



CHANCETON FINANCIAL GROUP LIMITED

川盟金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8020)

THIRD QUARTERLY
REPORT **2014**

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

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

HIGHLIGHTS

- Unaudited revenue of the Group for the nine months ended 31 December 2014 amounted to HK\$5,992,000, representing a decrease of approximately 26.34% over the corresponding period in 2013.
- Consolidated loss attributable to owners of the Company for the nine months ended 31 December 2014 was approximately HK\$40,402,000 as compared to a loss of approximately HK\$14,965,000 in corresponding period in 2013. The increase loss was mainly attributable to the recognition of one-off equity settled share base payment of approximately HK\$18,714,000.
- **The Board wishes to draw the attention of the shareholders of the Company and potential investors to the fact that the abovementioned one-off equity settled share base payment is non cash in nature and will not have any impact on the cash flow of the Group. The Group remains in a healthy and solid financial position.**
- **Loss per share of the Company for the nine months ended 31 December 2014 was approximately HK\$1.82 cents.**
- **The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2014.**

FINANCIAL RESULTS (UNAUDITED)

The board of Directors (the "Board") of Chanceton Financial Group Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 31 December 2014, together with the unaudited comparative figures for the corresponding period in 2013, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2014

		Three months ended		Nine months ended	
		31 December		31 December	
		2014	2013	2014	2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(restated)		(restated)
Revenue	3	1,074	2,330	5,992	8,135
Other gains and losses	3	(1,513)	(561)	46	(978)
Administrative and operating expenses		20,793	(3,364)	(26,839)	(6,410)
Finance costs	4	(1,105)	–	(3,836)	(2,357)
Share of results of an associate		(3,997)	(5,867)	(16,398)	(16,869)
Change in fair value of contingent consideration payable		–	–	–	4,550
Profit/(loss) before tax	5	15,252	(7,462)	(41,035)	(13,929)
Income tax	6	801	(202)	633	(1,036)

	Three months ended		Nine months ended	
	31 December	2013	31 December	2013
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
Profit/(loss) for the period	16,053	(7,664)	(40,402)	(14,965)
Other comprehensive income, net of tax				
Items that may be subsequently reclassified to profit or loss:				
Share of changes in other comprehensive income in an associate	-	-	(17)	16
Other comprehensive income for the period, net of tax	-	-	(17)	16
Total comprehensive income/(loss) for the period	16,053	(7,664)	(40,419)	(14,949)
Profit/(loss) attributable to owners of the Company for the period	16,053	(7,664)	(40,402)	(14,965)
Total comprehensive income/(loss) attributable to owners of the Company for the period	16,053	(7,664)	(40,419)	(14,949)
Earnings/(loss) per share attributable to owners of the Company				
Basic and diluted (HK cents)	0.72	(0.35)	(1.82)	(0.67)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2014

	Attributable to owners of the Company								Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Exchange translation reserve HK\$'000	Convertible bond reserve HK\$'000	Share base payment reserve HK\$'000	Revaluation reserve (AFS assets) HK\$'000	Retained profits/ losses HK\$'000	
At 1 April 2014 (audited)	22,200	124,131	529	(13)	22,856	-	-	8,537	178,240
Loss for the period	-	-	-	-	-	-	-	(40,402)	(40,402)
Other comprehensive income for the period	-	-	-	(17)	-	-	-	-	(17)
Total comprehensive income/(loss) for the period	-	-	-	(17)	-	-	-	(40,402)	(40,419)
Recognition of equity settled share base payment	-	-	-	-	-	18,714	-	-	18,714
Revaluation reserve (AFS assets)	-	-	-	-	-	-	(11,487)	-	(11,487)
At 31 December 2014 (unaudited)	22,200	124,131	529	(30)	22,856	18,714	(11,487)	(31,865)	145,048
At 1 April 2013 (audited)	5,550	140,781	26,360	(3)	22,856	-	-	(1,469)	194,075
Loss for the period	-	-	-	-	-	-	-	(14,965)	(14,965)
Other comprehensive income for the period	-	-	-	16	-	-	-	-	16
Total comprehensive income/(loss) for the period	-	-	-	16	-	-	-	(14,965)	(14,949)
Issue of bonus shares	16,650	(16,650)	-	-	-	-	-	-	-
At 31 December 2013 (unaudited)	22,200	124,131	26,360	13	22,856	-	-	(16,434)	179,126

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

For the nine months ended 31 December 2014

1. GENERAL INFORMATION

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

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

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated third quarterly financial statements for the nine months ended 31 December 2014 (the "Third Quarterly Accounts") have been prepared in accordance with Hong Kong Accounting Standard and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimate uncertainty used in the preparation of the Third Quarterly Accounts are consistent with those used in the annual financial statements for the year ended 31 March 2014. The Third Quarterly Accounts do not include all of the information required for annual financial statements and thereby they should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The Third Quarterly Accounts have been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair values. The Third Quarterly Accounts are presented in Hong Kong dollars ("HK\$") except when otherwise indicated.

3. REVENUE AND OTHER REVENUE

Revenue represents fees income received from corporate finance advisory services rendered during the periods.

	Three months ended 31 December 2014		Nine months ended 31 December 2014	
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue				
Corporate finance advisory income	1,074	2,330	5,992	8,135
	1,074	2,330	5,992	8,135
Other gains and losses				
Management fee income	13	10	34	31
Sundry income	74	3	199	55
Realised gain/(loss) on financial assets at FVTPL	670	(804)	634	(804)
Unrealised (loss)/gain on financial assets at FVTPL	(2,270)	230	(821)	(260)
	(1,513)	(561)	46	(978)

4. FINANCE COSTS

	Three months ended 31 December 2014		Nine months ended 31 December 2014	
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Imputed interest on convertible bond	1,105	–	3,836	2,357

5. (LOSS)/PROFIT BEFORE TAX

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

	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
Depreciation	15	16	51	54
Minimum lease payment under operating lease:				
– Property rental	277	260	709	674
Share base payment	(23,590)	–	18,714	–
Employee benefit expenses (including directors' remuneration)				
– Wages, salaries, allowances and bonus	1,456	1,372	4,039	3,464
– Pension scheme contributions	50	55	155	142
	(21,792)	1,427	23,668	3,606

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) for the three months and nine months ended 31 December 2014 and 2013.

	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
Current tax	(619)	6	–	478
Deferred tax	(182)	196	633	558
	(801)	202	633	1,036

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

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2014.

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share for each of the three months and nine months ended 31 December 2014 and 2013 are calculated by dividing the (loss)/profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the periods.

	For the three months ended 31 December 2014	For the nine months ended 31 December 2014	For the three months ended 31 December 2013 (restated)	For the nine months ended 31 December 2013 (restated)
Profit/(Loss) attributable to the owners of the Company	HK\$16,503,000	(HK\$40,402,000)	(HK\$7,664,000)	(HK\$14,965,000)
Weighted average number of ordinary share in issue	2,220,000,000	2,220,000,000	2,220,000,000	2,220,000,000
(Loss)/earnings per share (HK cents per share)	0.74	(1.82)	(0.35)	(0.67)

During the period ended 31 December 2014, the Company's outstanding convertible bond was not included in the calculation of diluted earnings/(loss) per share because the effect of the Company's outstanding convertible bond was anti-dilutive and therefore the diluted earnings/(loss) per share are the same as the basic earnings/(loss) per share.

All outstanding share options of the Company have not been included in the computation of diluted earnings per share as they did not have a dilutive effect to the Company's earnings/(loss) per share during the nine months ended 31 December 2014 because the exercise prices of these Company's share options were higher than the average market prices of the Company's shares during the period.

9. APPROVAL OF THIRD QUARTERLY FINANCIAL STATEMENTS

The Third Quarterly Accounts were approved and authorised for issue by the Board on 13 February 2015.

DIVIDEND

The Directors do not recommend the payment of an dividend for the nine months ended 31 December 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

- (i) advising on the The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rule"), the GEM Listing Rules and The Codes on Takeovers and Mergers and Share Repurchases (the "Takeovers Code");
- (ii) acting as independent financial adviser to transactions of listed issuers falling under the Listing Rules, the GEM Listing Rules and the Takeovers Code;
- (iii) advising on merger(s) and acquisition(s) (the "M&A") activities and other corporate activities; and
- (iv) advising on corporate resumption.

During the period under review, the Group continued to focus on the provision of corporate finance advisory services to its clients. The Group also continued to maintain professional networks to facilitate new client referrals and client retention through business luncheons, dinners, cocktails and other social occasions, and involvement in various professional bodies and educational institutions. However, due to the continuous unfavourable sentiment in the global economy and the volatile finance market, the Group recorded revenue of approximately HK\$5,992,000 for the nine months ended 31 December 2014, representing a decrease of approximately 26.34% when compared to the corresponding period in 2013.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Business Review (Continued)

Following the acquisition of approximately 25% equity interest in Revenue Synthesis Limited relating to Acquired Immunodeficiency Syndrome (“AIDS”) medication business, the Board has been actively managing and monitoring the development progress of the AIDS medication capsule. The Directors are of the view that the current progress of the AIDS medication business is satisfactory and are confident that the AIDS medication business would create value to the shareholders of the Company in future.

On 19 November 2014, Chanceton Alliance (IV) Investments Holdings Limited, a wholly-owned subsidiary of the Company and Mr. Wong Tung Lok entered into a sale and purchase agreement in relation to the acquisition of 20% issued share capital of Bao Sheng Ventures Limited, which indirectly holds 3.5% issued share capital of LOVONKO Co. Ltd. (the “Target Group”), a company incorporated under the laws of Mongolia and is principally engaged in exploration, utilization and trading of mining resources. LOVONKO Co. Ltd. currently holds the Use of Mineral Resources Permit in relation to a coal mine located in Mongolia. The consideration of the acquisition was HK\$21,000,000 which was determined with reference to, among others, (i) the prospects and potential of the business of the Target Group; (ii) the synergy effect to the Group’s corporate finance advisory business via the business network of the Target Group; and (iii) the appraised value of the Target Group prepared by an independent professional valuer. The consideration was satisfied by the Company in cash. To the best knowledge, information and belief of the Board and after making all reasonable enquiry, Mr. Wong Tung Lok and Bao Sheng Ventures Limited and their respective associates are independent to and not connected with the Company and its connected person(s) (as defined under the GEM Listing Rules). As none of the applicable percentage ratios for the acquisition exceeds 5%, the acquisition does not constitute a notifiable transaction of the Company under the GEM Listing Rules.

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Review

Results

For the nine months ended 31 December 2014, the revenue of the Group decreased by approximately 26.34% to approximately HK\$5,992,000 compared to approximately HK\$8,135,000 in the corresponding period in 2013. The decrease was mainly due to the continuous unfavourable sentiment in the global economy and the volatile finance market.

The Group's administrative and operating expenses for the nine months ended 31 December 2014 increased by approximately 4.19 times to approximately HK\$26,839,000 compared to approximately HK\$6,410,000 for the corresponding period in 2013. Such significant increase was mainly due to the recognition of one-off equity settled share base payment of approximately HK\$18,714,000.

The Group's loss attributable to owners of the Company for the nine months ended 31 December 2014 was approximately HK\$40,402,000 compared to a loss of approximately HK\$14,965,000 in the corresponding period last year. The increase in loss was mainly due to the recognition of one-off equity settled share base payment of approximately HK\$18,714,000. **The Board wishes to draw the attention of the shareholders of the Company and potential investors to the fact that the abovementioned items are noncash in nature and will not have any impact on the cash flow of the Group. The Group remains in a healthy and solid financial condition.**

FOREIGN EXCHANGE EXPOSURE

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

TREASURY POLICIES

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

PLEDGE OF ASSETS

As at 31 December 2014, the Group did not pledge any of its assets (31 December 2013: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group had 15 full-time employees (31 December 2013: 19), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$4,194,000 for the nine months ended 31 December 2014 as compared to approximately HK\$3,606,000 for the nine months ended 31 December 2013. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Discretionary bonuses will be paid to employees with reference to the financial performance of the Group in the preceding financial year as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical benefit to its employees in Hong Kong.

OUTLOOK

In spite of the continuous unfavourable sentiment in the global economy and the competitive business environment in Hong Kong, we are optimistic and see potential opportunities in the corporate finance advisory services industry. We will continue to pursue our core business, the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC, and to strengthen it by enhancing technical competence, expanding the alliance network and improving public awareness.

The acquisition of Revenue Synthesis Limited, which engaging in AIDS medication business represents an important milestone to the Group given the huge market potential in the AIDS medication industry.

The Group will continue to explore opportunities in AIDS medication industry as well as other related medical and pharmaceutical business and will continue to seek for any possible acquisitions, including but not limited to, medical related business when opportunities arise which is in line with the aim to broaden the income source and diversify the business risk of the Group.

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

SHARE OPTION SCHEME

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

Details of options granted are as follows:

Options type	Date of grant	Exercisable period	Exercise price per share	Fair value at grant date per share	Remaining contractual life of options
			HK\$	HK\$	
2014	17/9/2014	17/9/2014 – 16/9/2024	0.68	0.12152	10 years

The following table discloses movements of the Company's share options held by employees and directors during the period ended 31 December 2014:

Participant	Date of grant	Exercise price per share	Exercise period	At 1 April 2014	Number of options				At 30 September 2014
					Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	
		HK\$		'000	'000	'000			
Directors	17/9/2014	0.68	17/9/2014 – 16/9/2024	-	58,000	-	-	-	58,000
Employees and consultants	17/9/2014	0.68	17/9/2014 – 16/9/2024	-	96,000	-	-	-	96,000
				-	154,000	-	-	-	154,000

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

As at 31 December 2014, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Company

Name of Director and chief executive	Type of interests	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Ms. Ho Chiu Ha Maisy <i>(Note 1)</i>	Beneficial owner	336,000,000	7,000,000	15.45%
	Interest of a controlled corporation	100,000,000	140,000,000	10.81%
Mr. Wong Kam Wah <i>(Note 2)</i>	Interest of a controlled corporation	960,000,000	7,000,000	43.56%
Ms. Man Wing Yee Ginny	Beneficial owner	190,040,000	22,000,000	9.55%
Mr. Lan Ling Tak	Beneficial owner	–	22,000,000	0.99%

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

Note(s):

- Ms. Ho Chiu Ha Maisy has a total interest in 583,000,000 shares/underlying shares (representing an aggregate of approximately 26.26% shareholding in the Company), of which (i) 100,000,000 shares were allotted to Refulgent Sunrise Limited, a company owned as to 36% by Ms. Ho Chiu Ha Maisy and it is an approximately 75% shareholder of Revenue Synthesis Limited, an associated corporation of the Company. As a result, Ms. Ho Chiu Ha Maisy is deemed to be interested in the approximately 75% shareholding in Revenue Synthesis Limited and the 100,000,000 shares of the Company through Refulgent Sunrise Limited by virtue of the SFO; (ii) Ms. Ho Chiu Ha Maisy personal held 336,000,000 shares; and (iii) 140,000,000 shares relate to her derivative interests in convertible bonds through her shareholding in Refulgent Sunrise Limited; and (iv) 7,000,000 shares relates to the share option granted to Ms. Ho Chiu Ha Maisy by the Company on 17 September 2014.
- The 960,000,000 shares are registered in the name of Kate Glory Limited. Mr. Wong Kam Wah is the beneficial owner of 100% of the issued share capital of Kate Glory Limited. By virtue of the SFO, Mr. Wong Kam Wah is deemed to be interested in 960,000,000 shares held by Kate Glory Limited. The 7,000,000 shares relates to the share options granted to Mr. Wong Kam Wah by the Company on 17 September 2014.

Convertible bonds

Name of bondholder	Date of issue	Conversion period	Conversion price per share <i>HK\$</i>	Outstanding as at 30 September 2014	Number of underlying shares	Approximate percentage
						of the issued share capital of the Company
Refulgent Sunrise Limited	5 December 2012	5 December 2012 – 4 December 2017	0.625	140,000,000	140,000,000	6.31%

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

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 its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2014, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group were as follows:

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

Long positions in the Company

Name of shareholders	Capacity	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Kate Glory Limited (Note 1)	Beneficial owner	960,000,000	–	43.24%
Mr. Wong Kam Wah (Note 1)	Interest of controlled corporation/ beneficial owner	960,000,000	7,000,000	43.56%
Ms. Man Wing Yee Ginny	Beneficial owner	190,040,000	22,000,000	9.55%
Ms. Ho Chiu Ha Maisy (Note 2)	Interest of controlled corporation/ Beneficial owner	436,000,000	147,000,000	26.26%
Refulgent Sunrise Limited (Note 2)	Beneficial owner	100,000,000	140,000,000	10.81%

Note(s):

1. Kate Glory Limited is an investment holding company incorporated in the British Virgin Islands ("BVI") with limited liability, its entire issued share capital is wholly and beneficially owned by Mr. Wong Kam Wah. Mr. Wong Kam Wah personally held 7,000,000 underlying shares.
2. Refulgent Sunrise Limited is a company incorporated in BVI with limited liabilities and is owned as to 36% by Ms. Ho Chiu Ha Maisy. As a result, Ms. Ho Chiu Ha Maisy is deemed to be interested in this shareholding through Refulgent Sunrise Limited by virtue of the SFO. Ms. Ho Chiu Ha Maisy personally held 336,000,000 shares 7,000,000 underlying shares.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

Long positions in the Company (Continued)

Save as disclosed above, as at 31 December 2014, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

Neither the Company, nor any of its subsidiaries, has purchased, redeemed or sold any of the Company's listed shares during the nine months ended 31 December 2014.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the nine months ended 31 December 2014, none of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by directors during the nine months ended 31 December 2014.

CODE OF CORPORATE GOVERNANCE PRACTICES

As at the date of this report, the Company has fully complied with the code provisions as set out in Appendix 15 to the GEM Listing Rules.

AUDIT COMMITTEE

The Company set up an audit committee (the "Committee") on 21 September 2011, with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive Directors, namely Mr. Chiu Chi Kong, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond (as the Committee chairman) and an executive Director, Mr. Lau Ling Tak. The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2014 have not been audited by the Company's auditors, but have been reviewed by the Committee, who is of the opinion that the financial statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board
Chanceton Financial Group Limited
Wong Kam Wah
Chief Executive officer and Executive Director

Hong Kong, 13 February 2015

As at the date of this report, the Company's executive Directors are Ms. Ho Chiu Ha Maisy (Chairman), Mr. Wong Kam Wah, Mr. Lau Ling Tak, Ms. Man Wing Yee Ginny, Mr. Leung Man Kit and Mr. Wang Qiang, and the independent non-executive Directors are Mr. Chiu Chi Kong, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond.