Well Way Group Limited

(Incorporated in the Cayman Islands with limited liability)
Stock code: 8063

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This report, for which the directors (the "Directors") of Well Way Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this report misleading.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

The Company and its subsidiaries (collectively referred to as the "Group") recorded a loss attributable to owners of the Company of HK$120,270,000 for the nine-month period ended 30 September 2015 (for the nine-month period ended 30 September 2014: HK$9,138,000), representing basic loss per share of HK15.73 cents (for the nine-month period ended 30 September 2014: basic loss per share of HK4.91 cents).

Revenue and income and profitability

For the nine-month period ended 30 September 2015, the consolidated revenue and income of the Group amounted to HK$40,243,000, representing 24.8% increase compared to HK$32,244,000 for the last corresponding period. The increase was mainly contributed by the revenue derived from the sale of hotel rooms and the travel agency operation in Hong Kong.

The revenue arising from travel business in Singapore consists of agency commission and service income (both from customers and suppliers) generated from the provision of travel related products and services, including airtickets, hotel rooms, Free Independent Traveler ("FIT") packages and ground transportation handling services.

Corporate customers are business travelers who require travel products and services for their travel purposes. Wholesale customers are usually travel services providers who purchase airtickets, hotel rooms, FIT packages and other travel related products. Meetings, Incentives, Conventions and Exhibitions ("MICE") customers refer to customers who are mainly corporate customers, convention organizers and special projects organizers who require one stop professional MICE/special project/event management services.

The revenue arising from travel agency operation in Hong Kong consists of rendering travel agency services related to air ticketing and air/hotel packages.

Approximately 69.8% or HK$28,102,000 of the total revenue was derived from the provision of travel related products and services of which HK$27,969,000 and HK$133,000 was generated from the market in Singapore and Hong Kong respectively.

Approximately 30.2% or HK$12,141,000 of the total revenue was derived from the market in Hong Kong by the sale of hotel rooms. The costs of services provided of HK$11,025,000 was the costs of hotel rooms payable to the supplier.

At the end of the reporting period, the Group revalued its equities portfolio at market prices and recognised an unrealised loss of HK$133,000 (for the nine-month period ended 30 September 2014: HK$795,000) arising on change in fair value of financial assets at fair value through profit or loss. Together with a loss of approximately HK$1,000 (for the nine-month period ended 30 September 2014: HK$1,468,000) generated from the sale of financial assets during the period under review, the total change in fair value on investment securities was HK$134,000 (for the nine-month period ended 30 September 2014: HK$2,263,000).

Other income

Other income for the nine-month period ended 30 September 2015 amounted to HK$3,616,000, representing a 14.8% increase as compared to HK$3,151,000 for the last corresponding period. Such increase was mainly contributed by the management and administrative income of HK$557,000 and commercial credit card rebate of HK$749,000 received during the period under review.

Expenditure

For the period under review, staff costs amounted to HK$30,776,000 (for the nine-month period ended 30 September 2014: HK$28,568,000). Depreciation and amortisation expenses amounted to HK$7,587,000 (for the nine-month period ended 30 September 2014: HK$8,562,000). Other expenses amounted to HK$14,214,000 (for the nine-month period ended 30 September 2014: HK$10,904,000).

Impairment loss on goodwill and intangible assets

The management performs regular review on the carrying values of goodwill and intangible assets of acquired business to determine any potential impairment loss.

During the period under review, the management assessed that the carrying amount of the intangible assets was higher than its recoverable amount. As such, the Group recognised an impairment loss on the intangible assets, which were purchased as part of the acquisition of Safe2Travel Pte Ltd completed on 30 March 2011 and was recognised as their fair value at the date of acquisition, amounting to HK$15,000,000 (for the nine months ended 30 September 2014: an impairment loss on goodwill was HK$8,393,000).

Impairment loss on available-for-sale investments

Due to a significant decline in the fair value of the investment in 1,500,000,000 shares of China Star Entertainment Limited which was classified as available-for-sale investments, an impairment loss of HK$90,000,000 on available-for-sale investments was recorded as at 30 September 2015.

Finance costs

For the period under review, finance costs of HK$426,000 (for the nine-month period ended 30 September 2014: Nil) was mainly attributed to the interest on advances drawn on trade receivables discounted with full recourse.

Share of profit of a joint venture

On 30 July 2013, the Group entered into an agreement with a venturer which principally engages in the business of operating as tours and travel agents in Malaysia at a cash consideration of HK$14 million and the transaction was completed on 31 August 2013. Since then, the Group is entitled to receive a management fee which is equivalent to 90% of the profit before taxation of its Malaysia travel business.

During the nine-month period ended 30 September 2015, the Group shared a profit from the joint venture amounting to HK$1,232,000 (for the nine-month period ended 30 September 2014: HK$1,410,000).

BUSINESS REVIEW

During the period under review, the Group commenced the travel agency operation in Hong Kong by rendering travel agency services related to air ticketing and air/hotel packages.

Change of use of proceeds

On 11 September 2015, the Company announced to re-allocate the unutilised net proceeds of HK$49,870,000 from the open offer completed on 18 June 2014 from purpose of acquiring an office premises in Hong Kong commercial district for the Group as head office and principal place of business in Hong Kong to (i) as to HK$20,000,000 for the funding of the Loan Agreement (as defined below); and (ii) as to HK$29,870,000 for the future investment in financial instruments available in local financial market and/or listed or unlisted companies in Hong Kong and/or other transaction in relation to the provision of financial assistance when the opportunity arise.

Discloseable transaction

On 11 September 2015, the Board announced that a loan agreement was entered into between the Company as lender and an independent third party as borrower (the "Loan Agreement"). Pursuant to the Loan Agreement, the Company had conditionally agreed to grant the Borrower a loan of up to a principal amount of HK$20,000,000 for a period of 24 months after the date on which the Loan Agreement becoming unconditional, with an interest rate of 10% per annum. As one of the relevant applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the grant of the Loan under the Loan Agreement is more than 5% but less than 25%, the grant of the Loan under the Loan Agreement constituted a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

Development of new business

On 23 September 2015, the Company announced the intention of the Group to develop two new business segments (the "New Businesses"), namely, (i) money lending business (operation of which is regulated under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)); and (ii) asset management business (operation of which is type 9 regulated activity regulated under the Securities and Futures Ordinance (the "SFO")). The Company will initiate the application processes for the relevant licences. The initial capital required for the New Businesses will be financed by the internal resources of the Company.

OUTLOOK

In the coming quarters, the travel business environment is continuing to be challenging. The Group's profitability is facing pressure from the rising costs of operations and stiff price driven competition. Our management team will cautiously monitor the market, adopt appropriate measures and business strategies in response to changing market conditions.

In addition, the management expects that the development of New Businesses will broaden the Group's revenue base and provide a stable revenue stream to the Group for the future.

EVENTS AFTER THE REPORTING PERIOD

Proposed rights issue and change in board lot size

On 8 October 2015, the Company announced the proposed issue of 764,572,350 new shares by way of rights to the qualifying shareholders of the Company on the basis of one new share for every one existing share held on 23 December 2015 at a subscription price of HK$0.10 per share (the "Rights Issue"). The proposed Rights Issue was expected to raise HK$72,400,000 (net of expenses). An underwriting agreement was entered into between the Company, Excellent Mind Investments Limited ("Excellent Mind") and Kingston Securities Limited ("Kingston Securities") in relation to the Rights Issue (the "Underwriting Agreement"). Excellent Mind is owned as to 60% by Mr. Mung King Keung and 40% by Mr. Mung Bun Man, Alan, both of them are executive directors of the Company. Excellent Mind shall have the priority to underwrite the first 304,000,000 underwritten shares of the Right Issues and Kingston Securities shall underwrite the remaining underwritten shares of the Right Issues. The net proceeds from the proposed Rights Issue are used for (i) the new money lending business (operation of which is regulated under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong); (ii) the Group's new asset management business (operation of which is type 9 regulated activity regulated under the SFO); (iii) the Group's investment in financial instruments available in local financial market and/or listed or unlisted companies in Hong Kong; (iv) future development of the Group's businesses; and (v) general working capital of the Group. The circular for convening the extraordinary general meeting for approving the Rights Issue is being prepared by the Company and will be despatched to the shareholders of the Company on or before 23 November 2015.

On 8 October 2015, the Company also announced the proposed change in board lot size of the shares of the Company for trading on the Stock Exchange from 10,000 shares of the Company to 50,000 shares of the Company with effect from 9:00 a.m. on Thursday, 24 December 2015.

Proposed change of Company Name

On 16 October 2015, the Company announced the proposed change of the English name of the Company from "Well Way Group Limited" to "Global Mastermind Holdings Limited" and adopt "環球大通集團有限公司" as the Chinese name of the Company for identification purposes only to replace the existing Chinese name "和滙集團有限公司" (the "Change of Company Name"). A circular containing, among others, the details of the Change of Company Name had been despatched on 29 October 2015. As at the date of this report, the Change of Company Name has not yet been completed.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF WELL WAY GROUP LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Well Way Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 10 to 21, which comprise the condensed consolidated statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2015, and certain explanatory notes. The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the basis set out in note 1. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion on these condensed consolidated financial statements solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with the basis of the preparation as set out in note 1 to the condensed consolidated financial statements.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

12 November 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2015

		Three months ended 30 September		Nine months ended 30 September	
	NOTES	**2015 HK$'000 (Unaudited)**	2014 HK$'000 (Unaudited)	**2015 HK$'000 (Unaudited)**	2014 HK$'000 (Unaudited)
Revenue and income					
Service income from provision of travel and related products and services		**6,087**	11,703	**28,102**	32,244
Sale of hotel rooms		**2,839**	–	**12,141**	–
Fair value changes on investment securities	3	**–**	–	**–**	–
Total revenue and income		**8,926**	11,703	**40,243**	32,244
Cost of revenue and income					
Costs of sale of hotel rooms		**(2,575)**	–	**(11,025)**	–
Fair value changes on investment securities	3	**(134)**	–	**(134)**	(2,263)
Total cost of revenue and income		**(2,709)**	–	**(11,159)**	(2,263)
Other income	4	**970**	1,041	**3,616**	3,151
Gain on disposal of investments	5	**–**	–	**–**	12,309
Staff costs		**(10,645)**	(9,774)	**(30,776)**	(28,568)
Depreciation and amortisation expenses		**(2,318)**	(2,791)	**(7,587)**	(8,562)
Impairment loss on goodwill and intangible assets	6	**(15,000)**	–	**(15,000)**	(8,393)
Impairment loss on available-for-sale investments	7	**(90,000)**	–	**(90,000)**	–
Other expenses		**(4,619)**	(3,138)	**(14,214)**	(10,904)
Finance costs	8	**(188)**	–	**(426)**	–
Share of profit of a joint venture		**472**	251	**1,232**	1,410
Loss before tax		**(115,111)**	(2,708)	**(124,071)**	(9,576)
Income tax credit (expense)	9	**3,194**	(19)	**3,801**	438
Loss for the period		**(111,917)**	(2,727)	**(120,270)**	(9,138)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the nine months ended 30 September 2015

	NOTES	Three months ended 30 September 2015 HK$'000 (Unaudited)	Three months ended 30 September 2014 HK$'000 (Unaudited)	Nine months ended 30 September 2015 HK$'000 (Unaudited)	Nine months ended 30 September 2014 HK$'000 (Unaudited)
Other comprehensive (expense) income for the period					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operation		**(11,825)**	(3,821)	**(16,088)**	(1,125)
Share of exchange difference of a joint venture		**(552)**	–	**(811)**	–
Fair value loss on available-for-sale investments	7	**(133,500)**	–	**(157,500)**	–
Reclassification adjustment upon impairment on available-for-sale investments		**90,000**	–	**90,000**	–
Other comprehensive expense		**(55,877)**	(3,821)	**(84,399)**	(1,125)
Total comprehensive expense for the period		**(167,794)**	(6,548)	**(204,669)**	(10,263)
Loss for the period attributable to owners of the Company		**(111,917)**	(2,727)	**(120,270)**	(9,138)
Total comprehensive expense attributable to owners of the Company		**(167,794)**	(6,548)	**(204,669)**	(10,263)
Loss per share (HK cent) Basic and diluted	10	**(14.64)**	(1.11)	**(15.73)**	(4.91)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). The condensed consolidated financial statements do not include all the information required for a complete set of Hong Kong Financial Reporting Standards financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014.

The principal accounting policies applied in preparing these condensed consolidated financial statements are set out in note 2.

During the nine months ended 30 September 2015, the Directors performed a review of the content and presentation of the condensed consolidated financial statements and considered that it is more appropriate to begin with components on revenue and income and cost of revenue and income, which would be more relevant to the understanding of users of the Group's condensed consolidated financial statements.

Consequently, the presentation of the condensed consolidated statement of profit or loss and other comprehensive income for the nine months ended 30 September 2015 has been revised and the comparatives have been revised in order to conform with the presentation adopted in the condensed consolidated financial statements. The changes in presentation of the condensed consolidated statement of profit or loss and other comprehensive income do not have any impact on the Group's loss for the period or the calculation of the Group's loss per share.

2. PRINCIPAL ACCOUNTING POLICIES

The amounts included in these condensed consolidated financial statements have been computed in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

The accounting policies used in the condense consolidated financial statements for the nine months ended 30 September 2015 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

The condense consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs and interpretation issued by the HKICPA.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

The application of these amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

3. REVENUE AND INCOME/COST OF REVENUE AND INCOME

An analysis of the fair value changes on investment securities is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Proceeds from sale of financial assets at fair value through profit or loss	**365**	–	**365**	14,467
Carrying amount of financial assets at fair value through profit or loss plus transaction costs	**(366)**	–	**(366)**	(15,935)
Unrealised loss on financial asset at fair value through profit or loss	**(133)**	–	**(133)**	(795)
	(134)	–	**(134)**	(2,263)

4. OTHER INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Dividend income	**–**	–	**–**	147
Interest income	**90**	10	**127**	11
Exchange gain	**9**	458	**52**	772
Incentive income	**335**	374	**1,066**	1,161
Employment credits from government grants	**269**	198	**1,064**	1,050
Management and administrative income	**267**	–	**557**	–
Commercial credit card rebate	**–**	–	**749**	–
Miscellaneous income	**–**	1	**1**	10
	970	1,041	**3,616**	3,151

5. GAIN ON DISPOSAL OF INVESTMENTS

On 15 November 2013, the Company, through its wholly-owned subsidiary, Wing Shing Loong Goldsmith & Refinery Co. Limited, entered into a conditional sale and purchase agreement with an independent third party to dispose of the unlisted equity shares of Hong Kong Precious Metals Exchange Limited and the membership licence of The Chinese Gold & Silver Exchange Society (the "Society") at a total consideration of HK$12,700,000 subject to the approval by the Society. The assets being disposed of amounted to HK$391,000 (mainly including available-for-sale investments of HK$136,000 and other non-current asset of HK$250,000 which was classified as an asset held for sale as at 31 December 2013). The disposal transaction was completed on 18 February 2014 after obtaining the necessary approval, and a gain on disposal of HK$12,309,000 was resulted and recognised to profit or loss during the nine months ended 30 September 2014.

6. IMPAIRMENT LOSS ON GOODWILL AND INTANGIBLE ASSETS

For the impairment testing, goodwill and intangible assets (comprising trade name and customer relationship) are allocated to the Group's cash generating units ("CGUs") identified according to business segment which is the business travel segment in Singapore. The recoverable amount of the travel business CGUs was based on its value-in-use and was determined with reference to the valuation performed by Ascent Partners Valuation Service Limited, an independent professional qualified valuer not connected with the Group. The calculation was used cash flow projections based on financial budgets approved by management covering a five-year period. The growth rates used to extrapolated cash flow projections beyond the five-year period do not exceed the long-term average growth rate for the industry. Other key assumptions for the value in use calculations related to the estimation of cash inflows which included budgeted sales and gross margin. The main factor contributable to the impairment of goodwill and intangible assets was the slow down in travel business in the current economic environment. As a result, both sales and profit generated from the travel business segment in Singapore have fallen below expectation, and therefore the management has revised the cash flow projections.

As of 30 September 2015, the management reviewed on the current and expected performance of travel business indicated that the carrying amount of the CGUs, was above the respective recoverable amount. On this basis, the directors of the Company concluded that an impairment loss of HK$15,000,000 was recognised during the three months ended 30 September 2015. The impairment loss was allocated fully to the intangible assets and is presented on the face of condensed consolidated statement of profit or loss and other comprehensive income.

During the nine months ended 30 September 2014, the management of the Group assessed the recoverable amount of the related CGUs and an impairment loss of HK$8,393,000 was recognised and fully allocated to reduce the carrying amount of goodwill. The goodwill was fully impaired as at 30 September 2014.

7. IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENTS

On 8 July 2014, Long Joy Investments Limited ("Long Joy"), a wholly-owned subsidiary of the Group, entered into a subscription agreement (the "Subscription") with China Star Entertainment Limited ("China Star"), pursuant to which Long Joy conditionally agreed to subscribe and China Star conditionally agreed to issue 1,500,000,000 shares of China Star ("China Star Subscription Shares") for a consideration of HK$135,000,000, which was equivalent to HK$0.09 per China Star Subscription Share. Upon the completion of the Subscription on 14 November 2014, Long Joy was interested in approximately 9.41% of the enlarged entire issued share capital of China Star. Since the directors considered that the Group cannot exercise significant influence on the financial and operating policies on the investee, and accordingly it is classified as available-for-sale investments. It was stated at fair value which have been determined based on the quoted market bid prices available on the Stock Exchange.

During the nine-month period ended 30 September 2015, decrease in fair value of listed securities amounting to HK$157,500,000 (for the nine months ended 30 September 2014: nil) was recognised. Due to a significant decline in the fair value of the investment in China Star below its cost, an impairment loss amounting to HK$90,000,000 has been recognised during the nine months ended 30 September 2015 which was reclassified from the investments revaluation reserve to profit or loss.

8. FINANCE COSTS

	Three months ended 30 September		**Nine months ended 30 September**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest on advances drawn on trade receivables discounted with full recourse, repayable within one year	**188**	–	**426**	–

9. INCOME TAX CREDIT (EXPENSE)

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
The tax credit (charge) comprises:				
Singapore Corporate Income Tax				
– Current period	**320**	(388)	**–**	(697)
– (Under)/over provision in prior years	**(6)**	–	**201**	–
	314	(388)	**201**	(697)
Deferred taxation – current period	**2,880**	369	**3,600**	1,135
	3,194	(19)	**3,801**	438

Singapore Corporate Income Tax is calculated at 17% in accordance with the relevant laws and regulations in Singapore.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made as either the Company and its subsidiaries incurred tax losses or the estimated assessable profit of the Group is wholly absorbed by tax losses brought forward from prior years.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss				
Loss for the purposes of basic and diluted loss per share	**(111,917)**	(2,727)	**(120,270)**	(9,138)

10. LOSS PER SHARE *(Continued)*

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
	'000	*'000*	***'000***	*'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**764,572**	245,407	**764,572**	186,125

The Company's outstanding share options were all expired and lapsed on 13 May 2014, and therefore there was no outstanding dilutive share option as at 30 September 2015 and 2014.

For the nine months ended 30 September 2014, diluted loss per share does not assume the exercise of the Company's share options because the exercise price of the options was higher than the average market price of shares for the periods and the assumed exercise of the share option would result in a decrease in loss per share.

11. INTERIM DIVIDEND

No dividend was paid, declared or proposed during the nine months ended 30 September 2015 and 2014, nor has any dividend been proposed since the end of both reporting periods.

12. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Attributable to owners of the Company								
	Share capital	Share premium	Distributable reserve	Merger reserve	Share option reserve	Investments revaluation reserve	Exchange reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2015 (audited)	**7,646**	**582,584**	**32,589**	**5,000**	**–**	**67,500**	**(10,692)**	**(115,763)**	**568,864**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(120,270)**	**(120,270)**
Other comprehensive expense	**–**	**–**	**–**	**–**	**–**	**(67,500)**	**(16,899)**	**–**	**(84,399)**
Total comprehensive expense for the period	**–**	**–**	**–**	**–**	**–**	**(67,500)**	**(16,899)**	**(120,270)**	**(204,669)**
At 30 September 2015 (unaudited)	**7,646**	**582,584**	**32,589**	**5,000**	**–**	**–**	**(27,591)**	**(236,033)**	**364,195**
At 1 January 2014 (audited)	1,249	349,134	32,589	5,000	852	–	(1,453)	(111,080)	276,291
Loss for the period	–	–	–	–	–	–	–	(9,138)	(9,138)
Other comprehensive expense	–	–	–	–	–	–	(1,125)	–	(1,125)
Total comprehensive expense for the period	–	–	–	–	–	–	(1,125)	(9,138)	(10,263)
Issue of shares upon placing of shares *(Note a)*	550	42,242	–	–	–	–	–	–	42,792
Issues of shares upon open offer *(Note b)*	750	49,117	–	–	–	–	–	–	49,867
Lapsed of share options	–	–	–	–	(852)	–	–	852	–
At 30 September 2014 (unaudited)	2,549	440,493	32,589	5,000	–	–	(2,578)	(119,366)	358,687

12. SHARE CAPITAL, SHARE PREMIUM AND RESERVES *(Continued)*

Notes:

(a) On 11 February 2014, the Company completed a placing of 24,986,000 new shares under the general mandate at a placing price of HK$1.00 per placing share. The net proceeds from the placing, after deducting directly attributable costs, were approximately HK$24.14 million. Details of the placing were disclosed in the Company's announcements dated 22 January 2014, 24 January 2014, 30 January 2014 and 11 February 2014.

On 30 July 2014, the Company completed a placing of 29,980,000 new shares under the general mandate at a placing price of HK$0.65 per placing share. The net proceeds from the placing, after deducting directly attributable costs, were approximately HK$18.65 million. Details of the placing were disclosed in the Company's announcement dated 16 July 2014 and 30 July 2014.

(b) On 18 June 2014, the Company completed an open offer of 74,959,150 offer shares at a subscription price of HK$0.70 per share on the basis of one offer share for every two existing shares held. The net proceeds from the open offer, after deducting directly attributable costs were approximately HK$49.87 million. Details of the open offer were disclosed in the Company's prospectus dated 26 May 2014 and the Company's announcement dated 17 June 2014.

13. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted an old share option scheme ("Old Scheme") and terminated the same pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 19 May 2011, and the Company adopted a new share options scheme ("2011 Scheme") at the same meeting. The purpose of both share option schemes is to enable the Board, at its discretion, to grant options to any eligible participants who include directors and employees as incentives or rewards for their contribution to the Group. Under both schemes, the directors of the Company may grant options to eligible participants, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Under the Old Scheme, a share option may be exercised in accordance with the terms of the scheme prior to the expiry of three years from the date of acceptance.

The share options granted on 13 May 2011 were fully vested immediately and became exercisable on the grant date. The outstanding share options of 2,250,000 as at 1 January 2014 were all expired and lapsed on 13 May 2014.

No share options were granted or exercised for the nine-month period ended 30 September 2015 and 2014, and there was no outstanding share options at 30 September 2015 and 2014.

14. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with related parties:

Relationship	Nature of transaction	Three months ended 30 September 2015 HK$'000 (Unaudited)	Three months ended 30 September 2014 HK$'000 (Unaudited)	Nine months ended 30 September 2015 HK$'000 (Unaudited)	Nine months ended 30 September 2014 HK$'000 (Unaudited)
Related companies *(Note)*	Management and administrative income	**–**	–	**290**	–

Note: The directors of the Company, Mr. Mung Kin Keung and Mr. Mung Bun Man, Alan, have beneficial interests in the related companies during the six months ended 30 June 2015.

15. EVENT AFTER THE END OF THE REPORTING PERIOD

On 8 October 2015, the Company announced its proposal to issue 764,572,350 rights shares at a subscription price of HK$0.10 per rights share on the basis of one rights share for every one existing ordinary share of the Company held on 23 December 2015. The rights issue is expected to be completed on 22 January 2016. The estimated net proceeds from the rights issue, after deducting directly attributable costs will be approximately HK$72.4 million. Details of the rights issue were disclosed in the Company's announcements dated 8 October 2015.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2015, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register of the Company required to be kept 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 Rule 5.46 of the GEM Listing Rules were as follows:

Interests and short positions in the shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/ short position	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Tse Ke Li	Beneficial Owner	Long position	1,150,000	0.15

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to 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 Rule 5.46 of the GEM Listing Rules as at 30 September 2015.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 30 September 2015, the register of substantial shareholders/other persons maintained by the Company pursuant to section 336 of the SFO showed that the following shareholders, other than a Director or chief executive of the Company, had notified the Company of relevant interests in the issued share capital of the Company:

Long positions in the ordinary shares of the Company

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Charm City Developments Limited *(Note)*	Beneficial owner	153,936,000	20.13
Wang Chao Julia *(Note)*	Interest in controlled corporation	153,936,000	20.13

Note: These shares are held by Charm City Developments Limited, which is wholly owned by Ms. Wang Chao Julia, who is deemed to be interested in all the shares in which Charm City Developments Limited is interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2015, the Directors were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company under Section 336 of the SFO.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 September 2015.

COMPETING INTERESTS

During the nine months ended 30 September 2015, none of the Directors, the management shareholders of the Company nor their respective close associates (as defined under the GEM Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") currently comprises three independent non-executive Directors, namely Mr. Chan Wai Man (as chairman), Mr. Chan Ho Bun, Steve and Mr. Fung Wai Ching with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 September 2015.

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

The Company has not redeemed any of its shares during the nine months ended 30 September 2015.

Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

On behalf of the Board

Mung Bun Man, Alan
Executive Director

Hong Kong, 12 November 2015

As at the date of this report, the Board comprises Mr. Mung Kin Keung, Mr. Mung Bun Man, Alan, Mr. Leung Wai Man and Mr. Tse Ke Li as executive Directors, and Mr. Chan Wai Man, Mr. Chan Ho Bun, Steve and Mr. Fung Wai Ching as independent non-executive Directors.