

WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269

2015 INTERIM REPORT

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Wealth Glory Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 this report misleading.

The board of directors (the “Board”) of Wealth Glory Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the three and six months ended 30 September 2015 together with the unaudited comparative figures for the corresponding periods in 2014 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and six months ended 30 September 2015

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue	3	4,612	29,769	33,375	244,672
Cost of sales		(2,755)	(28,525)	(28,805)	(242,262)
Gross profit		1,857	1,244	4,570	2,410
Other income	3	395	145	523	317
Net gain (loss) on financial assets at fair value through profit or loss	5	(22,660)	–	11,603	–
Share of profit (loss) of associates		699	(151)	1,233	(151)
Selling expenses		(289)	(287)	(564)	(527)
Administrative expense		(11,208)	(7,061)	(21,092)	(13,134)
Other expenses		(2,944)	(12,993)	(7,130)	(22,088)
Finance costs	6	(874)	(10,431)	(1,751)	(16,691)
Loss before taxation	7	(35,024)	(29,534)	(12,608)	(49,864)
Taxation credit (expense)	8	3,740	806	(1,914)	1,612
Loss for the period		(31,284)	(28,728)	(14,522)	(48,252)

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Notes				
Other comprehensive income (expense):				
Items that may be subsequently reclassified to profit or loss:				
– Exchange differences arising on translation of foreign operations	(2)	–	73	–
Total comprehensive expense for the period	(31,286)	(28,728)	(14,449)	(48,252)
Loss for the period attributable to:				
Owners of the Company	(31,136)	(28,674)	(14,432)	(48,184)
Non-controlling interests	(148)	(54)	(90)	(68)
	(31,284)	(28,728)	(14,522)	(48,252)
Total comprehensive expense for the period attributable to:				
Owners of the Company	(31,138)	(28,674)	(14,359)	(48,184)
Non-controlling interests	(148)	(54)	(90)	(68)
	(31,286)	(28,728)	(14,449)	(48,252)
	HK cents	HK cents	HK cents	HK cents
Loss per share				
Basic and diluted	1.34	2.01	0.63	3.47

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	<i>Notes</i>	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	10	9,211	9,987
Investment in an associate		20,341	19,108
Loan to associates	15	–	5,754
Intangible assets	11	18,000	19,000
Loan receivables		209	240
Other non-current deposits		10,000	10,000
Available-for-sale investment		1	–
		<hr/> 57,762 <hr/>	<hr/> 64,089 <hr/>
Current assets			
Inventories	12	834	875
Financial assets at fair value through profit or loss	13	21,336	–
Trade receivables	14	1,582	1,803
Prepayments, deposits and other receivables		48,827	46,956
Loan receivables		21,865	21,485
Loan to associates	15	6,004	8,701
Advances to an investee company	15	9,000	–
Bank and cash balances		41,622	9,379
		<hr/> 151,070 <hr/>	<hr/> 89,199 <hr/>

		As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
	<i>Notes</i>		
Current liabilities			
Trade payables	16	1,217	1,284
Accruals and other payables		7,308	6,767
Promissory notes	17	–	3,299
Bonds	18	10,022	13,539
Tax payable		1,914	–
		<hr/> 20,461 <hr/>	<hr/> 24,889 <hr/>
Net current assets		<hr/> 130,609 <hr/>	<hr/> 64,310 <hr/>
Total assets less current liabilities		<hr/> 188,371 <hr/>	<hr/> 128,399 <hr/>
Non-current liabilities			
Bonds	18	6,803	6,576
Borrowings	19	22,259	21,061
		<hr/> 29,062 <hr/>	<hr/> 27,637 <hr/>
NET ASSETS		<hr/> 159,309 <hr/> <hr/>	<hr/> 100,762 <hr/> <hr/>
Capital and reserves			
Share capital	20	26,791	21,371
Reserves		132,823	79,579
		<hr/> 159,614 <hr/>	<hr/> 100,950 <hr/>
Equity attributable to owners of the Company		159,614	100,950
Non-controlling interests		(305)	(188)
		<hr/> 159,309 <hr/> <hr/>	<hr/> 100,762 <hr/> <hr/>
TOTAL EQUITY		<hr/> 159,309 <hr/> <hr/>	<hr/> 100,762 <hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Share premium	Warrants reserve	Merger reserve	Translation reserve	Share-based payment reserve	Legal reserve	Accumulated loss	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 2015 (Audited)	21,371	381,564	3,527	(4,246)	(634)	31,073	485	(332,190)	100,950	(188)	100,762
Exchange differences arising on translation of foreign operations	-	-	-	-	73	-	-	-	73	-	73
Loss for the period	-	-	-	-	-	-	-	(14,432)	(14,432)	(90)	(14,522)
Total comprehensive expense for the period	-	-	-	-	73	-	-	(14,432)	(14,359)	(90)	(14,449)
Issue of shares upon placing	5,420	69,260	-	-	-	-	-	-	74,680	-	74,680
Transaction costs attributable to issue of shares	-	(1,657)	-	-	-	-	-	-	(1,657)	-	(1,657)
Change in shareholdings of non-controlling interests	-	-	-	-	-	-	-	-	-	(27)	(27)
Changes in equity for period	5,420	67,603	-	-	73	-	-	(14,432)	58,664	(117)	58,547
At 30 September 2015 (Unaudited)	26,791	449,167	3,527	(4,246)	(561)	31,073	485	(346,622)	159,614	(305)	159,309
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	-	-	-	-	-	-	-	(48,184)	(48,184)	(68)	(48,252)
Issue of shares upon placing	5,540	152,599	-	-	-	-	-	-	158,139	-	158,139
Transaction costs attributable to issue of shares	-	(5,908)	-	-	-	-	-	-	(5,908)	-	(5,908)
Issue of shares upon exercises of share options	70	2,620	-	-	-	(870)	-	-	1,820	-	1,820
Recognition of equity-settled share-based payments	-	-	-	-	-	3,433	-	-	3,433	-	3,433
Change in shareholdings of non-controlling interests	-	-	-	-	-	-	-	-	-	150	150
Changes in equity for the period	5,610	149,311	-	-	-	2,563	-	(48,184)	109,300	82	109,382
At 30 September 2014 (Unaudited)	19,101	317,825	6,039	(4,246)	(556)	19,876	485	(180,381)	178,143	302	178,445

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	Six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash flows used in operating activities	(33,373)	(32,496)
Net cash flows used in investing activities	(316)	(4,493)
Net cash flows generated from financing activities	65,859	57,879
	<hr/>	<hr/>
Increase in cash and cash equivalents	32,170	20,890
Effect of the change in exchange rate	73	–
Cash and cash equivalents at the beginning of the period	9,379	18,850
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	41,622	39,740
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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;
- (iv) manufacture and sale of fresh and dried noodles; and
- (v) investment in securities.

2. BASIS OF PRESENTATION AND PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2015 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 condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2015, 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 2015, except for the adoption of the new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 April 2015. 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

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue				
Trading of natural resources and commodities	–	25,939	23,698	237,149
Sale of packaged food	3,561	3,830	7,253	7,523
Fee and interest income from money lending	1,051	–	2,424	–
	4,612	29,769	33,375	244,672
Other income				
Other interest income	386	144	512	300
Sundry income	9	1	11	17
	395	145	523	317

4. SEGMENT INFORMATION

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

The management considers the business from a product/service perspective. During the six months ended 30 September 2015, the Group's reportable and operating segments are as follows:

- (a) the natural resources and commodities business segment engages in the trading of natural resources and commodities including but not limited to iron ore, coal and crude palm oil etc. ("Natural Resources and Commodities");
- (b) the manufacturing and trading of packaged food (i.e. noodles) ("Packaged Food");
- (c) the money lending business ("Money Lending"); and
- (d) the investment in securities ("Securities Investment").

The following is an analysis of the Group's revenue and results for the six months ended 30 September 2015 by operating and reportable segment:

	Commodities		Packaged Food		Money Lending		Securities Investment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Segment Revenue										
External	23,698	237,149	7,253	7,523	2,424	-	-	-	33,375	244,672
Segment Results	(2,668)	(972)	(1,185)	(1,187)	(49)	-	11,603	-	7,701	(2,159)
Reconciliation:										
Interest income									512	300
Share-based payments									-	(3,433)
Amortisation of intangible assets									(1,000)	(9,772)
Corporate and other unallocated expenses									(20,506)	(17,958)
Share of profit (loss) of an associate									1,233	(151)
Corporate finance costs									(548)	(16,691)
Loss before taxation									(12,608)	(49,864)
Revenue from major products and services										
The following is an analysis of the Group's revenue from its major products and services:										
Palm oil	23,698	234,693	-	-	-	-	-	-	23,698	234,693
Iron ore	-	2,456	-	-	-	-	-	-	-	2,456
Packaged food	-	-	7,253	7,523	-	-	-	-	7,253	7,523
Money lending and financing service	-	-	-	-	2,424	-	-	-	2,424	-
	23,698	237,149	7,253	7,523	2,424	-	-	-	33,375	244,672

5. NET GAIN (LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Net realised gain on sale of financial assets at fair value through profit or loss	3,655	-	14,075	-
Net unrealised loss on financial assets at fair value through profit or loss	(26,315)	-	(2,472)	-
	<u>(22,660)</u>	<u>-</u>	<u>11,603</u>	<u>-</u>

6. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interests on other borrowings wholly repayable more than one year but less than two years	611	-	1,203	-
Effective interests on promissory notes	-	1,184	38	2,227
Effective interests on bonds	263	9,247	510	14,464
	<u>874</u>	<u>10,431</u>	<u>1,751</u>	<u>16,691</u>

7. LOSS BEFORE TAXATION

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
The Group's loss before taxation is arrived at after charging the following:				
Cost of inventories recognised as an expense	2,755	28,525	28,805	242,262
Depreciation	392	396	785	792
Amortisation of intangible assets	500	4,886	1,000	9,772
Operating lease rentals in respect of:				
– land and buildings	1,062	791	2,116	1,620
– other facilities	420	–	840	–
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	4,402	2,374	6,972	4,635
– Retirement benefit scheme contributions	260	307	680	621
Share-based payments to grantees other than employees and directors	–	3,433	–	3,433
	–	3,433	–	3,433

8. TAXATION CREDIT (EXPENSE)

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current	602	–	2,322	–
Deferred tax charge (credit)	(4,342)	(806)	(408)	(1,612)
	(3,740)	(806)	1,914	(1,612)

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

Hong Kong profits tax was calculated at 16.5% on the estimated assessable profits for the period ended 30 September 2015. No Hong Kong profits tax was provided for the period ended 30 September 2014 as the Group did not have assessable profit arising or derived from Hong Kong during that period.

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% (2014: 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"), a 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. No provision for profits tax in Macau has been made for both periods as the Group did not generate any assessable profits arising in Macau.

The share of income tax expense attributable to the associates for the period amounting to HK\$533,000 (2014: Nil) was included in "Share of profit/(loss) of associates" in the unaudited condensed consolidated interim financial statements.

9. LOSS PER SHARE

The calculations of basic loss per share for the three and six months ended 30 September 2015 were based on the unaudited consolidated loss of HK\$31,136,000 and HK\$14,432,000 attributable to owners of the Company for the three and six months ended 30 September 2015 respectively (three and six months ended 30 September 2014: loss of HK\$28,674,000 and HK\$48,184,000 respectively) and the weighted average number of 2,328,057,043 and 2,293,318,863 shares respectively in issue (weighted average number of shares in issue for the three and six months ended 30 September 2014: 1,428,567,913 and 1,389,072,962 shares respectively).

The computations of diluted loss per share for the three and six months ended 30 September 2015 do not assume the exercise of the Company's share options and warrants as they would reduce loss per share.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group did not acquire any property, plant and equipment in significant amount (2014: Nil).

11. INTANGIBLE ASSETS

During the six months ended 30 September 2015, the Group did not acquire any intangible assets in significant amount.

The balances of the intangible assets at 30 September 2015 and 31 March 2015 represent the carrying values of distribution rights in sports cars "Gumpert Apollo" acquired by the Group at a consideration of HK\$20,000,000 in 2014. The distribution rights have finite useful lives and are amortised on a straight-line basis over 10 years.

12. INVENTORIES

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Raw materials	658	612
Work in progress	15	38
Finished goods	161	225
	<u>834</u>	<u>875</u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong (<i>note</i>)	<u>21,336</u>	<u>-</u>

Note: The fair values of the listed securities were determined based on the quoted market closing prices at 30 September 2015 available on the Hong Kong Stock Exchange.

14. TRADE RECEIVABLES

An aging analysis of the trade receivables that are not considered to be impaired as at the end of the reporting period, based on the date of recognition of sales, net of allowances, is as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Packaged food business		
0-90 days	1,527	1,746
91-180 days	55	57
	<u>1,582</u>	<u>1,803</u>

The credit period ranged from 30 to 120 days.

15. LOAN TO ASSOCIATES/ADVANCES TO AN INVESTEE COMPANY

The loan to associates is unsecured, bearing interest at 10% per annum and repayable on or before 27 September 2016. The amount was presented as non-current assets in the Group's consolidated statement of financial position as at 31 March 2015 and was reclassified to current assets during the period.

Advances to an investee company represented amounts advanced to Joyful Ease Limited ("Joyful Ease"), the then an associate of the Group which was recorded as loan to associates at 31 March 2015. As a result of the shareholding restructuring of Joyful Ease during the six months ended 30 September 2015, Joyful Ease became an investee company of the Group and the amount was hence presented as advances to an investee company as at 30 September 2015.

16. TRADE PAYABLES

The following is an ageing analysis of trade payable presented based on the invoice date at the end of the reporting period:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
0-90 days	1,180	1,255
91-180 days	37	29
	<hr/> 1,217 <hr/>	<hr/> 1,284 <hr/>

The credit period ranged from 90 days to 120 days.

17. PROMISSORY NOTES

During the six months ended 30 September 2015, the Company has repaid the promissory notes with an aggregate principal amount of HK\$3,080,000

18. BONDS

	Amount HK\$'000
As at 31 March 2015 (Audited)	20,115
Effective interest expense	510
Interest paid	(800)
Bond redeemed	(3,000)

As at 30 September 2015 (Unaudited)

16,825

Analysed by:

Current
Non-current

**As at
30 September
2015
(Unaudited)
HK\$'000**

As at
31 March
2015
(Audited)
HK\$'000

10,022
6,803

13,539
6,576

16,825

20,115

During the six months ended 30 September 2015, the Company has redeemed a bond with principal amount of HK\$3,000,000. Another bond with principal amount of HK\$10,000,000 which should have matured in September 2015 was extended in the period.

19. BORROWINGS

The borrowings are granted by the non-controlling shareholders of a subsidiary of the Company, which bears fixed-rate interests of 12% per annum and repayable in October 2016. The borrowings are secured by loans receivable of HK\$11,278,000 (31 March 2015: HK\$21,424,000) as at 30 September 2015.

20. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2015 and 1 April 2015 (Audited)	4,000,000	40,000
Increase in authorized share capital (<i>note a</i>)	6,000,000	60,000
	<hr/>	<hr/>
At 30 September 2015 (Unaudited)	10,000,000	100,000
	<hr/>	<hr/>
Issued and fully paid:		
At 31 March 2015 and 1 April 2015 (Audited)	2,137,144	21,371
Issue of shares on placements (<i>noted b</i>)	542,000	5,420
	<hr/>	<hr/>
As at 30 September 2015 (Unaudited)	2,679,144	26,791
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) Pursuant to an ordinary resolution of the Company's shareholders passed on 7 August 2015, the Company's authorized share capital was increased from HK\$40,000,000 to HK\$100,000,000 by the creation of an additional 6,000,000,000 ordinary Shares. The ordinary Shares rank *pari passu* with the then existing Shares of the Company in all respects.
- (b) Pursuant to two placing agreements dated 13 April 2015 and 9 September 2015 respectively and entered into between the Company and the placing agents separately, 162,000,000 Shares were allotted and issued at a price of HK\$0.21 per Share to not less than six independent investors on 24 April 2015 for a total net proceeds of HK\$33,274,000 (net of transaction costs of HK\$746,000) and 380,000,000 Shares were allotted and issued at a price of HK\$0.107 per Share to not less than six independent investors on 24 September 2015 for a total net proceeds of HK\$39,749,000 (net of transaction costs of HK\$911,000).

The net proceeds from the placements has been applied for general working capital of the Company and settlement of certain liabilities of the Company.

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The management of the Group estimates the fair value of certain of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis. The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values. Some of the Group's financial assets are measured at fair value at the end of each reporting period. Listed securities are measured at fair value and are categorized into the Level 1 fair value hierarchy.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the fair value estimation.

22. RELATED PARTY TRANSACTION

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 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.

23. EVENTS AFTER THE REPORTING PERIOD

(a) On 23 September 2015, the Group entered into a conditional sale and purchase agreement with the vendors ("MD Vendors") to acquire (the "MD Acquisition") the entire issued share capital of MD Inc. Limited ("MD") at a total consideration of HK\$47,000,000 (the "MD Acquisition Consideration"). MD is expertized in cut and sew storage cases for electronic accessories and electronic components' design, development, production and distribution. It also specializes in sales and distribution of trendy fashion and apparels in Hong Kong and Asia markets. MD has also entered into brand cooperation agreements with a number of celebrity brands from Taiwan which focus on trendy fashion items among the young generations. It is responsible for design, manufacture, produce, distribute and market the fashion items of these brands. On the same date, the Group also entered into another conditional sale and purchase agreement with a company wholly-owned by MD Vendors to sale (the "Disposal") the entire issued share capital of Digital Rainbow Holdings Limited, an indirect wholly-owned subsidiary of the Company at a consideration of HK\$32,000,000 (the "Disposal Consideration"). The MD Acquisition Consideration payable by the Group will be deemed to have been satisfied by the set-off of the Disposal Consideration receivable by the Group. Balance of MD Acquisition Consideration amounted to HK\$15,000,000 shall be satisfied by the payment of cash in an aggregate amount of HK\$3,000,000 and the issue of 60,000,000 Shares of the Company at an issue price of HK\$0.20 each. The MD Acquisition and the Disposal were completed concurrently on 12 October 2015.

(b) On 9 November 2015, the Company entered into an underwriting agreement (the "November Underwriting Agreement") with Koala Securities Limited and Supreme China Securities Limited as underwriters (collectively referred to as the "November Underwriters") in respect of an open offer (the "November Open Offer") of not less than 1,369,572,000 offer shares and not more than 1,603,106,000 offer shares at the subscription price of HK\$0.07 per offer share on the basis of one offer share for every two existing shares held on 2 December 2015. The November Open Offer has not yet completed at the date of this report.

24. APPROVAL OF UNAUDITED CONSOLIDATED RESULTS

The unaudited consolidated results of the Group for the six months ended 30 September 2015 were approved by the Board on 13 November 2015.

25. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the six months ended 30 September 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the six months ended 30 September 2015, the Group's consolidated revenue dropped significantly from HK\$244.7 million to HK\$33.4 million as compared to the same period in previous year. The drop was due to the decline in the trading of natural resources and commodities following the expiration of certain master trading agreements for trading of crude palm oil with both suppliers and customers in July 2014. Despite the drop in its consolidated revenue during the period, the Group achieved an overall gross profit of HK\$4.6 million during the six months ended 30 September 2015 (2014: HK\$2.4 million) representing a 90% growth over the corresponding period in previous year. The growth was mainly attributable to the contribution from the money lending business which has commenced operation in late 2014.

During the period under review, the Group commenced its securities investment operation mainly by investing in listed securities in Hong Kong. The operation contributed positively to the Group's results with a contribution of a net gain of HK\$11.6 million (2014: Nil) in the period. The Group's investment in associates also generate positive return to it over the period. It recorded a share of profit of associates amounted to HK\$1.2 million (2014: share of loss of HK\$0.2 million) indicating a turnaround of the associates' performance in this half-year.

Administrative expenses and other expenses (the "Operating Expenses") incurred for the first half-year amounted to HK\$28.2 million (2014: HK\$35.2 million). By excluding the major non-cash items in relation to amortization of intangible assets and share-based payments in both this half-year and the corresponding period in previous year, Operating Expenses for this half-year would have amounted to HK\$27.2 million as compared to HK\$22.0 million in the same period in previous year at the same basis. The increase was primarily due to the increase in corporate marketing fee for road shows as well as business relationship and corporate image building.

The Group incurred finance costs for the six months ended 30 September 2015 amounted to HK\$1.8 million (2014: HK\$16.7 million) which was mainly composed of interest payable on borrowings granted by the non-controlling shareholders of a subsidiary. With the redemptions and repayments of the Group's majority portion of bonds and promissory notes since September 2014, the Group enjoyed a substantial saving in finance cost. Effective interest in relation to those bonds and promissory notes bearing high interest rates as recorded by the Group in the first half-year in 2014 was kept to minimal in current period.

During the six months ended 30 September 2015, the Group has recorded a significant decrease in net loss which amounted to HK\$14.5 million comparing to a net loss of HK\$48.3 million for the corresponding period in 2014 representing a 70% decrease in net loss. The improvement in results was attributable to the increase in overall income, in particular, the contribution from securities investment and the reduction in overall expenses of the Group.

Business Review and Prospect

The Group's business is organized in four segments namely (i) Natural Resources and Commodities; (ii) Packaged Food; (iii) Money Lending; and (iv) Securities Investment.

Natural Resources and Commodities

During the six months ended 30 September 2015, the aggregate revenue generated from the trading of natural resources and commodities amounted to approximately HK\$23.7 million (2014: HK\$237.1 million) with a segment loss of approximately HK\$2.7 million (2014: HK\$1.0 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. The revenue generated from trading of coal products carried out by the WFOE for the six months ended 30 September 2015 amounted to approximately HK\$177.2 million (2014: HK\$2.9 million). The Group was advised by the management of the Goldenbase Group that an aggregate of approximately 494,800 tonnes of coal was traded in the six months ended 30 September 2015 (2014: 7,900 tonnes).

The Goldenbase Group recorded a profit of HK\$3.7 million for the six months ended 30 September 2015 as compared to a loss of HK\$0.5 million as recorded in the corresponding period in 2014 indicating a significant improvement in its trading performance.

(b) Iron Ore Trading Business

The Group's iron ore trading business was significantly affected by the persistent weak market conditions in the past few years. The sustained oversupply of iron ore in the global market continued to create a pressure on the rebound of the global iron ore price which remained at its low price region of US\$45 to US\$55 per tonne. The Group was unable to resume its iron ore trading during the period under such market conditions. In September 2015, the Group entered into a conditional sale and purchase agreement with an independent third party for the sale of the entire share capital of Digital Rainbow Holdings Limited (the "DR Disposal") which, together with its subsidiaries (the "Digital Rainbow Group"), operates the Group's iron ore trading business. In considering the entering into of the conditional sale and purchase agreement of the DR Disposal, the Group takes into consideration of (i) the unsatisfactory operating results of the Digital Rainbow Group since acquisition by the Group; (ii) the uncertainty of the turnaround of the weak market condition; and (iii) the DR Disposal allows the Group to exit from subsidizing the non-performing business of the Digital Rainbow Group, the Directors consider that the DR Disposal allows the Company to dispose of its non-profitable business and better allocate its resources to the Group's other business segments and/or other investment opportunities with better prospect. Completion of the DR Disposal took place in October 2015. Details of the DR Disposal were set out in the Company's announcements dated 23 September 2015 and 12 October 2015 respectively.

(c) Other Natural Resources and Commodities Trading Business

During the period under review, the Group continued engaging in the trading of crude palm oil via its wholly-owned subsidiary, Grand Charm Commodities Limited ("Grand Charm") and recorded a turnover of HK\$23.7 million (2014: HK\$234.7 million). In the past, Grand Charm has signed master trading agreements with both suppliers and customers. Such master trading agreements were expired in July 2014. Despite of the expiry of the master trading agreements, the Group continued carrying out the trading in crude palm oil in the form of trade-by-trade basis. However, given the fact that the margins of such trades were extremely thin, Grand Charm has been seeking for better terms to ensure the returns from such trades are commensurate with the resources devoted. The Group is yet to entered into any renewed master trading agreements up to the date of this report which led to a substantial decline in trading volume in the period under review.

Packaged Food

The revenue generated from this segment remained steady for the six months ended 30 September 2015 in which HK\$7.3 million was recorded with a similar revenue amount of \$7.5 million in the corresponding period in 2014. A segment loss of HK\$1.2 million (2014: HK\$1.2 million) was recorded in the period under review.

Money Lending

The Group's money lending business is primarily carried out by a subsidiary, Angel Fund Company Limited, which commenced its business in October 2014 and mainly engaged in provision of mortgage financing to various customers. As at 30 September 2015, the Group has loan portfolio of approximately HK\$22.1 million (2014: Nil). During the period under review, it generated a revenue of HK\$2.4 million (2014: Nil), representing the fee and interest income generated from lending of money, and recorded a near breakeven result in the period (2014: Nil).

Securities Investment

During the six months ended 30 September 2015, the Group commenced new business operation by engaging in investment in listed securities. The Group takes into consideration of, among others, the expertise possessed by the management of the Company in the field of capital market investments. The Group is of the view that the securities investment operation can utilize such expertise to diversify the income stream of the Group and may generate additional investment returns on the idle funds of the Group from time to time and enhance the value of the shares of the Company. The Group recorded a net gain in this segment of HK\$11.6 million (2014: Nil) in which a gain on the sale of securities of HK\$14.1 million (2014: Nil) was realised offset by an unrealized loss of securities at fair value through profit or loss of HK\$2.5 million (2014: Nil). The Group will continue in identifying quality investments with the expertise possessed by the management of the Company and capture any opportunities emerged from the upturn of the stock market.

Other Businesses

(a) Vehicle Distribution

The vehicles distribution business is yet to commence pending for the vehicle-maker to launch the new model of sports car. The timeline for launching such new model is moving behind schedule and accordingly, contribution from this business may be delayed.

(b) Restaurant Operation

The Group's restaurant operation was carried out by the then associate, Joyful Ease Limited ("Joyful Ease") which engaged 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. As a result of the shareholding restructuring of Joyful Ease during the six months ended 30 September 2015, Joyful Ease became an investee company of the Group and was presented as available-for-sale investment in the interim condensed consolidated statement of financial position.

(c) Sale of Trendy Fashion and Branding

On 23 September 2015, the Group entered into a conditional sale and purchase agreement to acquire the entire issued share capital of MD Inc. Limited ("MD") (the "MD Acquisition"). MD is expertized in cut and sew storage cases for electronic accessories and electronic components' design, development, production and distribution. It also specializes in sales and distribution of trendy fashion and apparels in Hong Kong and Asia markets. MD has also entered into brand cooperation agreements with a number of celebrity brands from Taiwan which focus on trendy fashion items among the young generations. It is responsible for the design, manufacture, production, distribution and marketing of the fashion items of these brands. As MD has good connection with celebrities in Taiwan and Hong Kong, it can provide synergy between the celebrities and the brands whereby both can obtain wider exposure in media and different sales channels to increase recognition of the brand and the celebrities. The Board is optimistic on the business prospect of MD and considers that the MD Acquisition would further enhance the profitability of the Group in long-run.

(d) E-Commerce Business

On 23 June 2015, the Group entered into a conditional sale and purchase agreement to acquire 51% of the equity interest in a company which through its subsidiaries owns and operates the online distribution platform, namely Letao ("Letao Acquisition"). Letao is a well-established nationwide e-commerce platform for footwear. It underwent transformation and acquisition recently, and will carry out marketing with its new position. Letao plans to upgrade its upstream and downstream industrial chains by adopting the online to offline (O2O) business model as its core business, and will insist on development of online sale platform for footwear, combining production and sales into one whole, enhancing technological innovation and product innovation as well as maintaining and enhancing its lasting competitiveness. Meanwhile, Letao intends to provide footwear franchisers with one-stop services, which include interactive price quote information enquiry service, online ordering, movable specialty stores and logistic support. The aggregate consideration for the 51% equity interest is HK\$204 million which will be satisfied by the Company by way of allotment and issuance of an aggregate of 816,000,000 new shares of the Company at HK\$0.25 per share. At the date of this report, the parties to the sale and purchase agreement are under negotiation to amend various terms of the Letao Acquisition (including but not limited to payment terms, methods and schedule). The Letao Acquisition, if realized, represents a milestone of the Group in entering into the e-Commerce sector with high growth potentials.

Financial Position

Net assets of the Group as at 30 September 2015 was HK\$159.3 million compared to HK\$100.8 million as at 31 March 2015 representing an increase of 58%. The increase was mainly attributable to the successful placements of an aggregate of 542,000,000 new ordinary shares for cash during the first half-year contributing to an increase in net assets of the Group by HK\$73.0 million. On the other hand, the results in the current reporting period wipe out the net assets value by HK\$14.4 million.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2015, the Group mainly financed its operations with its own working capital supplemented by equity funding. As mentioned in the previous paragraph, the Group raised net proceeds from the share placements of HK\$73.0 million for general working capital need and repayment of certain liabilities of the Group.

During the first half of 2015, the Group's net cash used in operating activities increased slightly to HK\$33.4 million from HK\$32.5 million during the corresponding period in 2014. Net cash used in investing activities has reduced to HK\$0.3 million for the first half of 2015 from HK\$4.5 million during the corresponding period in 2014 in which a payment of HK\$4.9 million was made as a partial payment for the acquisition of vehicle distribution rights. The net cash inflow from financing activities in both half-year in 2015 and 2014 mainly represented the net balance of net proceeds from share placement and repayment of bonds and promissory notes.

At the reporting date, the Group had cash and bank balances of HK\$41.6 million (31 March 2015: HK\$9.4 million) representing a 4.4 times increase in cash reserve from last financial year end.

The Group's gearing ratio at the reporting date was -2% (31 March 2015: 26%) showing a huge improvement from last financial year end. The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total of promissory notes and bonds less cash and bank balances. The current ratio (ratio of current assets to current liabilities) of the Group as at 30 September 2015 was approximately 7.4 (31 March 2015: 3.6), the increase in current ratio was led by the increase in financial assets at fair value through profit or loss and the increase in bank and cash balances as compared to 31 March 2015.

Financial Management Policy and Foreign Currency Risk

The Group's finance division manages the financial risks of the Group. One of the key objectives of the Group's treasury policy is to manage its exposure to fluctuations in foreign currency exchange rates. The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group has assessed its foreign exchange rate risk exposure and has not entered into any foreign exchange hedging arrangement during the reporting period and as at reporting date. In any event, the Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Treasury Policies and Credit Risk Management

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. In relation to the money lending business, the Group has also adopted internal control procedures for the identification and evaluation of the legal ownership and accurate valuation of property or other collaterals. The Group usually grants loans with a loan-to-value ratio of less than a benchmark of 70% of the value of the property subject to judgement made by the top management of the Group's money lending business after taking into consideration of different factors including but not limited to market conditions, type of property and financial background of borrowers. For the valuation of the property, the Group will make reference to either a third party valuer or the internet valuation services provided by banks in Hong Kong. The Group holds collateral against loan receivables in the form of mortgages over property or other assets. The Group considers that the credit risk arising from the loan receivables is significantly mitigated by the property and other assets held as collateral, with reference to the estimated market value of the property or the relevant assets at the grant date. 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.

Contingent Liabilities and Pledge of Assets

Save as disclosed in note 19 to the unaudited consolidated interim financial statements, the Group had no significant charges on its assets nor any significant contingent liabilities at 30 September 2015 (31 March 2015: Nil).

Material Transactions

- (a) On 13 April 2015, the Company entered into a placing agreement (the "April Placing Agreement") with CNI Securities Group Limited ("CNI Securities") pursuant to which CNI Securities agreed to place (the "April Placing"), on a best effort basis, up to an aggregate of 162,000,000 new shares at the placing price of HK\$0.21 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 April Placing Agreement was HK\$0.24. It was intended that the net proceeds from the April Placing of approximately HK\$33.3 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the April Placing took place on 24 April 2015.

The Company has utilized the net proceeds from the April Placing for payment of (i) redemption of promissory notes of aggregate principal amount and interest thereon of HK\$3.3 million, (ii) the legal and professional fees of the possible acquisition of Southernpec of an aggregate amount of HK\$0.6 million, (iii) loan to a related company of HK\$5 million, (iv) working capital for general expenses, trading activities and other business activities of HK\$12.7 million, (v) finance cost of HK\$0.5 million on outstanding bond and (vi) HK\$11.2 million cash deposited to the Company's investment account with its broker for securities investments from time to time.

- (b) On 22 May 2015, the Company proposes to raise not less than approximately HK\$201.2 million and not more than approximately HK\$242.0 million, before expenses by way of open offer (the "May Open Offer"). It was intended that the net proceeds from the May Open Offer of approximately HK\$192.9 million would be used for (i) the development of existing and future business of the Group; (ii) settlement of certain liabilities of the Company; and (iii) general working capital of the Company. On the same date, the Company entered into an underwriting agreement (the "May Underwriting Agreement") with Enhanced Securities Limited ("ESL") pursuant to which ESL has conditionally agreed to underwrite the offer shares not subscribed by the qualifying shareholders. As a consequence of the volatility in the local securities market in early July 2015, the May Underwriting Agreement was terminated on 17 July 2015.

On the same date, the Company entered into a new underwriting agreement (the "July Underwriting Agreement") with Orient Securities Limited as underwriter in respect of a new open offer (the "July Open Offer") of not less than 1,149,572,000 offer shares and not more than 1,383,106,000 offer shares at the subscription price of HK\$0.12 per offer share on the basis of one offer share for every two existing shares held on 11 August 2015. As a consequence of the volatility in the global securities market, the July Underwriting Agreement was terminated on 2 September 2015.

- (c) On 23 June 2015, the Company entered into a conditional sale and purchase agreement (the "Purchase Agreement") with Mr. Lu Xianglong, Mr. Zhu Huaimei, Mr. Wu Ruibiao and Mr. Cheung Siu Yu as vendors in relation to the proposed acquisition (the "Perfect Worth Acquisition") of 51% of the equity interest in Perfect Worth Investment Limited (the "Target Company") which through its subsidiaries owns and operates the online distribution platform, namely Letao, at an aggregate consideration of HK\$204,000,000, which shall be satisfied by allotment and issue of an aggregate of 816,000,000 new shares (the "Consideration Shares") by the Company at an issue price of HK\$0.25 per Consideration Share. Pursuant to the terms and conditions of the Purchase Agreement, the Target Company shall issue and the Company shall subscribe for various tranches of convertible notes at various time intervals after the completion of the Perfect Worth Acquisition (the "CN Subscription"). For details of the proposed Perfect Worth Acquisition and the CN Subscription, please refer to the announcements of the Company dated 23 June 2015 and 23 October 2015 respectively.
- (d) On 1 August 2014, the Company and Southernpec Storage and Logistics Holdings Limited as vendor (the "Vendor") entered into a memorandum of understanding (the "MOU") (as supplemented on 9 October 2014, 30 January 2015 and 30 April 2015) in relation to the possible acquisition (the "Acquisition") of the entire equity interest in Southernpec Singapore Storage and Logistics Limited. The Company has been granted an exclusivity period by the Vendor for the negotiation of the Acquisition from the date of the MOU to 31 July 2015. Up to 31 July 2015, the Company and the Vendor were unable to reach an agreement or execute any formal legal documents for the Acquisition and accordingly the MOU has expired and lapsed.
- (e) On 1 August 2014, the Company entered into an arranger agreement (the "Arranger Agreement") with Capital Pilot Limited as arranger (the "Arranger") in relation to the provision of certain services by the Arranger to the Company in connection with the Acquisition. Following the lapse of the MOU and after arm's length negotiations, the Company and the Arranger have agreed to terminate the Arranger Agreement with effect from 31 July 2015.

- (f) On 9 September 2015, the Company entered into a placing agreement (the “September Placing Agreement”) with Supreme China Securities Group Limited (“Supreme China”) pursuant to which Supreme China agreed to place (the “September Placing”), on a best effort basis, up to an aggregate of 380,000,000 new shares at the placing price of HK\$0.107 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 September Placing Agreement was HK\$0.117. It was intended that the net proceeds from the September Placing of approximately HK\$39.7 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the September Placing took place on 24 September 2015.

The Company has utilized the net proceeds from the September Placing for payment of (i) legal and professional fee of HK\$2 million for previous proposed open offer and investment projects including Southerpec, Letao and MD; (ii) cash consideration of HK\$3 million for the acquisition of MD; (iii) money lent of HK\$7 million; (iv) working capital for general expenses, trading activities and other business activities of HK\$10 million; (v) HK\$10 million cash deposited to the Company’s investment account with its broker for securities investments from time to time; and (vi) the remaining balance is to be used as general working capital.

Subsequent Events

- (a) On 23 September 2015, the Group entered into a conditional sale and purchase agreement with the vendors (“MD Vendors”) to acquire (the “MD Acquisition”) the entire issued share capital of MD Inc. Limited (“MD”) at a total consideration of HK\$47,000,000 (the “MD Acquisition Consideration”). MD is expertized in cut and sew storage cases for electronic accessories and electronic components’ design, development, production and distribution. It also specializes in sales and distribution of trendy fashion and apparels in Hong Kong and Asia markets. MD has also entered into brand cooperation agreements with a number of celebrity brands from Taiwan which focus on trendy fashion items among the young generations. It is responsible for design, manufacture, produce, distribute and market the fashion items of these brands. On the same date, the Group also entered into another conditional sale and purchase agreement with a company wholly-owned by MD Vendors to sale (the “DR Disposal”) the entire issued share capital of Digital Rainbow Holdings Limited, an indirect wholly-owned subsidiary of the Company at a consideration of HK\$32,000,000 (the “DR Disposal Consideration”). The MD Acquisition Consideration payable by the Group will be deemed to have been satisfied by the set-off of the DR Disposal Consideration receivable by the Group. Balance of MD Acquisition Consideration amounted to HK\$15,000,000 shall be satisfied by the payment of cash in an aggregate amount of HK\$3,000,000 and the issue of 60,000,000 Shares of the Company at an issue price of HK\$0.20 each. The MD Acquisition and the DR Disposal were completed concurrently on 12 October 2015.

- (b) On 9 November 2015, the Company entered into an underwriting agreement (the “November Underwriting Agreement”) with Koala Securities Limited and Supreme China Securities Limited as underwriters (collectively referred to as the “November Underwriters”) in respect of an open offer (the “November Open Offer”) of not less than 1,369,572,000 offer shares and not more than 1,603,106,000 offer shares at the subscription price of HK\$0.07 per offer share on the basis of one offer share for every two existing shares held on 2 December 2015. The November Open Offer has not yet completed at the date of this report.

Outlook

The recent volatility of the local and global stock markets and the fall in oil and minerals prices as well as the uncertainty in the Chinese and global economy all cast negative impact to the financial and investment markets and the Group’s existing operating environment. On the other hand, it may provide favorable condition to the Group in identifying suitable investment opportunities for diversifying the Group’s business at better terms. The recent completion of the MD Acquisition was among the identified investment projects which has realized. With the on-going proposed acquisition of the 51% interest in Letao, a well-established nationwide online distribution platform, the Group considers there is potential synergy effect which may be created between the acquired business and the distribution platform. Had the acquisition of the platform been materialized, the Group may utilize such nationwide online distribution platform for rapidly and enormously expand its distribution channel for marketing and distribution of its products such as trendy fashion items to the whole country in the PRC. Following completion of the September Placing and the November Open Offer, the Group may deploy the new capital raised for such financing the operation of both the acquired and acquiring businesses as well as for seeking other investment opportunities with the view to enhance its shareholders’ value.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 26 September 2010 (the "Share Option Scheme"), certain Directors and participants were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable during the six months ended 30 September 2015 are set out below:

Name	Capacity	Date of grant	Exercise period (note)	Exercise price per share HK\$	Number of Options as at 1 April 2015 and 30 September 2015
Directors:					
Mr. Wong Ka Wah, Albert	Director	21 February 2014	21 February 2014 to 20 February 2019	0.26	15,000,000
Mr. Hong Sze Lung	Director	21 February 2014	21 February 2014 to 20 February 2019	0.26	15,000,000
Mr. Lau Wan Pui, Joseph	Director	21 February 2014	21 February 2014 to 20 February 2019	0.26	3,000,000
Mr. Law Chung Lam, Nelson	Director	21 February 2014	21 February 2014 to 20 February 2019	0.26	2,000,000
Mr. Kwong Yuk Lap	Director	21 February 2014	21 February 2014 to 20 February 2019	0.26	2,000,000
		13 October 2014	13 October 2014 to 12 October 2016	0.37	2,000,000
Mr. Chow Chi Fai	Director	21 February 2014	21 February 2014 to 20 February 2019	0.26	1,000,000
Mr. Leung Ka Tin	Director	13 October 2014	13 October 2014 to 12 October 2016	0.37	1,000,000
					41,000,000
Other employees:					
		11 July 2011	11 July 2011 to 10 July 2016	0.355	6,000,000
		21 February 2014	21 February 2014 to 20 February 2019	0.26	10,000,000
		13 October 2014	13 October 2014 to 12 October 2016	0.37	5,000,000
					21,000,000
Other grantees:					
		11 July 2011	11 July 2011 to 10 July 2016	0.355	14,000,000
		17 February 2014	17 February 2014 to 16 February 2019	0.24	39,000,000
		21 February 2014	21 February 2014 to 20 February 2019	0.26	35,000,000
		14 July 2014	14 July 2014 to 13 July 2016	0.27	36,900,000
		13 October 2014	13 October 2014 to 12 October 2016	0.37	150,168,000
					275,068,000
					337,068,000

Note: 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 six months ended 30 September 2015.

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

As at 30 September 2015, 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:

Name of Director	Number of Shares held	Number of Share Options held	Total interests	Approximate percentage of interest in Shares
Mr. Wong Ka Wah, Albert	–	15,000,000	15,000,000	0.56%
Mr. Hong Sze Lung	10,992,000	15,000,000	25,992,000	0.97%
Mr. Lau Wan Pui, Joseph	2,000,000	3,000,000	5,000,000	0.19%
Mr. Law Chung Lam, Nelson	–	2,000,000	2,000,000	0.07%
Mr. Kwong Yuk Lap	–	4,000,000	4,000,000	0.15%
Mr. Chow Chi Fai	–	1,000,000	1,000,000	0.04%
Mr. Leung Ka Tin	–	1,000,000	1,000,000	0.04%

Save as disclosed above, as at 30 September 2015, 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 six months ended 30 September 2015 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective associates, or were any such rights exercised by them; or was the Company or any of its subsidiaries, or its holding company, or any of its fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 September 2015, 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:

Name of Shareholder	Capacity of interests	Number of Shares in interest	Approximate percentage of interest in Shares
Conrich Investment Limited (Note 1)	Beneficial owner	175,208,000	6.54%
Ms. Lee Yau Lin, Jenny (Note 2)	Interest in controlled corporation/ Beneficial owner	179,208,000	6.69%
Mr. Wu Ruibiao (Note 3)	Beneficial owner	328,000,000	6.66%

Notes:

- Conrich Investment Limited is an investment holding company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Ms. Lee Yau Lin, Jenny, a former Director of the Company. These shares in interests are duplicated in the interests held by Ms. Lee Yau Lin, Jenny.
- Ms. Lee Yau Lin, Jenny is the beneficial owner of 100% of the issued share capital of Conrich Investment Limited. Ms. Lee Yau Lin, Jenny is deemed to be interested in, and duplicated the interests of, the 175,208,000 shares held by Conrich Investment Limited under Section 316(2) the SFO. The remaining interests in 4,000,000 shares of the Company are share options granted by the Company to Ms. Lee Yau Lin, Jenny on 11 July 2011.
- Mr. Wu Ruibiao ("Mr. Wu") is one of the vendors under the sale and purchase agreement dated 23 June 2015 entered into by the Company in respect of the proposed acquisition of 51% equity interest in Perfect Worth Investment Limited (the "Perfect Worth Acquisition"), details of which are disclosed in the announcement of the Company dated 23 June 2015. The 328,000,000 Shares represents the consideration Shares to be allotted and issued to Mr. Wu (or its nominees) upon completion of the Acquisition ("Acquisition Completion"), and the percentage of which represents the approximate percentage of interest of the issued share capital of the Company as enlarged by the completion of the May Open Offer and the issue of all the consideration Shares immediately upon the Acquisition Completion.

CONNECTED TRANSACTIONS

Save as disclosed in note 22 to the unaudited condensed consolidated interim financial statements, the Directors are not aware of any connected transactions of the Group that shall be disclosed in this report.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2015.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the six months ended 30 September 2015 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 close 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 six months ended 30 September 2015.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules throughout the period under review, save for the disclosure below:

In respect of the code provision A.6.7 of the CG Code, independent non-executive Directors and other non-executive Directors should attend the general meetings of the Company. Two of the independent non-executive Directors were unable to attend the annual general meeting of the Company held on 7 August 2015 due to other business engagements.

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in details of the Directors' information subsequent to the date of the annual report of the Company for the year ended 31 March 2015 are set out below:

Name	Details of Changes
Mr. Wong Ka Wah, Albert	<ul style="list-style-type: none">under the service agreement between the Company and Mr. Wong Ka Wah, Albert as an executive Director, he is entitled to receive an annual salary of HK\$2,640,000 with effect from October 2015 which were determined with reference to the services provided by him and his duties and responsibilities with the Group
Mr. Hong Sze Lung	<ul style="list-style-type: none">under the service agreement between the Company and Mr. Hong Sze Lung as an executive Director, he is entitled to receive an annual salary of HK\$1,320,000 with effect from October 2015 which were determined with reference to the services provided by him and his duties and responsibilities with the Group
Mr. Kwong Yuk Lap	<ul style="list-style-type: none">re-designated as executive Director of the Company with effect from 1 November 2015under the service agreement between the Company and Mr. Kwong Yuk Lap ("Mr. Kwong"), as an executive Director, Mr. Kwong was appointed for a term of three years commencing on 1 November 2015 and subject to retirement by rotation and re-election once every three years at the Company's annual general meeting in accordance with the articles of association of the Company and the relevant provisions of the GEM Listing Rules. He will be entitled to an emolument of HK\$600,000 per annum, together with discretionary management bonus and such share options which may be granted under the share option scheme adopted by the Company to be determined by the Board and the remuneration committee of the Company. Mr. Kwong's emolument was proposed by the management and has been reviewed and determined by the remuneration committee of the Company with reference to the qualifications, experience, duties and responsibilities of Mr. Kwong with the Company

Name	Details of Changes
Mr. Leung Ka Tin	<ul style="list-style-type: none"> <li data-bbox="403 215 1008 311">• appointed as an executive director of China Kingstone Mining Holdings Limited* (stock code: 1380) with effect from 14 July 2015 <li data-bbox="403 335 1008 426">• appointed as independent non-executive director of Chanco International Group Limited* (stock code: 264) with effect from 21 September 2015

* The shares of these companies are listed on the Stock Exchange

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 six months ended 30 September 2015 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 November 2015

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