreements on trading of magnetite sand concentrate. The key assumption of the value in use calculation of trading contracts is based on the budgeted cash inflows/outflows that trading contracts will be earned or expenses incurred through products sold. Based on the impairment test performed, an impairment loss of HK$59.8 million (2013: Nil) has been provided on trading contracts in the period.

(c) Other Natural Resources and Commodities Trading Business

Subsequent to the expiry of the master trading agreements with both its suppliers and customers, the Group's trading in crude palm oil was carried out in the period under review in the form of trade-by-trade basis. 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 have been on-going and no new agreement has been entered into as at the date of this report. As such, the trading volume dropped significantly since last quarter. Nevertheless, the reduction in trading volume did not have a significant impact to the Group's overall profit or loss for the reporting period.

Other Businesses

(a) Money Lending

On 22 May 2014, a subsidiary of the Company, Angle Fund Company Limited, was granted the money lenders license to carry on business as a money lender in Hong Kong. The subsidiary commenced its business in October 2014 and mainly engaged in provision of mortgage financing to various customers. It built up a loan portfolio of approximately HK$9.3 million at end of the reporting period and went up to approximately HK$16.7 million at the date of this report. During the period under review, the Group's money lending business was still in its infant stage which only contributed a revenue of approximately HK$0.4 million representing the fee and interest income generated from the money lending and recorded a loss of approximately HK$1.0 million (2013: Nil).

(b) Vehicle Distribution

On 23 September 2014, Bright Billion Holdings Limited, a wholly-owned subsidiary of the Group (the "Distributor"), entered into a distribution agreement with an independent third party. The Distributor was appointed as the authorised distributor and vested with a ten-year rights of distribution, marketing and service of sports car "Gumpert Apollo" in four cities in the PRC. The vehicles distribution business is still in the preparatory stage and no immediate revenue is expected to be generated shortly. However, the Group believes that the entering into of the distribution agreement would diversify the Group's business portfolio and allow the Group to enter into the supercar market in the PRC and broaden the Group's source of income. Having considered the prospects of the supercar market in the PRC, and the aforesaid branded vehicles in particular, the Board is confident that the operation of the vehicle distributorship business will contribute positively to the Group.

(c) Restaurant Operation

During the period under review, the Group invested in an associate which will engage in the operation of a stylish restaurant under the brand of "FOVEA" providing fine dining and entertainment. The restaurant is situated in a new building at Lan Kwai Fong, the heart of Central in Hong Kong. At the date of this report, the restaurant was in the course of renovation. The management of the associate expected that the restaurant will commence business in the second quarter of 2015.

Material Transactions

(a) 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 Guangzhou Shouchuang Investment Limited, 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 was terminated on 29 August 2014 after arm's length negotiation among the Group and the relevant vendors in view of the changes in the market environment of the coal related industry. The arranger agreement was lapsed and ceased to have effect on 31 August 2014.

(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. As at the date of this report, the negotiation is still 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 comprises such PRC company and its subsidiaries was principally engaged in coal mines development and investment, coal mining, sale of construction materials, electrical and mechanical equipment and metallic materials etc, and 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. In view of the persistent sluggish market condition of the coal industry, the negotiation has come to a halt and no major progress has been achieved during the period. Pursuant to the provisions stipulated in the said memorandum of understanding, the memorandum of understanding was lapsed and ceased to have effect on 8 November 2014 upon the expiration of the exclusivity period which was six months from date of entering the memorandum of understanding.

(d) On 1 August 2014, the Company entered into a memorandum of understanding ("MOU") (as supplemented by the supplemental memorandum of understanding dated 9 October 2014) with an independent third party (the "Vendor"), in relation to the possible acquisition (the "Acquisition") of a 100% equity interest in Southernpec Singapore Storage and Logistics Limited ("Southernpec Singapore") which together with its subsidiaries own a total of eight vessels and are principally engaged in midstream storage and logistics operation of petrochemical products in the PRC, Hong Kong, Singapore and the Southeast Asia region. Subject to further negotiation between the Company and the Vendor, the consideration payable for the entire issued share capital of the Southernpec Singapore (the "Consideration") is intended to be within the range of US$200 million and US$250 million and the Consideration shall be payable by the Company by way of allotment and issuance 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 any of the above or any other kind of consideration to the Vendor.

Pursuant to the supplemental memorandum of understanding, the Vendor agreed that it will not and will procure that Southernpec Singapore and its directors, officers, employees, representatives and agents will not, directly or indirectly, for a period of six (6) months (subsequently revised to nine (9) months under the second supplemental memorandum of understanding) from the date of MOU or to such later date as the Vendor and the Company may agree, (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Company with respect to the sale or other disposition of the equity interest in or the sale, subscription, or allotment of any part thereof or any other shares of Southernpec Singapore. In the meantime, the Company agreed that it will not and will procure that its subsidiaries, directors, officers, employees, representatives and agents will not, directly or indirectly, for a period of six (6) months (subsequently revised to nine (9) months under the second supplemental memorandum of understanding) from the date of the MOU or to such later date as the Vendor and the Company may agree, (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Vendor with respect to the purchase or other acquisition of the equity interest in or the purchase or subscription of any part thereof or any other shares in any entities or companies whose operation involve mid-stream petrochemical business, including but not limited to logistics, storage, sales and distribution of petrochemical products, and professional services in relation to oilfield. Pursuant to the aforesaid supplemental memorandum of understanding, the Group is required to pay a sum of HK$10 million as a refundable deposit to the Vendor. Details of the Acquisition were disclosed in the announcements of the Company dated 1 August 2014 and 9 October 2014 respectively.

On 1 August 2014, the Company also entered into an arranger agreement with another independent third party, pursuant to which the Company shall pay an arranger fee in the amount of HK$10.0 million to the arranger in facilitating the Company in liaising different parities in the Acquisition. The arranger fee shall be payable within 10 business days after completion of the 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 Acquisition.

(e) On 22 August 2014, the Company entered into a placing agreement (the "First Placing Agreement") with Kingsway Financial Services Group Limited (the "Placing Agent") pursuant to which the Placing Agent agreed to place (the "First Placing"), on a best effort basis, up to an aggregate of 237,000,000 new shares at the placing price of HK$0.27 per share on behalf of the Company to not less than six placees who and whose ultimate beneficial owners are independent third parties. The closing price per share as quoted on the Stock Exchange on the date of the First Placing Agreement was HK$0.30. It was intended that the net proceeds from the First Placing of approximately HK$64.0 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the First Placing took place on 3 September 2014.

(f) On 18 September 2014, the Company entered into a placing agreement (the "Second Placing Agreement") with the Placing Agent pursuant to which the Placing Agent agreed to place (the "Second Placing"), on a best effort basis, up to an aggregate of 317,000,000 new shares at the placing price of HK$0.297 per share on behalf of the Company to not less than six placees who and whose ultimate beneficial owners are independent third parties. The closing price per share as quoted on the Stock Exchange on the date of the Second Placing Agreement was HK$0.33. It was intended that the net proceeds from the Second Placing of approximately HK$90.3 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the Second Placing took place on 29 September 2014.

The Company has utilized a total of approximately HK$100.9 million from the aggregate net proceeds of the First Placing and the Second Placing for redemption of certain bonds and other related payments. Details are set out in the Company's announcement dated 30 September 2014.

(g) On 23 September 2014, a wholly-owned subsidiary of the Company (the "Distributor") entered into a distribution agreement (as supplemented by the supplemental distribution agreement dated 17 October 2014) with an independent third party (the "Supplier") whereby the Distributor was appointed as an authorized distributor and vested with the rights of distribution, marketing and service of sports car "Gumpert Apollo" in four cities in the PRC. Under the aforesaid distribution agreement, the Distributor has paid a one-off license fee of HK$20 million to the Supplier.

(h) On 24 November 2014, the Company entered into a placing agreement (the "Third Placing Agreement") with the Placing Agent pursuant to which the Placing Agent agreed to place (the "Third Placing"), on a best effort basis, up to an aggregate of 220,000,000 new shares at the placing price of HK$0.30 per share on behalf of the Company to not less than six placees who and whose ultimate beneficial owners are independent third parties. The closing price per share as quoted on the Stock Exchange on the date of the Third Placing Agreement was HK$0.33. It was intended that the net proceeds from the Third Placing of approximately HK$63.3 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the Third Placing took place on 3 December 2014.

The Company has utilized HK$10 million as refundable deposit for the Acquisition as stated in (d) above and utilized approximately HK$6 million as advance to an associate for the establishment of the restaurant operation. It also utilized an aggregate of approximately HK$16 million for general trading activities including trade deposits. The remaining net proceeds were utilized as general expenditures and/or kept as general working capital.

Outlook

The Group's existing business of noodle manufacturing and sale has been operating in a relatively saturated market in the recent years. With a limited growth potential and the increasing overhead in the PRC, the performance of this business stream was less than satisfactory. In light of this, the Group has been striving to diversify into other businesses in order to seek for a long term growth. In the past two years, the Group's business has diversified into trading of natural resources and commodities. Unfortunately, as a consequence of the uncontrollable deterioration of market conditions, the performances of these new businesses were yet to reach the Group's original expectations. Despite the challenging market conditions, the Group believes that with the rescheduling and revising of certain trading terms with its business partners of these businesses, the Group will ultimately benefit when the market condition become steady or turnaround.

In the meantime, the Group continued seeking suitable investment opportunities to further diversify its existing business portfolio and to broaden the Group's source of income. Given that the Group has been in the resources sector since 2012. The proposed acquisition of Southernpec Singapore Storage and Logistic Limited (together with its subsidiaries, the "Target Group"), if materialises, would allow the Group to move upstream in the resources sector, from investment and trading of natural resources products to storage and logistics operation of petrochemical products.

Despite the types of resources products handled by the Group and the Target Group are different, the existing trading business of the Group, by nature, is reliant on the availability of sufficient trading facilities. Given the experience of the vendor's affiliated company, namely Southernpec Corporation, in the resources sector, the Directors consider the relationship built, as a consequence of the proposed acquisition, between the Group and Southernpec Corporation may help to diversify the Group's customer base and supplier base and the diversity of products to be traded through referrals from Southernpec Corporation.

The proposed acquisition would also enable the Group to strengthen its asset base and consolidate its presence in the Southeast Asia region and further explore these markets for its trading business. The Directors also consider the relationship built, as a consequence of the proposed acquisition between the Group and Southernpec Corporation, may create synergies for both logistics and natural resources related businesses.

Concurrently, the Group also planned to engage in the supercar distribution business in the PRC in order to grasp opportunity to benefit from the ever-rising demand of luxury goods in the PRC market. In Hong Kong, the Group has also tapped into the fine dining and entertainment business through the investment in an associate which is engaged in the operation of restaurants. A stylish restaurant under the brand "FOVEA", situated at the heart of popular night entertainment in Hong Kong - Lan Kwai Fong, is currently under renovation and is expected to commence operation in the second quarter of 2015. The Group's money lending business is also contributing revenue to the Group. With its expanding loan portfolio, it is expected that this business segment will contribute positively to the Group as a whole.

Looking forward, the Group believes that its future is challenging but at the same time has ample potential to grow and the Directors will continue to utilize their business connections built in the past aiming to explore more lucrative business opportunities to maximize the return of its shareholders.

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 movements of share options during the nine months ended 31 December 2014 are set out below:

Name	Capacity	Date of grant	Exercise period *(note d)*	Exercise price per share HK$	Balance as at 1 April 2014		Number of Options: Granted during the period	Exercised during the period	Change in directorate/ capacity	Lapsed during the period	Balance as at 31 December 2014
Directors:											
Mr. Wong Ka Wah, Albert	Director	21 February 2014 *(note a)*	21 February 2014 to 20 February 2019	0.26	15,000,000	*(note a)*	–	–	–	–	15,000,000
Mr. Hong Sze Lung	Director	21 February 2014 *(note a)*	21 February 2014 to 20 February 2019	0.26	15,000,000	*(note a)*	–	–	–	–	15,000,000
Mr. Lau Wan Pui, Joseph	Director	21 February 2014 *(note b)*	21 February 2014 to 20 February 2019	0.26	5,000,000	*(note b)*	–	(2,000,000)	–	–	3,000,000
Mr. Law Chung Lam, Nelson	Director	21 February 2014 *(note b)*	21 February 2014 to 20 February 2019	0.26	5,000,000	*(note b)*	–	(3,000,000)	–	–	2,000,000
Mr. Kwong Yuk Lap	Director	21 February 2014 *(note b)*	21 February 2014 to 20 February 2019	0.26	2,000,000	*(note b)*	–	–	–	–	2,000,000
		13 October 2014	13 October 2014 to 12 October 2016	0.37	–		2,000,000	–	–	–	2,000,000
Mr. Chow Chi Fai	Director	21 February 2014 *(note b)*	21 February 2014 to 20 February 2019	0.26	1,000,000	*(note b)*	–	–	–	–	1,000,000
Mr. Tam Chak Chi	Director	21 February 2014 *(note b)*	21 February 2014 to 20 February 2019	0.26	1,000,000	*(note b)*	–	(1,000,000)	–	–	–
Mr. Leung Ka Tin	Director	13 October 2014	13 October 2014 to 12 October 2016	0.37	–		1,000,000	–	–	–	1,000,000
Mr. May Tai Keung, Nicholas *(note c)*	Director	21 February 2014 *(note b)*	21 February 2014 to 20 February 2019	0.26	1,000,000	*(note b)*	–	–	(1,000,000)	–	–
					45,000,000		3,000,000	(6,000,000)	(1,000,000)	–	41,000,000

Name	Capacity	Date of grant	Exercise period *(note d)*	Exercise price per share HK$	Balance as at 1 April 2014		Number of Options Granted during the period	Exercised during the period	Change in directorate/ capacity	Lapsed during the period	Balance as at 31 December 2014
Other employees:											
		11 July 2011	11 July 2011 to 10 July 2016	0.355	10,000,000		-	-	(4,000,000)	-	6,000,000
		21 February 2014 (note b)	21 February 2014 to 20 February 2019	0.26	17,000,000	*(note b)*	-	(7,000,000)	-	-	10,000,000
		13 October 2014	13 October 2014 to 12 October 2016	0.37	-		5,000,000	-	-	-	5,000,000
					27,000,000		5,000,000	(7,000,000)	(4,000,000)	-	21,000,000
Other grantees:											
		11 July 2011	11 July 2011 to 10 July 2016	0.355	10,000,000		-	-	4,000,000		14,000,000
		17 February 2014	17 February 2014 to 16 February 2019	0.24	39,000,000		-	-	-		39,000,000
		21 February 2014 (note b)	21 February 2014 to 20 February 2019	0.26	36,000,000	*(note b)*	-	(1,000,000)	1,000,000	(1,000,000)	35,000,000
		14 July 2014	14 July 2014 to 13 July 2016	0.27	-		36,900,000	-	-	-	36,900,000
		13 October 2014	13 October 2014 to 12 October 2016	0.37	-		150,168,000	-	-	-	150,168,000
					85,000,000		187,068,000	(1,000,000)	5,000,000	(1,000,000)	275,068,000
					157,000,000		195,068,000	(14,000,000)	-	(1,000,000)	337,068,000

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") 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. The options were excised during the period.

(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 nine months ended 31 December 2014.

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

As at 31 December 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 interest in issued shares
Mr. Wong Ka Wah, Albert	Beneficial owner	–	15,000,000	15,000,000	0.70%
Mr. Hong Sze Lung	Beneficial owner	10,992,000	15,000,000	25,992,000	1.22%
Mr. Lau Wan Pui, Joseph	Beneficial owner	2,000,000	3,000,000	5,000,000	0.23%
Mr. Law Chung Lam, Nelson	Beneficial owner	–	2,000,000	2,000,000	0.09%
Mr. Kwong Yuk Lap	Beneficial owner	–	4,000,000	4,000,000	0.19%
Mr. Chow Chi Fai	Beneficial owner	–	1,000,000	1,000,000	0.05%
Mr. Tam Chak Chi	Beneficial owner	1,000,000	–	1,000,000	0.05%
Mr. Leung Ka Tin	Beneficial owner	–	1,000,000	1,000,000	0.05%

Save as disclosed above, as at 31 December 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 nine months ended 31 December 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 31 December 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 shareholder	Capacity of interests	Number of shares in interest	Approximate percentage of interest in shares
Conrich Investment Limited ("Conrich") *(note 1)*	Beneficial owner	255,208,000	11.94%
Ms. Lee Yau Lin, Jenny ("Ms. Lee") *(note 2)*	Interest in controlled corporation/ Beneficial owner	259,208,000	12.13%
Mr. Leung Kai Tong, Tommy ("Mr. Leung") *(note 3)*	Spouse	259,208,000	12.13%
Mega World Resources Limited ("Mega World") *(note 4)*	Beneficial owner	130,000,000	6.08%
Adamas Asset Management (HK) Limited ("Adamas") *(note 5)*	Investment manager	130,000,000	6.08%

Notes:

1. 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.

2. 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 255,208,000 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.

3. 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.

4. 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 warrants issued to 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.

5. Adamas is the investment advisor of Mega World.

CONNECTED TRANSACTIONS

Save as disclosed in note 10 to the unaudited consolidated results, 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 nine months ended 31 December 2014.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the nine months ended 31 December 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.

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 2014.

CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions as set out in the Corporate Governance Code (effective from April 2012) contained in Appendix 15 of the GEM Listing Rules throughout the period under review.

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 nine months ended 31 December 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, 13 February 2015

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.