



WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269

2016
Interim Report

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

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

The board of directors (the “Board”) of Wealth Glory Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the three and six months ended 30 September 2016 together with the unaudited comparative figures for the corresponding periods in 2015 as follows:

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

For the three and six months ended 30 September 2016

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000 (Restated)	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000 (Restated)
Continuing operations					
Revenue	3	14,675	1,051	31,082	26,122
Cost of sales		(12,933)	–	(27,452)	(23,665)
Gross profit		1,742	1,051	3,630	2,457
Other income	3	1,583	383	2,792	508
Change in fair value of held-for-trading investments		(7,958)	(22,660)	(8,398)	11,603
Share of profit of associates		410	699	546	1,233
Selling expenses		(99)	–	(162)	–
Administrative expense		(8,162)	(9,817)	(13,435)	(18,347)
Other expenses		(8,699)	(2,944)	(11,825)	(7,130)
Finance costs	5	(1,386)	(874)	(2,462)	(1,751)
Loss before taxation		(22,569)	(34,162)	(29,314)	(11,427)
Taxation credit (expense)	6	18	3,740	36	(1,914)
Loss for the period from continuing operations		(22,551)	(30,422)	(29,278)	(13,341)

		For the three months ended 30 September		For the six months ended 30 September	
Notes		2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000 (Restated)	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000 (Restated)
Discontinued operations					
Profit (loss) for the period from discontinued operations					
7(b)		363	(862)	494	(1,181)
Loss for the period					
7(a)		(22,188)	(31,284)	(28,784)	(14,522)
Other comprehensive income (expense):					
Items that may be subsequently reclassified to profit or loss:					
– Exchange differences arising on translation of foreign operations					
		315	(2)	(64)	73
Total comprehensive expense for the period					
		(21,873)	(31,286)	(28,848)	(14,449)
(Loss)Profit for the period attributable to:					
Owners of the Company					
		(22,335)	(31,136)	(29,081)	(14,432)
Non-controlling interests					
		147	(148)	297	(90)
		(22,188)	(31,284)	(28,784)	(14,522)

	For the three months ended 30 September		For the six months ended 30 September	
Notes	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000 (Restated)	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000 (Restated)
Total comprehensive income (expense) for the period attributable to:				
Owners of the Company	(22,020)	(31,138)	(29,145)	(14,359)
Non-controlling interests	147	(148)	297	(90)
	(21,873)	(31,286)	(28,848)	(14,449)
	HK cents	HK cents (restated)	HK cents	HK cents (restated)
Loss per share from continuing and discontinued operations	8			
– Basic and diluted	0.54	1.31	0.71	0.62
Loss per share from continuing operations	8			
– Basic and diluted	0.55	1.27	0.72	0.56

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	As at 30 September 2016 (Unaudited) HK\$'000	As at 31 March 2016 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	9	347	1,448
Interests in associates		22,265	21,784
Goodwill		34,279	34,279
Intangible assets	10	19,535	20,992
Loans receivables		146	5,735
Deposits and other receivables		15,471	14,740
Held-to-maturity investments	11	11,047	–
Available-for-sale investments		4,329	4,329
		107,419	103,307
Current assets			
Inventories	12	5,384	5,833
Held-for-trading investments	13	82,304	83,273
Trade receivables	14	615	3,774
Prepayments, deposits and other receivables		12,634	12,207
Loans receivables		37,401	34,083
Loan to associates		6,004	5,754
Cash and cash equivalents		5,187	23,969
		149,529	168,893

	Notes	As at 30 September 2016 (Unaudited) HK\$'000	As at 31 March 2016 (Audited) HK\$'000
Current liabilities			
Trade payables	15	385	1,883
Accruals and other payables		4,193	7,063
Bonds	16	21,329	10,623
Bank overdrafts		51	255
Bank borrowings	17	221	1,185
Other borrowings	18	24,649	21,062
		50,828	42,071
Net current assets		98,701	126,822
Total assets less current liabilities		206,120	230,129
Non-current liabilities			
Bonds	16	7,283	7,040
Deferred tax liabilities		359	395
		7,642	7,435
NET ASSETS		198,478	222,694
Capital and reserves			
Share capital	19	41,087	41,087
Reserves		156,886	181,399
Equity attributable to owners of the Company		197,973	222,486
Non-controlling interests		505	208
TOTAL EQUITY		198,478	222,694

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Warrants reserve HK\$'000	Merger reserve HK\$'000	Translation reserve HK\$'000	Share-based payment reserve HK\$'000	Legal reserve HK\$'000	(Accumulated loss) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2016 (Audited)	41,087	533,433	3,527	(4,246)	(790)	31,073	485	(382,083)	222,486	208	222,694
Exchange differences arising on translation of foreign operations	-	-	-	-	(64)	-	-	-	(64)	-	(64)
Loss for the period	-	-	-	-	-	-	-	(29,081)	(29,081)	297	(28,784)
Total comprehensive expense for the period	-	-	-	-	(64)	-	-	(29,081)	(29,145)	297	(28,848)
Transfer upon lapse of share options	-	-	-	-	-	(3,433)	-	3,433	-	-	-
Recognition of equity-settled share-based payments	-	-	-	-	-	4,632	-	-	4,632	-	4,632
Transfer upon lapse of warrants	-	-	(3,527)	-	-	-	-	3,527	-	-	-
Reclassification adjustments relating to disposal of subsidiaries	-	-	-	-	678	-	(485)	(193)	-	-	-
Changes in equity for period	-	-	(3,527)	-	614	1,199	(485)	(22,314)	(24,513)	297	(24,216)
At 30 September 2016 (Unaudited)	41,087	533,433	-	(4,246)	(176)	32,272	-	(404,397)	197,973	505	198,478

Attributable to owners of the Company

	Share capital	Share premium	Warrants reserve	Merger reserve	Translation reserve	Share-based payment reserve	Legal reserve	(Accumulated loss)	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 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 shareholding in a subsidiary without losing control	-	-	-	-	-	-	-	-	-	(27)	(27)
Changes in equity for the 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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	Six months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash flows used in operating activities	(22,510)	(33,373)
Net cash flows used in investing activities	(7,178)	(316)
Net cash flows generated from financing activities	11,110	65,859
	<hr/>	<hr/>
(Decrease) Increase in cash and cash equivalents	(18,578)	32,170
Effect of the change in exchange rate	–	73
Cash and cash equivalents at the beginning of the period	23,714	9,379
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Cash and cash equivalents at the end of the period	5,136	41,622
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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:

- (a) trading of natural resources and commodities;
- (b) money lending business;
- (c) investment in coal trading business;
- (d) development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products;
- (e) manufacture and sale of packaged food; and
- (f) investment in securities.

During the period, the Group discontinued its operation in the manufacture and sale of packaged food. The relevant subsidiaries engaged in such operation were thus disposed of, details of which are set out in note 7(b) to the unaudited condensed consolidated interim financial statements.

2. BASIS OF PRESENTATION AND PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2016 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 2016, 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 2016, except for the adoption of the new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 April 2016. 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	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Continuing operations				
Revenue				
Trading of natural resources and commodities	12,538	–	24,683	23,698
Sale of consumer products	617	–	3,285	–
Fee and interest income from money lending	1,520	1,051	3,114	2,424
	<u>14,675</u>	<u>1,051</u>	<u>31,082</u>	<u>26,122</u>
Other income				
Bank interest income	–	–	1	–
Imputed interest income from loans to investees	368	–	732	–
Dividend income	284	–	999	–
Reversal of impairment of deposits	780	–	780	–
Other interest income	125	383	250	508
Sundry income	26	–	30	–
	<u>1,583</u>	<u>383</u>	<u>2,792</u>	<u>508</u>
Discontinued operations				
Revenue				
Sale of packaged food	1,161	3,561	5,087	7,253

	For the three months ended 30 September		For the six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Other income				
Bank interest income	5	3	10	4
Sundry income	4	9	8	11
Gain on disposal of subsidiaries	511	–	511	–
	<u>520</u>	<u>12</u>	<u>529</u>	<u>15</u>
Consolidated				
Revenue				
Trading of natural resources and commodities	12,538	–	24,683	23,698
Sale of consumer products	617	–	3,285	–
Fee and interest income from money lending	1,520	1,051	3,114	2,424
Sale of packaged food	1,161	3,561	5,087	7,253
	<u>15,836</u>	<u>4,612</u>	<u>36,169</u>	<u>33,375</u>
Other income				
Bank interest income	5	3	11	4
Imputed interest income from loans to investees	368	–	732	–
Dividend income	284	–	999	–
Gain on disposal of subsidiaries	511	–	511	–
Reversal of impairment of deposits	780	–	780	–
Other interest income	125	383	250	508
Sundry income	30	9	38	11
	<u>2,103</u>	<u>395</u>	<u>3,321</u>	<u>523</u>

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 2016, 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 coal and crude palm oil etc. ("Natural Resources and Commodities");
- (b) the trading of fashion items and camera bags ("Trading of Consumer Products");
- (c) the money lending business ("Money Lending");
- (d) the manufacturing and trading of packaged food (i.e. noodles) ("Packaged Food"); and
- (e) the investment in securities ("Securities Investment").

On 25 July 2016, the Packaged Food segment was disposed of and was presented as a discontinued operation.

The following is an analysis of the Group's revenue and results for the six months ended 30 September 2016 by operating and reportable segment:

	Continuing Operations								Discontinued Operations		Consolidated			
	Trading of Natural Resources and Commodities				Trading of Consumer Products				Money Lending		Securities Investment		Packaged Food	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000		
Segment Revenue														
External	24,683	23,698	3,285	-	3,114	2,424	-	-	5,087	7,253	36,169	33,375		
Segment Results														
	(92)	(2,668)	(925)	-	695	(49)	(7,399)	11,603	(17)	(1,185)	(7,738)	7,701		

	Continuing Operations								Discontinued Operations		Consolidated	
	Trading of Natural Resources and Commodities		Trading of Consumer Products		Money Lending		Securities Investment		Packaged Food		2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000		
Reconciliation:												
Imputed interest income from loans to investees											732	-
Gain on disposal of subsidiaries											511	-
Reversal of impairment of deposits											780	-
Interest income											261	512
Share-based payments											(4,632)	-
Amortisation of intangible assets											(1,457)	(1,000)
Corporate and other unallocated expenses											(16,674)	(20,506)
Share of profit of an associate											546	1,233
Corporate finance costs											(1,149)	(548)
Taxation credit (expense)											36	(1,914)
Loss for the period											(28,784)	(14,522)
Revenue from major products and services												
The following is an analysis of the Group's revenue from its major products and services:												
Palm oil	24,683	23,698	-	-	-	-	-	-	-	-	24,683	23,698
Fashion items and camera bags	-	-	3,285	-	-	-	-	-	-	-	3,284	-
Money lending and financing service	-	-	-	-	3,114	2,424	-	-	-	-	3,114	2,424
Packaged food	-	-	-	-	-	-	-	-	5,087	7,253	5,088	7,253
	24,683	23,698	3,285	-	3,114	2,424	-	-	5,087	7,253	36,169	33,375

5. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Continuing operations				
Interests on bank overdrafts and bank borrowings	20	–	46	–
Interests on other borrowings	637	611	1,267	1,203
Effective interests on promissory notes	–	–	–	38
Effective interests on bonds	729	263	1,149	510
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	1,386	874	2,462	1,751
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

During the six months ended 30 September 2016, the Group's discontinued operations did not incur any finance costs (2015: Nil).

6. TAXATION CREDIT/(EXPENSE)

	For the three months ended 30 September		For the six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Continuing operations				
Tax credit (charge) comprise of:				
Current	-	(602)	-	(2,322)
Deferred tax credit (charge)	18	4,342	36	408
	<u>18</u>	<u>3,740</u>	<u>36</u>	<u>(1,914)</u>
	18	3,740	36	(1,914)

No provision for tax has been made for the Group's discontinued operations for the period ended 30 September 2016 (2015: Nil).

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

No provision for Hong Kong Profits Tax has been made for the period ended 30 September 2016 as the Group did not generate any assessable profits arising in Hong Kong. Hong Kong Profits Tax was calculated at 16.5% on the estimated assessable profits for the period ended 30 September 2015 in relation to the Group's continuing operations.

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% (2015: 9% to 12%) on the estimated assessable profits for the year with the first two hundred thousand Patacas ("MOP") assessable profits being free from tax. However, Greenfortune (Macao Commercial Offshore) Limited ("Greenfortune"), the then wholly-owned subsidiary of the Company, operating in Macau during the year was 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 the period ended both periods as the Group did not generate any assessable profits arising in Macau.

7. LOSS FOR THE PERIOD

(a) Loss for the period has been arrived at after charging:

	Continuing operations			
	For three months ended 30 September		For six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	12,932	–	27,451	23,664
Depreciation	59	58	118	115
Amortisation of intangible assets	688	500	1,457	1,000
Operating lease rentals in respect of:				
– land and buildings	946	796	1,688	1,593
– other facilities	–	420	–	840
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	3,978	3,826	6,506	5,880
– Retirement benefit contributions	46	40	100	76
– Share-based payments	1,608	–	1,608	–
Share-based payments to grantees other than employees and directors	3,024	–	3,024	–
	3,024	–	3,024	–

Discontinued operations

	For three months ended 30 September		For six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	785	2,755	3,135	5,140
Depreciation	16	334	64	670
Operating lease rentals in respect of:				
– land and buildings	87	266	347	523
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	103	576	655	1,092
– Retirement benefit scheme contributions	124	314	459	604
	<u>124</u>	<u>314</u>	<u>459</u>	<u>604</u>

Consolidated

	For three months ended 30 September		For six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	13,717	2,755	30,586	28,804
Depreciation	75	392	182	785
Amortisation of intangible assets	688	500	1,457	1,000
Operating lease rentals in respect of:				
– land and buildings	1,033	1,062	2,035	2,116
– other facilities	–	420	–	840
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	4,081	4,402	7,161	6,972
– Retirement benefit scheme contributions	170	354	559	680
– Share-based payments	1,608	–	1,608	–
Share-based payments to grantees other than employees and directors	3,024	–	3,024	–
	3,024	–	3,024	–

(b) Discontinued operations

On 24 March 2016, the Company entered into conditional sale and purchase agreement (the "Paraburdoo Agreement") with an independent third party (the "Purchaser") whereby the Company agreed to sell and the Purchaser agreed to purchase (i) the entire equity interests held by the Company in Paraburdoo Limited (together with its subsidiaries, collectively referred to as the "Paraburdoo Group"); and (ii) all obligations, liabilities and debts owing or incurred by Paraburdoo Group to the Company on or at any time prior to the completion of the Paraburdoo Agreement whether actual, contingent or deferred and irrespective of whether or not the same is due or payable on completion of the Paraburdoo Agreement at a cash consideration of HK\$2,000,000.

The Parburdoo Group is principally engaged in manufacturing and sale of fresh and dried noodles which was one of the Group's operating segments. The disposal allows the Group to exit from subsidizing the nonperforming business of the Parburdoo Group and create a good opportunity for the Group to restructure its strategic business position and focus its resources in pursuing development opportunities of other existing businesses of the Group.

On 25 July 2016, the transaction was completed and the Parburdoo Group ceased to be subsidiaries of the Company. The carrying amounts of assets and liabilities disposed of for the Parburdoo Group at the date of disposal are disclosed in note 20 to the unaudited condensed consolidated interim financial statements.

The disposal of the Parburdoo Group constitutes a discontinued operation and the financial information of the Parburdoo Group is disclosed as follows:

	For the three months ended 30 September prior to disposal		For the six months ended 30 September prior to disposal	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Revenue	1,161	3,561	5,087	7,253
Cost of sales	(785)	(2,755)	(3,135)	(5,140)
Gross profit	376	806	1,952	2,113
Other income	9	12	18	15
Selling expenses	(110)	(289)	(371)	(564)
Administrative expense	(423)	(1,391)	(1,616)	(2,745)
Loss before taxation	(148)	(862)	(17)	(1,181)
Taxation credit (expense)	-	-	-	-
Loss for the period	(148)	(862)	(17)	(1,181)
Gain on disposal of discontinued operations	511	-	511	-
Profit (loss) for the period from discontinued operations	363	(862)	494	(1,181)

8. LOSS PER SHARE

Continuing and discontinued operations

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		Six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Loss				
Loss for the purpose of basic and diluted loss per share	<u>(22,335)</u>	<u>(31,136)</u>	<u>(29,081)</u>	<u>(14,432)</u>
Number				
Weighted average number of shares for the purpose of basic and diluted loss per share	<u>4,108,716</u>	<u>2,382,068</u>	<u>4,108,716</u>	<u>2,346,524</u>

Continuing operations

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		Six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Loss				
Loss for the purpose of basic and diluted loss per share	<u>(22,698)</u>	<u>(30,274)</u>	<u>(29,575)</u>	<u>(13,251)</u>
Number				
Weighted average number of shares for the purpose of basic and diluted loss per share	<u>4,108,716</u>	<u>2,382,068</u>	<u>4,108,716</u>	<u>2,346,524</u>

Discontinued operations

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		Six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Profit(Loss)				
Profit (Loss) for the purpose of basic and diluted loss per share	363	(862)	494	(1,181)
Number	'000	'000	'000	'000
Weighted average number of shares for the purpose of basic and diluted loss per share	4,108,716	2,382,068	4,108,716	2,346,524
Earnings (Loss) per shares (HK cents)				
- Basic and diluted	0.01	(0.04)	0.01	(0.05)

The Computations of diluted earnings per share for the three months and six months ended 30 September 2016 for the discontinued operations do not assume the exercise of the Company's share options as the exercise prices of the outstanding share options were higher than the market price of the shares of the Company during the periods.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2016, the Group did not acquire any property, plant and equipment in significant amount (2015: Nil).

10. INTANGIBLE ASSETS

During the six months ended 30 September 2016, the Group did not acquire any intangible assets in significant amount (2015: Nil).

11. HELD-TO-MATURITY INVESTMENTS

During the six months ended 30 September 2016, the Group acquired convertible securities issued by certain companies whose shares are listed on the Stock Exchange of Hong Kong Limited with an aggregate consideration of HK\$11,000,000 (2015: Nil). The Group acquired such convertible securities with a positive intention to hold to maturity.

12. INVENTORIES

	As at 30 September 2016 (Unaudited) HK\$'000	As at 31 March 2016 (Audited) HK\$'000
Raw materials	–	545
Work in progress	–	133
Finished goods (Note)	5,384	5,155
	<hr/> 5,384 <hr/>	<hr/> 5,833 <hr/>

Note: Finished goods include a demo sports car with cost of HK\$5,000,000.

13. HELD-FOR-TRADING INVESTMENTS

	As at 30 September 2016 (Unaudited) HK\$'000	As at 31 March 2016 (Audited) HK\$'000
Listed securities hold for trading, at fair value: Equity securities listed in Hong Kong (Note)	82,304	83,273
	<hr/> 82,304 <hr/>	<hr/> 83,273 <hr/>

Note: The fair values of the listed securities were determined based on the quoted market closing prices at 30 September 2016 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 2016 (Unaudited) HK\$'000	As at 31 March 2016 (Audited) HK\$'000
Trading of Consumer Products		
0-90 days	615	3,774
91-180 days	-	-
	<hr/>	<hr/>
	615	3,774
	<hr/> <hr/>	<hr/> <hr/>

The Group allows an average credit period of 30 days to its customers from Trading of Consumer Products.

15. 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 2016 (Unaudited) HK\$'000	As at 31 March 2016 (Audited) HK\$'000
0-90 days	289	1,883
91-180 days	96	-
	<hr/>	<hr/>
	385	1,883
	<hr/> <hr/>	<hr/> <hr/>

The credit period ranged from 90 days to 120 days.

17. BANK BORROWINGS

As at 30 September 2016, all the bank borrowings contain a repayment on demand clause and accordingly the balance is shown under current liabilities. The following table details the amounts due which are based on scheduled repayment dates set out in the loan agreements:

	As at 30 September 2016 (Unaudited) HK\$'000	As at 31 March 2016 (Audited) HK\$'000
Carrying amount repayable:		
Within one year	221	888
Within a period of more than one year but not exceeding two years	–	297
	<hr/>	<hr/>
	221	1,185
	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2016 and 31 March 2016, the unsecured bank borrowings are guaranteed by the directors of a subsidiary. As at 31 March 2016, unsecured bank borrowings with an amount of HK\$834,000 are guaranteed by the government of the Hong Kong Special Administrative Region.

18. OTHER BORROWINGS

	As at 30 September 2016 (Unaudited) HK\$'000	As at 31 March 2016 (Audited) HK\$'000
Borrowings from outsiders (Note 1)	2,300	–
Borrowings granted by non-controlling shareholders of a subsidiary (Note 2)	22,349	21,062
	<hr/> 24,649 <hr/>	<hr/> 21,062 <hr/>

Notes:

- The amount represents unsecured short-term borrowings which bears interest rate at 8% per annum and repayable within one year.
- 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 certain loan receivables of that subsidiary.

19. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2016 and 30 September 2016	10,000,000	100,000
	<hr/> 10,000,000 <hr/>	<hr/> 100,000 <hr/>
Issued and fully paid:		
At 31 March 2016 and 30 September 2016	4,108,716	41,087
	<hr/> 4,108,716 <hr/>	<hr/> 41,087 <hr/>

20. DISPOSAL OF SUBSIDIARIES

As referred to note 7(b) above, the carrying amounts of assets and liabilities disposed of for the Paraburdoo Group are as follows:

	Amount (Unaudited) <i>HK\$'000</i>
Net liabilities disposed of:	
Property, plant and equipment	937
Trade receivables	2,068
Prepayments, deposits and other receivables	378
Inventories	541
Bank and cash balances	2,071
Trade payables	(931)
Accrual and other payables	(3,664)
Amount due to group company	(11,147)
	<hr/>
	(9,747)
Gain on disposal of subsidiaries	511
Other reclassification adjustment	89
Assignment of receivables	11,147
	<hr/>
Total consideration	2,000
	<hr/>
Satisfied by:	
Cash	2,000
	<hr/>
Net cash outflow on disposal	
Cash consideration	2,000
Bank and cash balances disposed of	(2,071)
	<hr/>
	(71)
	<hr/> <hr/>

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 TRANSACTIONS

(a) During the period, the Group has entered into the following transactions between related parties:

	For the three months ended 30 September		For the six months ended 30 September	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Loan interest income from an associate	125	125	250	251
Finance costs paid/ payable to non- controlling shareholders of a subsidiary	637	611	1,267	1,203

(b) The Group has provided financial assistance amounted to HK\$320,000 at date of inception of the financial assistance 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. The financial assistance was repayable by instalment. The outstanding balance of the financial assistance amounted to approximately HK\$209,000 as at 30 September 2016 (31 March 2016: HK\$240,000).

23. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting date, the Company proposed to effect a share consolidation whereby every six existing issued and unissued share of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.06 each. The Company also propose to change the board lot size for trading on the Stock Exchange from 30,000 shares to 10,000 consolidated shares after and conditional upon the said share consolidation becoming effective. Both the said share consolidation and change in board lot size were subject to approval by the shareholders of the Company at the extraordinary general meeting to be convened for, among others, the above.

24. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2016 were approved by the Board on 14 November 2016.

25. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the six months ended 30 September 2016 (2015: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the period under review, the Group disposed the Paraburdoo Group which was one of the Group's operating segments in the past engaged in the manufacture and sale of packaged food. The disposal constitutes a discontinued operation and thus certain comparative figures of the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the corresponding periods in 2015 were restated in order to reflect the results of the continuing operations. The management discussion and analysis will be based on the restated figures where appropriate.

For the six months ended 30 September 2016, the Group's continuing operations recorded a revenue of HK\$31.1 million as compared to HK\$26.1 million in the same period in previous year representing an increase of 19%. The increase was mainly contributed by the new business segment of trading of consumer products and trendy fashion merchandises. The revenue from another business segment of money lending also recorded a growth of HK\$0.7 million in the period. The Group's gross profit in relation to its continuing operations also improved from HK\$2.5 million in the period last year to HK\$3.6 million in the current period under review.

The Group recorded other income of HK\$2.8 million (2015: HK\$0.5 million). The increase was mainly attributable to the dividend income of HK\$1.0 million generated from held-for-trading investments, the imputed interest of HK\$0.7 million arising from loans to investees and a reversal of impairment of HK\$0.8 million in relation to deposit paid by the Group for the proposed acquisition of Southernpec Singapore Storage and Logistics Limited to the extent payments were received during the period under review.

On the other hand, another business segment of the Group, namely Securities Investment, has incurred a loss of HK\$8.4 million from change in fair value of held-for-trading investments during the period under review as compared to a gain of HK\$11.6 million in the corresponding period in previous year due to the relatively weak market condition in the period under review as compared to the corresponding period in previous year. The Group's investment in associates continued to generate positive return to the Group over the period. It recorded a share of profit of associates amounted to HK\$0.5 million (2015: HK\$1.2 million).

Administrative expenses and other expenses (the “Operating Expenses”) incurred for the six months ended 30 September 2016 amounted to HK\$25.3 million (2015: HK\$25.5 million). By excluding the major non-cash items in relation to amortization of intangible assets and depreciation charges in both periods and the share-based payments incurred in the current period, Operating Expenses for this period under review would have amounted to HK\$19.1 million as compared to HK\$24.4 million in the same period in previous year on the same basis, representing a reduction of 21.7% which was mainly due to the reduced corporate marketing activities undertaken during the period under review.

The Group incurred finance costs for the six months ended 30 September 2016 amounted to HK\$2.5 million (2015: HK\$1.8 million) which was mainly composed of interest payable on borrowings granted by the non-controlling shareholders of a subsidiary and the imputed interest on bonds issued by the Group. During the period under review, a corporate bond of principal value of HK\$11 million was issued by the Group which accounted for the increase in the overall finance costs.

The Group recorded a net loss of HK\$29.3 million for its continuing operations for the six months ended 30 September 2016 (2015: HK\$13.3 million) mainly due to the absence of gain from investment in listed securities which was recorded in the same period in 2015. The Group recorded a net gain of HK\$0.5 million for its discontinued operations for the six months ended 30 September 2016 (2015: loss of HK\$1.2 million) due to the gain arising on disposal of this Packaged Food business segment.

Business Review

Natural Resources and Commodities Business

(a) Coal Trading Business

The Group’s coal trading business was operated by an associate, Goldenbase Limited (together with its subsidiaries, the “Goldenbase Group”) for the six months ended 30 September 2016. The Goldenbase Group recorded a turnover of HK\$128.3 million (2015: HK\$177.2 million). The Group was advised by the management of the Goldenbase Group that an aggregate of approximately 435,200 tonnes (2015: 494,800 tonnes) of coal was traded during the period under review.

The Goldenbase Group recorded a net profit of HK\$1.6 million for the six months ended 30 September 2016 as compared to a profit of HK\$3.7 million in the corresponding period in 2015 due to the reduction in the average profit margin of trades conducted.

(b) Other Natural Resources and Commodities Trading Business

During the period, the Group continued to be engaged in the trading of crude palm oil and recorded a turnover of HK\$24.7 million as compared to HK\$23.7 million in the same period last year. The trading volume remained steady during period under review.

Consumer Products and Trendy Fashion Business

The Group's sale of consumer products and trendy fashion merchandises was carried out by its wholly-owned subsidiary, MD Inc. Limited ("MD" together with its subsidiaries, the "MD Group"). The MD Group has been actively participated in different marketing activities such as trade fairs and exhibitions in particular those organized in the major cities of the People's Republic of China (the "PRC") such as the 16th Shanghai International Children Baby Maternity Industry Expo held in July 2016 in Shanghai, the PRC. At the Expo, MD displayed a variety of merchandises which were designed and produced by MD using its cooperation brand, "Happiplayground". The merchandises also made use the application of the hot technology, augmented reality ("AR") by linking up these merchandises ("AR Merchandises") to the AR apps. The AR apps utilized the patented cartoon characters of "Happiplayground" adhered to/printed on the AR Merchandises triggering the display of the corresponding characters image in the apps for creative photo shootings. Other mini-games/applications relating to such characters will also be developed and linked up with other merchandises to be produced by MD. The AR Merchandises are the first series making use of the AR technology on the products developed by MD and the response from potential buyers at the Shanghai trade fair was encouraging particularly on the application of AR apps. The Group believed that the use of augmented reality apps would add value to its merchandises and would facilitate the growth of MD's business. The MD Group recorded a turnover of HK\$3.3 million in the period under review.

Money Lending Business

The Group's money lending business has been growing steadily during the period under review. It recorded a revenue of HK\$3.1 million (2015: HK\$2.4 million), which comprised interest income generated. It recorded a net profit of HK\$0.7 million during the period under review as compared to a nominal loss as recorded in the same period in 2015. According to the management's observation and taking into account the positive results of the money lending business, the Group believes that there is a constant demand in the market allowing a further growth of this business segment and is confident that it will continue to contribute positively to the Group's overall results. Nonetheless, as the business is capital-driven in nature, the Group will constantly assess the level of resources to be allocated to this business segment with reference to the availability of capital. In the meantime, it will closely monitor the market conditions and operating environment in order to strike a balance between the returns and the associated business risks.

Investment in Listed Securities

During the six months ended 30 September 2016, the Group's securities investment segment continued to focus on listed securities in Hong Kong. It recorded a net loss in securities investments of HK\$7.4 million for the period under review (2015: net gain of HK\$11.6 million) which was composed of a realized loss of HK\$7.7 million (2015: gain of HK\$14.1 million) and unrealized loss of HK\$0.7 million (2015: loss of HK\$2.5 million). As at 30 September 2016, the Group held an investment portfolio with fair value of HK\$82.3 million (31 March 2016: HK\$83.3 million), details of which are set out in the section "Significant Investments"). The investment portfolio also generated a dividend income of approximately HK\$1 million (2015: Nil) during the period under review. The unsatisfactory results of this segment was mainly due to the relatively weak market condition in the period under review which can be reflected from the Hang Seng Index (the "HSI"). The HSI reached its highest point at over 28,000 in April 2015 whereas the highest point in current period was around 24,000 and lowest point below 20,000. In view of volatility of the local securities market, the Group will hold a diversified portfolio across different segment of the market with an effort to minimize the associated risk.

Packaged Food Business

On 24 March 2016, the Group entered into a conditional sale and purchase agreement with an independent third party for the disposal of the packaged food business (the "Packaged Food Disposal") at a consideration of HK\$2 million. The Directors consider the Packaged Food Disposal allows the Group to exit from subsidizing the non-performing business and create a good opportunity for the Group to restructure its strategic business position and focus its resources in pursuing development opportunities of other existing businesses of the Group. The Packaged Food Disposal was completed on 25 July 2016. The Group recorded a net gain of HK\$0.5 million for this business segment for the six months ended 30 September 2016 (2015: loss of HK\$1.2 million) due to the gain arising on disposal of this business segment.

Financial Position

Net assets of the Group as at 30 September 2016 was HK\$198.5 million compared to HK\$222.7 million as at 31 March 2016 representing a decrease of 11%. The reduction was mainly due to the loss in the period under review.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2016, the Group mainly financed its operations with its own working capital supplemented by certain corporate borrowings including corporate bond and short-term borrowings. As at 30 September 2016, the Group had cash and cash equivalents of HK\$5.2 million (31 March 2016: HK\$24 million)

As at 30 September 2016, the Group has issued share capital of HK\$41.1 million (31 March 2016: HK\$41.1 million) divided into 4,108,716,000 shares of HK\$0.01 each. The Group's total indebtedness amounted to approximately HK\$53.5 million (31 March 2016: HK\$40.2 million) out of which corporate bonds amounted to HK\$28.6 million (31 March 2016: HK\$17.7 million), other borrowings of HK\$24.6 million (31 March 2016: HK\$21.1 million) and bank overdraft and borrowings of HK\$0.3 million (31 March 2016: HK\$1.4 million).

The Group's gearing ratio at the reporting date was 20% (31 March 2016: 7%). The increase in gearing ratio was due to the increased corporate bonds balances and reduction in cash balance. The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total of bonds, other borrowing, bank borrowings and overdraft less cash and bank balances. The current ratio (ratio of current assets to current liabilities) of the Group as at 30 September 2016 was approximately 2.9 (31 March 2016: 4), the drop in current ratio was led by the increase in short-term debts and reduction in cash balances as compared to 31 March 2016.

Update on Refund of Deposit

On 1 August 2014, the Company, as purchaser, entered into a memorandum of understanding ("MOU") with Southernpec Storage and Logistics Holding Limited (the "Vendor"), as vendor, for the proposed acquisition of Southernpec Singapore Storage and Logistics Limited. Pursuant to a supplemental memorandum of understanding, the Company paid a refundable deposit of HK\$10 million (the "Deposit"). The MOU lapsed on 31 July 2015 and the Deposit shall be returned by the Vendor to the Company in full within three business days. However, the Vendor was failed to return the Deposit within the said period and the parties were unable to reach a consensus on the repayment schedule. Following a series of negotiations and actions (including legal proceedings against the Vendor for the recovery of the Deposit) taken against the Vendor on the delay in repayment of the Deposit, the Company has reached a settlement agreement (the "Settlement Agreement") with the Vendor. Pursuant to the Settlement Agreement, in consideration of the Company's forbearance to sue and to proceed with the legal proceedings and to withdraw/discontinue such legal proceedings against the Vendor, the Vendor irrevocably covenants with the Company that the Vendor shall pay to the Company a sum of HK\$5,000,000 (the "Settlement Sum") by instalments over a period of 18 months from the date of the Settlement Agreement as the full and final settlement of the Deposit (the "Settlement"). As at the date of publishing the Company's 2016 annual report, the Company has received the first instalment of HK\$500,000. However, the Vendor was failed to pay the second instalment in accordance with the payment schedule stipulated in the Settlement Agreement. Under such circumstances, an amount of HK\$9.5 million was impaired and charged to the profit and loss for the year ended 31 March 2016. During the period under review, the second instalment of HK\$780,000 was received and hence an equivalent amount was reversed from the impaired amount and credited as other income. At the date of this report, the remaining Settlement Sum has not yet due for payment in accordance with the payment schedule stipulated in the Settlement Agreement. The Company will continue to monitor the payments from the Vendor and update its shareholders where appropriate.

Material Acquisitions and Disposals

Save as disclosed in the notes 7(b) and 11 to the unaudited condensed consolidated interim financial statements, the Group did not have any other material acquisitions and disposals for the six months ended 30 September 2016.

Significant Investments

As at 30 September 2016, the Group's held-for-trading investments amounted to HK\$82.3 million which were equity investments listed in Hong Kong. Details of the significant investments are as follows:

Company Name	Fair value change in the period <i>HK\$'000</i>	Fair value at 30 September 2016 <i>HK\$'000</i>	Approximate percentage of held-for- trading investment	Approximate percentage to the Group's total asset as at 30 September 2016
LEAP Holdings Group Limited	1,103	8,569	10.4%	3.3%
Jiyi Household International Holdings Limited	966	8,250	10.0%	3.2%
Jia Meng Holdings Limited	(3,263)	7,080	8.6%	2.8%
Echo International Holdings Group Limited	(725)	6,886	8.4%	2.7%
First Credit Finance Group Limited	1,796	6,753	8.2%	2.6%
Great Harvest Maeta Group Holdings Limited	1,050	6,650	8.1%	2.6%
Epicurean and Company, Limited	1,060	6,000	7.3%	2.3%
Hanny Holdings Limited	2,524	5,601	6.8%	2.2%
Hong Wei (Asia) Holdings Company Limited	(154)	4,841	5.9%	1.9%
Other securities with individual fair value less than 5% of the aggregate held-for-trading investment at 30 September 2016	(5,012)	21,675	26.3%	8.4%
Total	(653)	82,304	100.0%	32.1%

Financial Management and 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 period under review and as at the 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. For those loans secured by properties and other collaterals, the Group has procedures for the identification and evaluation of the legal ownership and accurate valuation of properties or other collaterals. The loan amount to be granted to a particular client is subject to judgement made by the top management of the Group's money lending business after taking into consideration of different factors including market conditions, type of property and financial background of borrowers etc. For the valuation of the properties, 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 certain 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 properties and other assets held as collateral with reference to the estimated market value of the property or the relevant assets at the grant date and the on-going evaluation of the financial condition of the borrowers where appropriate. 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 17 to the unaudited condensed consolidated interim financial statements, the Group had no other significant charges on its assets nor any significant contingent liabilities at 30 September 2016 (31 March 2016: Nil).

Material Transactions

Save as disclosed in other sections of this unaudited condensed consolidated interim financial statements, the Group had no other material transactions for the six months ended 30 September 2016.

Subsequent Event

Subsequent to the reporting date, the Company proposed to effect a share consolidation whereby every six existing issued and unissued share of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.06 each. The Company also propose to change the board lot size for trading on the Stock Exchange from 30,000 shares to 10,000 consolidated shares after and conditional upon the said share consolidation becoming effective. Both the said share consolidation and change in board lot size were subject to approval by the shareholders of the Company at the extraordinary general meeting to be convened for, among others, the above.

Outlook

Looking ahead, the Group will continue to develop its existing business either via organic growth or by acquisition of related businesses if appropriate. Meanwhile, the Board will also utilize its business connections to identify other investment opportunities in order to diversify its existing business for enhancing its shareholder's return.

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 2016 are set out below:

Name	Notes	Date of grant	Exercise period (Note 1)	Exercise price per share HK\$	Number of Share Options as at 1 April 2016	Granted during the period	Lapsed during the period	Change in directorate	Number of Share Options as at 30 September 2016 (Note 2)
Directors:									
Mr. Hong Sze Lung		21 February 2014	21 February 2014 to 20 February 2019	0.253	15,405,000	-	-	-	15,405,000
Ms. Lin Su	2	30 September 2016	30 September 2016 to 29 September 2018	0.0624	-	39,000,000	-	-	39,000,000
Mr. Tse Sing Yu	2	30 September 2016	30 September 2016 to 29 September 2018	0.0624	-	39,000,000	-	-	39,000,000
Mr. Lau Wan Pui, Joseph		21 February 2014	21 February 2014 to 20 February 2019	0.253	3,081,000	-	-	-	3,081,000
Mr. Law Chung Lam, Nelson		21 February 2014	21 February 2014 to 20 February 2019	0.253	2,054,000	-	-	-	2,054,000
Mr. Chow Chi Fai		21 February 2014	21 February 2014 to 20 February 2019	0.253	1,027,000	-	-	-	1,027,000
Mr. Wong Ka Wah, Albert	3	21 February 2014	21 February 2014 to 20 February 2019	0.253	15,405,000	-	-	(15,405,000)	-
Mr. Kwong Yuk Lap	3	21 February 2014	21 February 2014 to 20 February 2019	0.253	2,054,000	-	-	(2,054,000)	-
		13 October 2014	13 October 2014 to 12 October 2016	0.36	2,054,000	-	-	(2,054,000)	-
Mr. Leung Ka Tin	4	13 October 2014	13 October 2014 to 12 October 2016	0.36	1,027,000	-	-	(1,027,000)	-
					<u>42,107,000</u>	<u>78,000,000</u>	<u>-</u>	<u>(20,540,000)</u>	<u>99,567,000</u>
Other employees:									
		11 July 2011	11 July 2011 to 10 July 2016	0.346	6,162,000	-	(6,162,000)	-	-
		21 February 2014	21 February 2014 to 20 February 2019	0.253	10,270,000	-	-	17,459,000	27,729,000
		13 October 2014	13 October 2014 to 12 October 2016	0.36	5,135,000	-	-	2,054,000	7,189,000
					<u>21,567,000</u>	<u>-</u>	<u>(6,162,000)</u>	<u>19,513,000</u>	<u>34,918,000</u>
Other grantees:									
		11 July 2011	11 July 2011 to 10 July 2016	0.346	14,378,000	(14,378,000)	-	-	-
		17 February 2014	17 February 2014 to 16 February 2019	0.234	40,053,000	-	-	-	40,053,000
		21 February 2014	21 February 2014 to 20 February 2019	0.253	35,945,000	-	-	-	35,945,000
		14 July 2014	14 July 2014 to 13 July 2016	0.263	37,896,300	(37,896,300)	-	-	-
		13 October 2014	13 October 2014 to 12 October 2016	0.36	154,222,536	-	-	1,027,000	155,249,536
		30 September 2016	30 September 2016 to 29 September 2018	0.0624	-	144,840,000	-	-	144,840,000
					<u>282,494,836</u>	<u>144,840,000</u>	<u>(52,274,300)</u>	<u>1,027,000</u>	<u>376,087,536</u>
					<u>346,168,836</u>	<u>222,840,000</u>	<u>(58,436,300)</u>	<u>-</u>	<u>510,572,536</u>

Notes:

1. These share options are vested immediately upon the grant date
2. Ms. Lin Su and Mr. Tse Sing Yu were appointed as executive Directors on 30 September 2016
3. Mr. Wong Ka Wah, Albert and Mr. Kwong Yuk Lap retired as executive Directors on 3 August 2016
4. Mr. Leung Ka Tin retired as independent non-executive Director on 3 August 2016

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 2016.

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

As at 30 September 2016, 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 total issued shares
Mr. Hong Sze Lung	-	15,405,000	15,405,000	0.37%
Ms. Lin Su	-	39,000,000	39,000,000	0.95%
Mr. Tse Sing Yu	-	39,000,000	39,000,000	0.95%
Mr. Lau Wan Pui, Joseph	-	3,081,000	3,081,000	0.07%
Mr. Law Chung Lam, Nelson	-	2,054,000	2,054,000	0.05%
Mr. Chow Chi Fai	-	1,027,000	1,027,000	0.02%

Save as disclosed above, as at 30 September 2016, 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 2016 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 2016, the Company had not been notified of any other person (other than the Directors or chief executive of the Company) who had a discloseable interest or short position in the Shares as recorded in the register required to be kept under section 336 of the SFO.

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 2016.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the six months ended 30 September 2016 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 2016.

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 except the following:

According to Rule 5.05(1) of the GEM Listing Rules, a listed issuer is required to have at least three independent non-executive directors. Following the retirement of Mr. Leung Ka Tin as an independent non-executive Director with effect from the conclusion of the Company's annual general meeting held on 3 August 2016, the Board of Directors since then includes two independent non-executive Directors and the number of independent non-executive Directors hence falling below the number as required under Rule 5.05(1) of the GEM Listing Rules. The Company has to appoint an additional independent non-executive Director as soon as practicable and in any event within three months from 3 August 2016 pursuant to Rule 5.06 of the GEM Listing Rules. On 28 October 2016, the Company appointed Mr. Liu Yongsheng and Mr. Chan Ka Hung as independent non-executive Directors and hence was in compliant with Rule 5.05(1) of the GEM Listing Rules since then.

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 2016 are set out below:

Name	Details of Changes
Mr. Hong Sze Lung	<ul style="list-style-type: none">renewed the service contract with the Company on 1 August 2016 for a term of three years.appointed as Chairman of the Board of Director and is entitled to receive an annual salary of HK\$2,640,000 per annum and is also be entitled to receive an annual management bonus of a sum to be determined by the Board of Director at its absolute discretion having regard to the suggestion of the remuneration committee of the Company, the operating results of the Group and his performance.
Mr. Tam Chak Chi	<ul style="list-style-type: none">renewed the letter of appointment as an independent non-executive Director on 1 August 2016 for a term of three years. He is entitled to receive an annual director's fee of HK\$300,000 per annum.
Mr. Law Chung Lam, Nelson	<ul style="list-style-type: none">renewed the letter of appointment as a non-executive Director on 1 August 2016 for a term of three years. He is entitled to receive an annual director's fee of HK\$300,000 per annum.
Mr. Lau Wan Pui, Joseph	<ul style="list-style-type: none">renewed the letter of appointment as a non-executive Director on 1 August 2016 for a term of three years. He is entitled to receive an annual director's fee of HK\$300,000 per annum.resigned as a non-executive Director on 31 October 2016
Mr. Chow Chi Fai	<ul style="list-style-type: none">renewed the letter of appointment as an independent non-executive Director on 1 August 2016 for a term of three years. He is entitled to receive an annual director's fee of HK\$300,000 per annum.resigned as an independent non-executive Director on 31 October 2016

Name	Details of Changes
Mr. Wong Ka Wah, Albert	<ul style="list-style-type: none"> retired as Chairman and executive Director on 3 August 2016
Mr. Kwong Yuk Lap	<ul style="list-style-type: none"> retired as an executive Director on 3 August 2016
Mr. Lu Xianglong	<ul style="list-style-type: none"> retired as a non-executive Director on 3 August 2016
Mr. Leung Ka Tin	<ul style="list-style-type: none"> retired as an independent non-executive Director on 3 August 2016
Ms. Lin Su	<ul style="list-style-type: none"> appointed as an executive Director on 30 September 2016 Ms. Lin has entered into a service agreement with the Company with a term of three years commencing from 30 September 2016 subject to compliance with the relevant provisions of the GEM Listing Rules. She will be entitled to an emolument of HK\$240,000 per annum together with discretionary management bonus and 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. Tse Sing Yu	<ul style="list-style-type: none"> appointed as an executive Director on 30 September 2016 Mr. Tse has entered into a service agreement with the Company with a term of three years commencing from 30 September 2016 subject to compliance with the relevant provisions of the GEM Listing Rules. He will be entitled to an emolument of HK\$360,000 per annum together with discretionary management bonus and 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.

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.

At the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Tam Chak Chi (the Chairman of the Audit Committee), Mr. Liu Yongsheng and Mr. Chan Ka Hung. The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2016 have been reviewed by the Audit Committee.

By order of the Board
Wealth Glory Holdings Limited
Hong Sze Lung
Chairman

Hong Kong, 14 November 2016

As at the date of this report, the Board comprises seven Directors, including three executive Directors, namely, Mr. Hong Sze Lung, Ms. Lin Su and Mr. Tse Sing Yu; one non-executive Director namely, Mr. Law Chung Lam, Nelson and three independent non-executive Directors, namely, Mr. Tam Chak Chi, Mr. Liu Yongsheng and Mr. Chan Ka Hung.