

**WEALTH GLORY HOLDINGS LIMITED**

**富 譽 控 股 有 限 公 司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269

**2017** | **THIRD  
QUARTERLY  
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 consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three and nine months ended 31 December 2017 together with the unaudited comparative figures for the corresponding periods in 2016 as follows:

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

For the three and nine months ended 31 December 2017

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
<b>Revenue</b>	3	<b>23,482</b>	15,001	<b>80,886</b>	46,083
Cost of sales		(21,950)	(14,143)	(74,634)	(41,595)
<b>Gross profit</b>		<b>1,532</b>	858	<b>6,252</b>	4,488
Other income	3	719	1,831	2,855	4,634
Other gain and losses, net	4	(5,281)	(9,188)	(6,036)	(17,597)
Share of profit of associates		3	93	1,383	639
Selling expenses		-	(50)	(115)	(212)
Administrative expense		(3,498)	(17,180)	(10,113)	(30,615)
Other expenses		(862)	(1,582)	(2,506)	(13,407)
Finance costs	5	(186)	(1,397)	(1,711)	(3,859)
<b>(Loss) Profit before taxation</b>	6(a)	<b>(7,573)</b>	(26,615)	<b>(9,991)</b>	(55,929)
Taxation credit (expense)	7	18	18	54	54
(Loss) Profit for the period from continuing operation		<b>(7,555)</b>	(26,597)	<b>(9,937)</b>	(55,875)
<b>Discontinued operations</b>	6(b)				
(Loss) Profit for the period from discontinued operation		-	-	-	494
<b>Loss for the period</b>		<b>(7,555)</b>	(26,597)	<b>(9,937)</b>	(55,381)
<b>Other comprehensive (expense) income:</b>					
Items that may be subsequently reclassified to profit or loss:					
- Exchange differences arising on translation of foreign operations		-	(2)	(17)	(66)
<b>Total comprehensive (expense) income for the period</b>		<b>(7,555)</b>	(26,599)	<b>(9,954)</b>	(55,447)

	For the three months ended 31 December		For the nine months ended 31 December	
Notes	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
<b>(Loss) Profit for the period attributable to:</b>				
Owners of the Company	(7,756)	(26,823)	(10,656)	(55,904)
Non-controlling interests	201	226	719	523
	<u>(7,555)</u>	<u>(26,597)</u>	<u>(9,937)</u>	<u>(55,381)</u>
<b>Total comprehensive (expense) income for the period attributable to:</b>				
Owners of the Company	(7,756)	(26,825)	(10,673)	(55,970)
Non-controlling interests	201	226	719	523
	<u>(7,555)</u>	<u>(26,599)</u>	<u>(9,954)</u>	<u>(55,447)</u>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
<b>(Loss) Earnings per share from continuing and discontinued operations</b>				
– Basic and diluted	<u>(1.07)</u>	<u>(3.92)</u>	<u>(1.46)</u>	<u>(8.16)</u>
	<i>8</i>			
<b>(Loss) Earnings per share from continuing operations</b>				
– Basic and diluted	<u>(1.07)</u>	<u>(3.92)</u>	<u>(1.46)</u>	<u>(8.24)</u>
	<i>8</i>			

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

	Attributable to owners of the Company										
	Share capital	Share premium	Warrants reserve	Merger reserve	Share-based payment reserve	Translation 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 2017 (Audited)	41,087	533,433	-	(4,246)	12,313	(284)	-	(436,992)	145,311	420	145,731
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(17)	-	-	(17)	-	(17)
Loss for the period	-	-	-	-	-	-	-	(10,656)	(10,656)	719	(9,937)
Total comprehensive expense for the period	-	-	-	-	-	(17)	-	(10,656)	(10,673)	719	(9,954)
Transfer upon lapse of share options	-	-	-	-	-	-	-	-	-	-	-
Recognition of equity-settled share-based payment	-	-	-	-	-	-	-	-	-	-	-
Issue of share upon placing	8,217	34,237	-	-	-	-	-	-	42,454	-	42,454
Share issue expenses	-	(1,098)	-	-	-	-	-	-	(1,098)	-	(1,098)
Changes in equity for period	8,217	33,139	-	-	-	-	-	(10,656)	30,683	719	31,402
<b>At 31 December 2017 (Unaudited)</b>	<b>49,304</b>	<b>566,572</b>	<b>-</b>	<b>(4,246)</b>	<b>12,313</b>	<b>(301)</b>	<b>-</b>	<b>(447,648)</b>	<b>175,994</b>	<b>1,139</b>	<b>177,133</b>
At 1 April 2016 (Audited)	41,087	533,433	3,527	(4,246)	31,073	(790)	485	(382,083)	222,486	208	222,694
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(66)	-	-	(66)	-	(66)
Loss for the period	-	-	-	-	-	-	-	(55,904)	(55,904)	523	(55,381)
Total comprehensive expense for the period	-	-	-	-	-	(66)	-	(55,904)	(55,970)	523	(55,447)
Transfer upon lapse of share options	-	-	-	-	(15,636)	-	-	15,636	-	-	-
Recognition of equity-settled share-based payment	-	-	-	-	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)	-	(11,004)	612	(485)	(36,934)	(51,338)	523	(50,815)
At 31 December 2016 (Unaudited)	41,087	533,433	-	(4,246)	20,069	(178)	-	(419,017)	171,148	731	171,879

## NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

*For the nine months ended 31 December 2017*

### 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 business;
- (iii) investment in coal trading business;
- (iv) development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; and
- (v) investment in securities.

### 2. BASIS OF PRESENTATION AND PREPARATION

The unaudited consolidated results for the nine months ended 31 December 2017 have been prepared in accordance with Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. The unaudited consolidated results should be read in conjunction with the annual financial statements for the year ended 31 March 2017, 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 2017, except for the adoption of the new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 April 2017. 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 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
<b>Revenue</b>				
Trading of natural resources and commodities	11,763	12,136	36,055	36,819
Sale of consumer products	10,160	1,338	40,405	4,623
Fee and interest income from money lending	1,559	1,527	4,426	4,641
	<u>23,482</u>	<u>15,001</u>	<u>80,886</u>	<u>46,083</u>
<b>Other income</b>				
Bank interest income	3	-	56	1
Imputed interest income from loans to investees	414	368	1,067	1,100
Dividend income	-	415	-	1,414
Reversal of impairment of deposits	-	780	780	1,560
Other interest income	126	242	377	492
Sundry income	176	26	575	67
	<u>719</u>	<u>1,831</u>	<u>2,855</u>	<u>4,634</u>
<b>Discontinued operations</b>				
<b>Revenue</b>				
Sale of packaged food	-	-	-	5,087
<b>Other income</b>				
Bank interest income	-	-	-	10
Sundry income	-	-	-	8
Gain on disposal of subsidiaries	-	-	-	511
	<u>-</u>	<u>-</u>	<u>-</u>	<u>529</u>

## Consolidated

### Revenue

Trading of natural resources and  
commodities  
Sale of consumer products  
Fee and interest income from  
money lending  
Sale of packaged food

For the three months  
ended 31 December

For the nine months  
ended 31 December

	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
	<b>11,763</b>	12,136	<b>36,055</b>	36,819
	<b>10,160</b>	1,338	<b>40,405</b>	4,623
	<b>1,559</b>	1,527	<b>4,426</b>	4,641
	-	-	-	5,087
	<b>23,482</b>	15,001	<b>80,886</b>	51,170
	<b>3</b>	-	<b>56</b>	11
	<b>414</b>	368	<b>1,067</b>	1,100
	-	415	-	1,414
	-	-	-	511
	-	780	<b>780</b>	1,560
	<b>126</b>	242	<b>377</b>	492
	<b>176</b>	26	<b>575</b>	67
	<b>719</b>	1,831	<b>2,855</b>	5,163



#### 4. OTHER GAIN AND LOSSES, NET

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
<b>Continuing operations</b>				
Change in fair value of held-for-trading investment	(8,444)	(7,436)	(14,194)	(8,089)
Change in fair value on financial assets at fair value through profit or loss	-	-	(814)	-
Net foreign exchange gain/(loss)	164	-	521	(11)
Realised gain/(loss) on disposal of held for trading investments	2,999	(1,752)	8,451	(9,497)
	<u>(5,281)</u>	<u>(9,188)</u>	<u>(6,036)</u>	<u>(17,597)</u>

During the nine months ended 31 December 2017, the Group's discontinued operations did not generate/incur an gain/loss on financial assets at fair value through profit or loss (2016: Nil).

#### 5. FINANCE COSTS

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Continuing operations</b>				
Interests on bank overdrafts and bank borrowings	3	7	6	53
Interests on other borrowings	44	629	138	1,896
Effective interests on bonds	139	761	1,567	1,910
	<u>186</u>	<u>1,397</u>	<u>1,711</u>	<u>3,859</u>

During the nine months ended 31 December 2017, the Group's discontinued operations did not incur any finance costs (2016: Nil).

**6. (LOSS) PROFIT BEFORE TAXATION**

(a) The Group's (loss) profit before taxation is arrived at after charging the following:

	Continuing operations			
	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	21,950	14,143	74,634	41,595
Depreciation	118	59	236	177
Impairment loss on inventory	-	3,500	-	3,500
Amortisation of intangible assets	581	689	1,745	2,146
Operating lease rentals in respect of:				
– land and buildings	1,040	792	2,975	2,480
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	816	9,058	2,337	15,564
– Retirement benefit scheme contributions	27	44	82	144
Share-based payments	-	-	-	1,608
Share based payments to grantees other than employees and directors	-	-	-	3,024
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### Discontinued operations

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	-	-	-	3,135
Depreciation	-	-	-	64
Operating lease rentals in respect of:				
– land and buildings	-	-	-	347
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	-	-	-	655
– Retirement benefit scheme contributions	-	-	-	459
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### Consolidated

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	<b>21,950</b>	14,143	<b>74,634</b>	44,730
Depreciation	<b>118</b>	59	<b>236</b>	241
Amortisation of intangible assets	<b>581</b>	689	<b>1,745</b>	2,146
Impairment loss on inventory	-	3,500	-	3,500
Operating lease rentals in respect of:				
– land and buildings	<b>1,040</b>	792	<b>2,975</b>	2,827
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	<b>816</b>	9,058	<b>2,337</b>	16,219
– Retirement benefit scheme contributions	<b>27</b>	44	<b>82</b>	603
Share-based payments	-	-	-	1,608
Share-based payments to grantees other than employees and directors	-	-	-	3,024
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**(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 Paraburdoo 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 Paraburdoo 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 Paraburdoo Group ceased to be subsidiaries of the Company.

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Revenue	-	-	-	5,087
Cost of sales	-	-	-	(3,135)
Gross profit	-	-	-	1,952
Other income	-	-	-	18
Selling expenses	-	-	-	(371)
Administrative expense	-	-	-	(1,616)
Loss before taxation	-	-	-	(17)
Taxation credit (expense)	-	-	-	-
Loss for the period	-	-	-	(17)
Gain on disposal of discontinued operations	-	-	-	511
Profit (loss) for the period from discontinued operations	-	-	-	494

## 7. TAXATION CREDIT (EXPENSE)

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Continuing operations</b>				
Tax credit (charge) comprise of:				
Current	-	-	-	-
Deferred tax credit (charge)	18	18	54	54
	18	18	54	54

No provision for tax has been made for the Group's discontinued operations for the period ended 31 December 2017 (2016: Nil).

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%.

No Hong Kong profits tax was provided for the period ended 31 December 2017 as the Group did not have assessable profit arising or derived from Hong Kong during that period. Hong Kong profits tax was calculated at 16.5% on the estimated assessable profits for the period ended 31 December 2017.

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% (2016: 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.

## 8. (LOSS) EARNINGS 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:

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Loss</b>				
Loss for the purpose of basic and diluted loss per share	<b>(7,756)</b>	(26,823)	<b>(10,656)</b>	(55,904)
<b>Number</b>	'000	'000	'000	'000
Weighted average number of shares for the purpose of basic and diluted loss per share	<b>728,191</b>	684,786	<b>728,191</b>	684,786

### 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:

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Loss</b>				
Loss for the purpose of basic and diluted loss per share	(7,756)	(26,823)	(10,656)	(56,398)
<b>Number</b>	'000	'000	'000	'000
Weighted average number of shares for the purpose of basic and diluted loss per share	728,191	684,786	728,191	684,786

### 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:

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Profit (Loss)</b>				
Profit (Loss) for the purpose of basic and diluted loss per share	-	-	-	494
<b>Number</b>	'000	'000	'000	'000
Weighted average number of shares for the purpose of basic and diluted loss per share	728,191	684,786	728,191	684,786
Earnings (Loss) per shares (HK cents)				
- Basic and diluted	N/A	N/A	N/A	0.07

## 9. RELATED PARTY TRANSACTION

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

	For the three months ended 31 December		For the six months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Loan interest income from an associate	126	242	377	492
Finance costs paid/ payable to non-controlling shareholders of a subsidiary	-	629	-	1,896
	<u>126</u>	<u>871</u>	<u>377</u>	<u>2,388</u>

- (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\$129,000 as at 31 December 2017 (31 December 2016: HK\$193,000).

## 10. APPROVAL OF UNAUDITED CONSOLIDATED RESULTS

The unaudited consolidated results of the Group for the nine months ended 31 December 2017 were approved by the Board on 12 February 2018.

## 11. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the nine months ended 31 December 2017 (2016: Nil).



## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

For the nine months ended 31 December 2017, the Group's continuing operations recorded a revenue of HK\$80.1 million as compared to HK\$46.1 million in the same period in previous year representing an increase of 73.8%. The increase was mainly due to the good performance on the trading of consumer products and trendy fashion merchandises which contributed approximately HK\$40.4 million to the Group's revenue in the period. The Group's continuing operations also recorded a cost of sales of HK\$74.6 million as compared to HK\$41.6 million in the same period of previous year. The increase in cost of sales reflected the increase in revenue for the period. The Group recorded an overall gross profit of HK\$6.3 million as compared to HK\$4.5 million in the corresponding period last year, representing an increase of 40%.

The Group recorded other income of HK\$2.9 million (2016: HK\$4.6 million) which mainly comprised dividend income from held-for-trading investments, interest generated from loan to an associate as well as imputed interest 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.

Other gains and losses recorded during the year was a net loss of HK\$6 million as compared to net loss of HK\$17.6 million in the same period of previous year. The decrease was mainly attributable to a realised gain of HK\$8.5 million on disposal of held-for-trading investments incurred during the period as compared to a realised loss of HK\$9.5 million in the same period of previous year.

During the period under review, the Group continued to be engaged in investment in listed securities in Hong Kong. A net loss of HK\$14.2 million from change in fair value of such financial assets was recorded in the period whereas a net loss of HK\$8.1 million from change in fair value of financial assets was recorded in the same period last year due to the volatility of the stock market.

Administrative expenses and other expenses (the "Operating Expenses") incurred for the nine months ended 31 December 2017 amounted to HK\$12.6 million (2016: HK\$44 million). By excluding the major non-cash items in relation to amortization of intangible assets, share-based payment and depreciation charges in both periods, Operating Expenses for this period under review would have amounted to HK\$10.6 million as compared to HK\$37.1 million in the same period in previous year on the same basis, representing a reduction of 71.4% which was mainly due to the decrease in the directors' emoluments and the share-based payments undertaken during the period under review.

On the other hand, the Group incurred HK\$1.7 million in finance costs as compared to HK\$3.9 million in same period in previous year which was mainly composed of the imputed interest on bonds issued by the Group.

The Group recorded a net loss of HK\$9.9 million for its continuing operations for the nine months ended 31 December 2017 as compared to a net loss of HK\$55.9 million in the corresponding period in 2016. The decrease was mainly due to the good performance on the trading of consumer products and trendy fashion merchandises and the decrease in operating expenses.

## **Business Review and Prospect**

### ***Natural Resources and Commodities***

#### *(a) Coal Trading Business*

The Group's coal trading business was operated by an associate, Goldenbase Limited (together with its subsidiaries, the "Goldenbase Group") On 9 November 2017, the Group's equity interest in Goldenbase was diluted from 33.3% to 2% as a result of capital injection by other shareholders to Goldenbase. For the nine months ended 31 December 2017, the Goldenbase Group recorded a turnover of HK\$188 million (2016: HK\$162.2 million). The Group was advised by the management of the Goldenbase Group that an aggregate of approximately 576,000 tonnes (2016: 539,000 tonnes) of coal was traded during the period under review.

The Goldenbase Group recorded a net profit of HK\$4.1 million for the nine months ended 31 December 2017 as compared to a profit of HK\$1.9 million in the corresponding period in 2016 due to the increase in the average profit margin of trades conducted.

(b) *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\$36.1 million (2016: HK\$36.8 million). 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 17th Shanghai International Children Baby Maternity Industry Expo held in July 2017 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\$40.4 million in the period under review.

***Packaged Food***

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.

### ***Money Lending***

The Group's money lending business has been growing steadily during the period under review and the Group started to allocate resources to the money lending business in the second half of the year which can generate a stabilised profit stream. It recorded a revenue of HK\$4.4 million (2016: HK\$4.6 million), which comprised the fee and interest income generated. It recorded a net profit of HK\$3.7 million (2016: HK\$1.3 million) during the period under review. 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 nine months ended 31 December 2017, 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\$5.7 million for the period under review (2016: net loss of HK\$17.6 million) which was composed of a realized gain of HK\$8.5 million (2016: loss of HK\$9.5 million) and unrealized loss of HK\$14.2 million (2016: loss of HK\$8.1 million). The local securities market remained volatile in the period under review. In view of this, the Group will hold a diversified portfolio across different segment of the market with an effort to minimize the associated risk.

### ***Pledge of Assets***

As at 31 December 2017, no asset was pledged for the Group.

### ***Material Acquisition and Disposals***

Save as disclosed above and in the note 6(b) to the unaudited condensed consolidated results the Group did not have any other material acquisitions and disposals for the nine months ended 31 December 2017.

### ***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 nine months ended 31 December 2017 are set out below:

Name	Date of grant	Exercisable period	Exercise price Per share (HK\$) (Note d)	Number of Share Options as at 31 December 2017
Directors:				
Ms. Lin Su	30 September 2016	30 September 2016 to 29 September 2018	0.3744	6,500,000
Mr. Tse Sing Yu	30 September 2016	30 September 2016 to 29 September 2018	0.3744	6,500,000
Mr. Law Chung Lam, Nelson	15 April 2014	15 April 2014 to 20 February 2019	1.518	342,333
Employees	15 April 2014	15 April 2014 to 20 February 2019	1.518	1,711,667
Consultants	17 February 2014	17 February 2014 to 16 February 2019	1.404	6,675,500
	15 April 2014	15 April 2014 to 20 February 2019	1.518	4,279,167
	30 September 2016	30 September 2016 to 29 September 2018	0.3744	24,140,000
				50,148,667

### Note:

- These share options are vested immediately upon the grant date.
- Ms Lin Su and Mr. Tse Sing Yu were appointed as executive Directors on 30 September 2016.

The options granted to the Directors are registered under the name of the Directors whom are also the beneficial owners.

Save as disclosed above, there were no other options granted, exercised, cancelled, or lapsed during the nine months ended 31 December 2017.

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

As at 31 December 2017, 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	Approximate percentage	
			Total interests	of total issued shares
Ms. Lin Su	–	6,500,000	6,500,000	0.79%
Mr. Tse Sing Yu	–	6,500,000	6,500,000	0.79%
Mr. Law Chung Lam, Nelson	–	342,333	342,333	0.04%

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosures on the share options granted to the Directors in the section headed "Directors' and Chief Executive's Interests in Shares and Share Options" above, at no time during the nine months ended 31 December 2017 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective associates, or were any such rights exercised by them; or was the Company or any of its subsidiaries, or its holding company, or any of its fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2017, shareholders of the Company (not being Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company are set out below:

	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Approximate percentage of issued share capital</b>
Shan Zumao	Beneficial owner	41,120,000	5.00%

Save as disclosed above, as 31 December 2017, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or otherwise notified to the Company.

## USE OF NET PROCEEDS

The Company completed a placing on 3 August 2017, pursuant to which the Company has allotted 136,950,000 placing shares to not less than six places at HK\$0.31 per placing share. The net proceeds of the placing were approximately HK\$41.4 million. As at 31 December 2017, the Group had utilized approximately HK\$23.8 million in settlement of the bonds issued by the Company, the balance of the net proceeds of placing was utilised as general working capital as intended.

## CONNECTED TRANSACTIONS

Save as disclosed in note 9 to the unaudited condensed consolidated results, the Directors are not aware of any connected transactions of the Group that shall be disclosed in this report.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2017.

## **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

During the nine months ended 31 December 2017 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 nine months ended 31 December 2017.

## **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:

Under code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to all Directors to give all Directors an opportunity to attend. During the year, certain Board meetings were convened with less than 14 days' notice to facilitate the Directors' timely reaction and expeditious decision making process in respect of investment opportunity and internal affairs of the Group. All Board meetings, nevertheless, were duly convened and held in the way prescribed by the Articles of Association of the Company. The Board will use reasonable endeavour to meet the requirement of code provision A.1.3 of the CG Code in future. Adequate and appropriate information are circulated normally three days in advance of Board meetings to the Directors.

The Board will continue to monitor and review the corporate governance principle and practices to ensure compliance.



## 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 consolidated results of the Group for the nine months ended 31 December 2017 have been reviewed by the Audit Committee.

By order of the Board

**Wealth Glory Holdings Limited**

**Tse Sing Yu**

*Executive Director*

Hong Kong, 12 February 2018

*As at the date of this report, the Board comprises six Directors, including two executive Directors, namely, 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.*