WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8269)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Wealth Glory Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: (1) the information contained in this announcement 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 announcement misleading.

The Board of Directors (the "Board") of Wealth Glory Holdings Limited (the "Company") is pleased to present the audited consolidated final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2014 together with the audited comparative figures for the year ended 31 March 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Revenue	3	**316,634**	48,292
Cost of sales		**(311,971)**	(40,344)
Gross profit		**4,663**	7,948
Other income	4	**520**	843
Other gains and losses	5	**(1,168)**	–
Impairment losses recognised in respect of interest in an associate	11	**(35,441)**	–
Share of losses of an associate	11	**(46,500)**	
Selling expenses		**(1,385)**	(1,573)
Administrative expenses		**(34,065)**	(12,704)
Other expenses		**(34,600)**	(8,386)
Finance costs	6	**(13,563)**	–
Loss before taxation		**(161,539)**	(13,872)
Taxation	7	**2,076**	–
Loss for the year	8	**(159,463)**	(13,872)
Other comprehensive (expense) income:			
Item that may be subsequent reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(173)**	82
Total comprehensive expense for the year		**(159,636)**	(13,790)
Loss for the year attributable to:			
Owners of the Company		**(159,407)**	(13,872)
Non-controlling interests		**(56)**	–
		(159,463)	(13,872)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(159,580)**	(13,790)
Non-controlling interests		**(56)**	–
		(159,636)	(13,790)
Loss per share			
Basic and diluted	10	**14.1 HK cents**	1.7 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**11,740**	10,355
Interests in an associate	11	**18,333**	100,274
Goodwill	12	**29,657**	–
Intangible assets	13	**112,417**	–
		172,147	110,629
Current assets			
Inventories		**845**	655
Trade receivables	14	**10,429**	1,366
Prepayments, deposits and other receivables		**15,460**	3,034
Loan to an associate	11	**6,220**	5,000
Bank balances and cash		**18,850**	31,515
		51,804	41,570
Current liabilities			
Trade payables	15	**9,799**	1,090
Accruals and other payables		**4,312**	3,452
Promissory note	16	**18,794**	–
		32,905	4,542
Net current assets		**18,899**	37,028
Total assets less current liabilities		**191,046**	147,657
Non-current liabilities			
Bonds	17	**103,432**	–
Deferred tax liabilities		**18,551**	3
		121,983	3
Net assets		**69,063**	147,654

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Capital and reserves			
Share capital		**13,491**	9,992
Reserves		**55,352**	137,639
Total equity attributable to owners of the Company		**68,843**	147,631
Non-controlling interests		**220**	23
Total equity		**69,063**	147,654

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Warrants reserve HK$'000	Merger reserve HK$'000 *(note a)*	Share-based payment reserve HK$'000	Translation reserve HK$'000	Legal reserve HK$'000 *(note b)*	Retained profits (accumulated losses) HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2012	6,624	59,383	-	(4,246)	4,132	(465)	485	38,863	104,776	-	104,776
Other comprehensive income for the year	-	-	-	-	-	82	-	-	82	-	82
Loss for the year	-	-	-	-	-	-	-	(13,872)	(13,872)	-	(13,872)
Total comprehensive income (expense) for the year	-	-	-	-	-	82	-	(13,872)	(13,790)	-	(13,790)
Issue of shares upon placement and subscription	3,368	54,702	-	-	-	-	-	-	58,070	-	58,070
Transaction costs attributable to issues of shares	-	(1,425)	-	-	-	-	-	-	(1,425)	-	(1,425)
Capital contribution from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	23	23
At 31 March 2013	9,992	112,660	-	(4,246)	4,132	(383)	485	24,991	147,631	23	147,654
Other comprehensive expense for the year	-	-	-	-	-	(173)	-	-	(173)	-	(173)
Loss for the year	-	-	-	-	-	-	-	(159,407)	(159,407)	(56)	(159,463)
Total comprehensive expense for the year	-	-	-	-	-	(173)	-	(159,407)	(159,580)	(56)	(159,636)
Issue of warrants upon placing of bonds	-	-	3,527	-	-	-	-	-	3,527	-	3,527
Issue of shares upon acquisition of subsidiaries	1,930	30,494	-	-	-	-	-	-	32,424	-	32,424
Issue of shares upon subscription	1,115	18,885	-	-	-	-	-	-	20,000	-	20,000
Issue of shares and warrants	454	7,032	2,512	-	-	-	-	-	9,998	-	9,998
Transaction costs attributable to issues of shares	-	(557)	-	-	-	-	-	-	(557)	-	(557)
Capital contributions from non-controlling shareholders to subsidiaries	-	-	-	-	-	-	-	-	-	253	253
Transfer upon lapse of share options	-	-	-	-	(2,219)	-	-	2,219	-	-	-
Recognition of equity-settled share based payments	-	-	-	-	15,400	-	-	-	15,400	-	15,400
At 31 March 2014	13,491	168,514	6,039	(4,246)	17,313	(556)	485	(132,197)	68,843	220	69,063

Notes:

(a) The merger reserve of the Group arose as a result of the reorganisation of the Group implemented in preparation for the listing on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

(b) Legal reserve represented reserve retained in accordance with the Article 377 of the Macau Commercial Code for the entities incorporated in Macau. The legal reserve represented the amount set aside from the consolidated statement of profit or loss and other comprehensive income and is not distributable to the owners.

Notes:

1. GENERAL

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The address of the 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 is 17/F., No.8 Wyndham Street, Central, Hong Kong.

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) the supply and sale of dried noodles including bowl noodles and packed noodles; (ii) the manufacture and sale of fresh noodles, including but not limited to hefen, wonton noodles and yi mein; (iii) investment holding in coal trading business; and (iv) trading of natural resources and commodities.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Company has applied the following Amendments to Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) INT-12 "Consolidation – special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 April 2012 or the conclusions reached for the acquisitions of subsidiaries in current and prior accounting periods.

HKFRS 12 Disclosure of interests in other entities

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements in relation to the Group's interest in an associate as disclosed in note 11.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[5]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[5]
HKFRS 9	Financial instruments[3]
Amendments to HKAS 19	Defined benefit plans: Employees contributions[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
Amendments to HKFRSs	Annual improvement to HKFRSs 2010 – 2012 cycle[4]
Amendments to HKFRSs	Annual improvement to HKFRSs 2011 – 2013 cycle[2]
HK(IFRIC) – INT 21	Levies[1]

[1] Effective for accounting periods beginning on or after 1 January 2014.

[2] Effective for accounting periods beginning on or after 1 July 2014.

[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

[4] Effective for accounting periods beginning on or after 1 July 2014, with limited exceptions.

[5] Effective for accounting periods beginning on or after 1 January 2016.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

HKFRS 9 Financial instruments (cont'd)

Based on the Group's financial instruments as at 31 March 2014, the directors of the Company anticipate that the application of HKFRS 9 is not expected to have material impact on the consolidated financial statements.

Amendments to HKAS 36 Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company anticipate that the application of these amendments to HKAS 36 may result in more disclosures on the Group's consolidated financial statements in respect of the Group's goodwill, intangible assets, property, plant and equipment and interest in an associate for which an impairment loss has been recognised.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold and services provided by the Group, less returns and allowances during the year.

Segment revenue and results

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.

During the year ended 31 March 2014, natural resources and commodities business segment has become a substantial operating activity to the Group (such as trading of palm oil by the Group's existing subsidiary) as well as the Group acquired entire equity interest in Digital Rainbow Holdings Limited ("Digital Rainbow"), which is principally engaged in trading of magnetite sand concentrate, and therefore it is reported as a new reportable and operating segment.

During the year ended 31 March 2013, the Group has one single reportable segment which was managed as a single strategic business unit that engaged in the manufacturing and sale of packaged food including fresh and dried noodles (Packaged Food segment) with similar marketing strategy. Accordingly, no segment analysis is presented during the year ended 31 March 2013. After starting of trading palm oil and other natural resources products during the year ended 31 March 2014, the executive directors separately assessed the segment results of Packaged Food segment from natural resources and commodities business segment as well as the corporate income and expenses.

Figures in segment information for the year ended 31 March 2013 have been re-presented for comparative purposes.

During the year ended 31 March 2014, the Group's reportable and operating segments are therefore as follows:

(a) the natural resources and commodities business segment engages in the trading of natural resources and commodities including but not limited to iron ore, coal and crude palm oil etc ("Natural Resources and Commodities")

(b) the Packaged Food

The following is an analysis of the Group's revenue and results by operating and reportable segment.

3. REVENUE AND SEGMENT INFORMATION (CONT'D)

Segment revenue and results (cont'd)

	Revenue		**Segment (loss) profit**	
	For the year ended		**For the year ended**	
	31 March 2014 HK$'000	31 March 2013 HK$'000 (re-presented)	**31 March 2014 HK$'000**	31 March 2013 HK$'000 (re-presented)
Natural Resources and Commodities	**301,981**	–	**(2,256)**	–
Packaged Food	**14,653**	48,292	**(3,703)**	609
Total	**316,634**	48,292	**(5,959)**	609
Interest income			**470**	439
Amortisation of intangible assets			**(12,583)**	–
Impairment losses recognised in respect of interest in an associate			**(35,441)**	–
Share of losses of an associate			**(46,500)**	–
Unallocated corporate expenses			**(47,963)**	(14,920)
Finance costs			**(13,563)**	–
Loss before taxation			**(161,539)**	(13,872)

All of the segment revenue reported above is from external customers.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment loss represents the loss incurred by each segment without allocation of interest income, unallocated corporate expenses, finance costs, amortisation of intangible assets, impairment losses recognised in respect of interest in an associate and share of losses of an associate. This is the measure reported to the Group's management for the purpose of resource allocation and performance assessment.

3. REVENUE AND SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

As at 31 March 2014

	Natural Resources and Commodities	Packaged Food	Consolidated
	HK$'000	HK$'000	HK$'000
Segment assets	55,668	13,878	69,546
Intangible assets			112,417
Interest in an associate			18,333
Other unallocated assets			23,655
Consolidated assets			223,951
Segment liabilities	8,517	2,257	10,774
Unallocated liabilities			144,114
Consolidated liabilities			154,888

As at 31 March 2013 (re-presented)

	Natural Resources and Commodities	Packaged Food	Consolidated
	HK$'000	HK$'000	HK$'000
Segment assets	6,112	12,076	18,188
Interest in an associate			100,274
Other unallocated assets			33,737
Consolidated assets			152,199
Segment liabilities	110	1,442	1,552
Unallocated liabilities			2,993
Consolidated liabilities			4,545

3. **REVENUE AND SEGMENT INFORMATION (CONT'D)**

Segment assets and liabilities (cont'd)

For the purposes of monitoring segments performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than certain property, plant and equipment, intangible assets, interests in an associate, certain other receivables and bank balances and cash.

- all liabilities are allocated to operating and reportable segments other than certain accruals and other payables, promissory note, bonds and deferred tax liabilities.

Other segment information

For the year ended 31 March 2014

	Natural resources and commodities	Packaged food	Total	Unallocated	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	–	1,334	1,334	216	1,550
Impairment loss recognised in respect of other receivables	1,133	–	1,133	–	1,133
Additions to property, plant and equipment	–	2,815	2,815	120	2,935

3. REVENUE AND SEGMENT INFORMATION (CONT'D)

Other segment information (cont'd)

For the year ended 31 March 2013 (re-presented)

	Natural resources and commodities	Packaged food	Total	Unallocated	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	–	1,294	1,294	52	1,346
Write down of inventories	–	68	68	–	68
Additions to property, plant and equipment	–	516	516	1,032	1,548

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2014	2013
	HK$'000	HK$'000
Palm oil	**293,523**	–
Packaged food	**14,653**	48,292
Other natural resources products	**8,458**	–
	316,634	48,292

3. REVENUE AND SEGMENT INFORMATION (CONT'D)

Geographical information

The Group's revenue from external customers and information about non-current assets by geographical location of the customers and assets respectively are detailed below:

	Revenue from external customers		Non-current assets	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**–**	1,027	**142,959**	993
The PRC (except Hong Kong)	**21,730**	7,925	**29,188**	109,441
Indonesia	**293,523**	–	**–**	–
Australia	**–**	8,657	**–**	–
Dubai U.A.E.	**–**	3,600	**–**	–
Malaysia	**–**	7,388	**–**	–
New Zealand	**–**	5,616	**–**	195
Thailand	**–**	7,440	**–**	–
United Kingdom	**–**	3,790	**–**	–
Others	**1,381**	2,849	**–**	–
	316,634	48,292	**172,147**	110,629

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of total sales of the Group, deriving revenue from the Group's reportable and operating, are as follows:

	2014	2013
	HK$'000	HK$'000
Customer A	**136,632**[1]	N/A[2]
Customer B	**86,898**[1]	N/A[2]
Customer C	**69,994**[1]	N/A[2]
Customer D	**N/A**[2]	5,616[3]

[1] These customers are arisen from the Group's Natural Resources and Commodities segment.

[2] These customers' corresponding revenue did not contribute over 10% of the total revenue of the Group.

[3] This customer is arisen from the Group's Packaged Food segment.

4. OTHER INCOME

	2014	2013
	HK$'000	HK$'000
Bank interest income	**69**	287
Interest income from loan to an associate	**401**	152
Gain on disposal of property, plant and equipment	**–**	80
Others	**50**	324
	520	843

5. OTHER GAINS AND LOSSES

	2014	2013
	HK$'000	HK$'000
Net foreign exchange loss	**35**	–
Impairment losses recognised in respect of other receivables	**1,133**	–
	1,168	–

6. FINANCE COSTS

	2014	2013
	HK$'000	HK$'000
Interests on other borrowings wholly repayable within one year	**100**	–
Effective interests on promissory note	**2,167**	–
Effective interests on bonds	**11,296**	–
	13,563	–

7. TAXATION

	2014	2013
	HK$'000	HK$'000
The credit comprise of:		
Deferred tax credit	**(2,076)**	–

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 provision for Hong Kong Profits Tax has been made for the both years as the Group did not generate any assessable profits arising in Hong Kong.

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% (2013: 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"), 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. Further, in the opinion of the directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdictions in which the Group operates.

8. LOSS FOR THE YEAR

	2014	2013
	HK$'000	HK$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration	**1,010**	853
Cost of inventories recognised as an expense	**311,971**	40,344
Write-down of inventories (included in cost of sales)	**–**	68
Depreciation of property, plant and equipment	**1,550**	1,346
Amortisation of intangible assets (included in other expenses)	**12,583**	–
Operating lease rentals in respect of:		
– land and buildings	**3,418**	1,973
– office equipment	**20**	11
Staff costs including directors' emoluments		
– Salaries, wages and other benefits	**12,827**	7,572
– Share-based payments	**8,045**	–
– Contributions to retirement benefits schemes	**1,047**	801
Total staff costs	**21,919**	8,373
Share-based payments to consultants (included in other expenses)	**7,355**	–
Acquisition-related costs (included in other expenses)	**4,128**	–

9. DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 March 2014 and 2013.

10. LOSS PER SHARE

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

	2014	2013
	HK$'000	HK$'000
Loss for the purposes of basic loss per share (loss for the year attributable to owners of the Company)	**(159,407)**	(13,872)

	2014	2013
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,133,063,758**	823,108,844

The computation of diluted loss per share for the year ended 31 March 2014 and 2013 does not assume the exercise of the Company's share options and warrants as they would reduce loss per share.

11. INTERESTS IN ASSOCIATE/LOAN TO AN ASSOCIATE

	2014	2013
	HK$'000	HK$'000
Cost of investment in associate		
Unlisted	**100,274**	100,274
Share of post-acquisition results and other comprehensive expenses	**(46,500)**	–
Less: Impairment loss	**(35,441)**	–
	18,333	100,274
Loan to an associate	**6,220**	5,000

The loan to an associate is unsecured, interest-bearing at 10% (2013: 6%) per annum and repayable on or before 27 September 2014 (2013: 27 September 2013). The Group has not provided for impairment loss on loan to an associate after assessment of the financial position and the future business development of the associate and the amounts are still considered recoverable.

As at 31 March 2014 and 2013, the Group had interests in the following associate, there is no direct synergy between the Group's and the associate's operation:

11. INTERESTS IN ASSOCIATES/LOAN TO AN ASSOCIATE (CONT'D)

Name of entity	Form of business structure	Place of incorporation/ registration	Principal place of operation	Class of share held	Proportion of registered capital held by the Group 2014 %	2013 %	Proportion of voting power held 2014 %	2013 %	Principal activities
Goldenbase Limited ("Goldenbase")	Incorporated	Republic of Seychelles	Hong Kong	Registered capital	33.3	33.3	33.3	33.3	Investment holdings
Subsidiaries of Goldenbase									
Royal Dragon Corporation Limited ("Royal Dragon")	Incorporated	Hong Kong	Hong Kong	Ordinary shares	33.3	33.3	33.3	33.3	Coal trading
Royal Wish Resources Trading Limited	Incorporated	Hong Kong	Hong Kong	Ordinary shares	33.3	–*	33.3	–	Coal trading
青海富譽恒盈資源有限公司 ("Qinghai Wealth Glory")	Incorporated	The PRC	The PRC	Ordinary shares	33.3	–*	33.3	–	Not yet commence business

* These subsidiaries of Goldenbase are established during the year ended 31 March 2014.

The summarised consolidated financial information in respect of the Group's associate is set out below:

	2014 HK$'000	2013 HK$'000
Current assets	**23,840**	9,018
Non-current assets	**2,354**	186,000
Current liabilities	**(27,896)**	(10,913)
Non-current liabilities	**–**	(46,500)
Net assets	**(1,702)**	137,605
Group's share of net (liabilities) assets of associate	**(567)**	45,868
Revenue	**265,751**	3,039
Loss and total comprehensive expense for the year/period since the acquisition	**(139,307)**	(1,311)
Group's share of loss and total comprehensive expense of associate for the year/period since the acquisition	**(46,500)**	–

11. INTERESTS IN ASSOCIATES/LOAN TO AN ASSOCIATE (CONT'D)

There are no significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends, or to repay loans or advance made by the Group.

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interests in an associate recognised in the consolidated financial statements:

	2014	2013
	HK$'000	HK$'000
Net (liabilities) assets of an associate	**(1,702)**	137,605
Proportion of the Group's ownership interest in an associate	**33.3%**	33.3%
Group's share of net (liabilities) assets of an associate	**(567)**	45,868
Others	**567**	632
Goodwill	**18,333**	53,774
Carrying amount of the Group's interest in an associate	**18,333**	100,274

11. INTERESTS IN ASSOCIATES/LOAN TO AN ASSOCIATE (CONT'D)

On 27 September 2012, the Group acquired approximately 33.3% equity interest in Goldenbase from an independent third party at a consideration of HK$100,000,000 in cash.

Under relevant regulations in the PRC at the material time of acquisitions of Goldenbase, entity should obtain coal trading license before commencing coal trading business. At the completion of the acquisition of Goldenbase by the Group, neither Goldenbase nor its subsidiary had a coal trading license. Accordingly, Royal Dragon, a subsidiary of Goldenbase, has commenced trial run of trading of coal products in Xining, Qinghai Province, the PRC under the coal trading license of its PRC co-operator (the "Zhanjiang Company"), which is independent to Goldenbase and the Group, since the end of October 2012 to test the practicality of such a trading arrangement.

Despite it is legally feasible to conduct coal trading business in Qinghai Province under the coal trading license of Zhanjiang Company which entails the raising of tax invoices in the Guangdong Province, Royal Dragon, when commenced its operation, has taken months to liaise with and explain to the tax bureau of Zhanjiang, Guangdong Province, the PRC in relation to the issuance of tax invoice in Guangdong Province in connection with each coal trade in Qinghai Province. Such administrative delay has significantly slowed down the trade cycle of the associate. In order to resolve such delay, the management of Goldenbase has decided to set up a wholly-foreign owned enterprise ("WFOE") and then to apply for a coal trading license in Qinghai Province instead during the year ended 31 March 2013.

During the year ended 31 March 2014, following the enactment of the revised law applicable to coal trading, enterprises are no longer required to obtain any coal trading license for operation of coal trading business. Accordingly, the coal trading business of the associate can be resumed upon the establishment of WFOE. The WFOE, Qinghai Wealth Glory, has been established as at 31 March 2014 and has not commenced its business because it was still in the progress in its application for the ordinary taxpayer qualification at the date of this document.

During the year ended 31 March 2014, the customer agreement existing at the date of acquisition of associate by the Group lapsed. At the same time, the management of Goldenbase communicated to the suppliers for the purpose of reactivating the coal supply contracts signed with these suppliers. However, the response from suppliers to reactivate such contracts was negative on the basis that the contracts have been suspended for nearly two years. Subsequent to the end of the reporting period, the associate entered into settlement agreements with each of the suppliers respectively so as to terminate the contracts (as supplemented by the subsequent supplemental contracts) signed prior to the date of acquisition of associate. Accordingly, the Group shared the loss of HK$46,500,000 (2013: nil) to profit or loss during the year ended 31 March 2014. The loss is mainly attributable to impairment losses provided in certain non-current assets.

11. INTERESTS IN ASSOCIATES/LOAN TO AN ASSOCIATE (CONT'D)

Moreover, the directors of the Company carried out impairment review during the year ended 31 March 2014 on the carrying amount of its interest in an associate individually as a single asset by comparing its recoverable amount based on the higher of value in use and fair value less costs of disposal with its carrying amount. In determining the value in use of the investment, the Group, by making reference to a business valuation performed by Roma Appraisals Limited, estimated the present value of the estimated future cash flows expected to arise from the operations of the associate and from its ultimate disposal, by using discount rate of 17% to discount the cash flow projections to net present values. An impairment loss of HK$35,441,000 (2013: nil) was recognised to profit or loss during the year ended 31 March 2014 as a result of assessment.

12. GOODWILL

	HK$'000
CARRYING AMOUNTS	
At 1 April 2012 and 31 March 2013	–
Acquisition of subsidiaries	29,657
At 31 March 2014	29,657

For the purpose of impairment testing, goodwill has been allocated to the CGU of Natural Resources and Commodities business segment. The recoverable amount of the CGU has been determined based on a value in use calculation, which approximates the fair value less costs of disposal. The calculation uses cash flow projections based on financial budgets approved by management covering a 5-years period and discount rate of 17% (2013: nil). The growth rate is based on the budgeted growth rate of 3%, which is determined by management's expectations for the market development, and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions of the value in use calculation include budgeted sales and gross margin on respective products from the CGU. No impairment on goodwill was considered necessary during the year ended 31 March 2014 and management believes that any reasonably possible change in any of the assumption would not cause the carrying amount of the CGU to exceed the recoverable amount of the CGU as at 31 March 2014.

13. INTANGIBLE ASSETS

	Trading contracts HK$'000
COST	
At 1 April 2012 and 31 March 2013	–
Acquisition of subsidiaries	125,000
At 31 March 2014	125,000
AMORTISATION	
At 1 April 2012 and 31 March 2013	–
Amortisation for the year	12,583
At 31 March 2014	12,583
CARRYING AMOUNTS	
At 31 March 2014	112,417
At 31 March 2013	–

Trading contracts represented the estimated profit margin to be derived from customer agreement and suppliers' agreements on trading of magnetite sand concentrate. Amortisation for contracted based intangible assets with finite useful lives in which the trading volume for the related transaction cannot be reliably estimated is provided on a straight-line basis over the contract period.

At the date of acquisition, customer agreement and suppliers' agreements have remaining contract term of 5.32 years. Separate supplementary agreements are signed with customer and suppliers in January 2014 pursuant to which (a) customer and the Group agreed to extend the trading period to 31 December 2019; and (b) suppliers and the Group also agreed to extend the trading period to 31 December 2019. Thus, the remaining amortisation period is then revised to 5.96 years and intangible assets are amortised on a straight-line basis over this new term prospectively from this date based on the carrying amount of intangible assets before revision of amortisation period.

For the purpose of impairment testing of trading contracts, the recoverable amount of trading contracts has been determined based on a value in use calculation on the relevant trading contracts based on the cash flow expected to be derived from these contracts. The calculation uses cash flow projections based on financial budget approved by management covering the remaining contract term and a discount rate of 18% (2013: nil). The financial budget included the terms specified in customer agreement and suppliers' agreements on trading of magnetite sand concentrate. The key assumption of the value in use calculation of trading contracts is based on the budgeted cash inflows/outflows that trading contracts will be earned or expenses incurred through products sold. No impairment on trading contracts was considered necessary for the year ended 31 March 2014.

14. TRADE RECEIVABLES

The Group's credit terms on packaged food business generally range from 30 to 120 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The Group allows an average credit period of 30 days to its customer of natural resources and commodities business. An ageing analysis of the trade receivables net of allowance for doubtful debts presented based on the invoice date (which is approximate the revenue recognition date) at the end of the reporting period is presented below.

	2014	2013
	HK$'000	HK$'000
Packaged food business		
0 – 90 days	**1,965**	1,339
91 – 180 days	**5**	27
	1,970	1,366
Trading of natural resources business		
0 – 30 days	**8,459**	–
	10,429	1,366

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly. Approximately 98% (2013: 88%) of trade receivables that are neither past due nor impaired have strong credit quality. These customers have no default of payment in the past and have good credit rating attributable under the credit review procedures used by the Group, including profitability, liquidity, financial leverage and operational performance quality of the counterparties.

The Group has a policy for allowance of bad and doubtful debts which is based on the evaluation of collectibility and ageing analysis of accounts and on management's judgement including the credit creditworthiness and the past collection history of each client.

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK$252,000 (2013: HK$160,000), which are past due as at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality of the trade receivable and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 80 days (2013: 81 days).

14. TRADE RECEIVABLES (CONT'D)

Ageing of trade receivables which are past due but not impaired

	2014	2013
	HK$'000	HK$'000
0 to 90 days	**252**	160

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The trade receivables past due but not provided for as at the end of the reporting period were either subsequently settled or no historical default of payments was noted by the respective customers. Concentration of credit risk arising from trade receivables from packaged food business is limited due to the customer base being large and unrelated. The directors believe that there is no further credit provision required.

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.

	2014	2013
	HK$'000	HK$'000
0 – 90 days	**9,741**	728
91 – 180 days	**58**	362
	9,799	1,090

The credit period ranged from 90 days to 120 days.

16. PROMISSORY NOTE

During the year ended 31 March 2014, the Group acquired entire equity interest of Digital Rainbow, which was partly satisfied by the Group issuing a promissory note with principal amount of HK$23,000,000.

The promissory note carries no interest and is repayable on 6 March 2015. The promissory note was initially recognised at fair value of HK$16,627,000 with effective interest rate of 24.225%. The promissory note was subsequently measured at amortised cost. During the year ended 31 March 2014, the Group incurred effective interest on promissory note of HK$2,167,000 (2013: nil) to profit or loss.

17. BONDS

On 6 September 2013, the Company issued bonds with principal amount of HK$80,000,000 to an independent third party. According to the terms of the bonds, the maturity date is two years from the issue date. At the maturity date, the Company may elect in its discretion to extend the term for another one year. The bonds carry interest at 20% per annum (the "Initial Interest Rate") during the first 24 months and thereafter at progressive interest rates by an addition of 2% per annum to the Initial Interest Rate for every 3 months in the event of an extension of the maturity date of the bonds. The Company may also redeem part or all of the bonds any time during the repayment term at principal amount and interest accrued up to redemption date. The extension option and early redemption option (collectively the derivative components) are considered not closely related to the host debt component. Both the host debt component and the derivative component, have been valued as at 6 September 2013 on the basis carried out at that date by Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group. In the opinion of the directors, the fair value of derivative components of this bond is insignificant. At initial recognition, the bonds of HK$73,136,000 is recognised based on fair value of HK$76,473,000 after deducting the transaction cost incurred of HK$3,337,000 resulting with the effective interest rate of the bonds is 25.77% per annum. The Company issued 130,000,000 warrants to the then bondholder together with the bonds issued.

During the year, the Company also issued unsecured bonds to independent third parties with an aggregate principal amount of HK$31,000,000. The aggregate consideration of these bonds amounted to HK$27,000,000 which have been netted with the fully prepaid interest of HK$4,000,000. The effective interest rates of these bonds ranged from 5% to 6.594%. The maturity dates of the bonds ranged from 2 years to 7.5 years.

The movement of the bonds for the year is set out as below:

	HK$'000
Bonds issued on 6 September 2013	73,136
Bonds issued from September 2013 to November 2013	27,000
Effective interest expense	11,296
Interest paid	(8,000)
As at 31 March 2014	103,432

Bonds issued on 6 September 2013 are secured by an aggregate of 392,000,000 shares of the Company and guaranteed by Eminent Along Limited and Ease Chance International Limited, the wholly-owned subsidiaries of the Company. All other bonds are unsecured.

18. RELATED PARTY TRANSACTIONS

Apart from the loan to an associate as disclosed in note 11 during the year, the Group has entered into followings transactions between related parties:

	2014	2013
	HK$'000	HK$'000
Loan interest income from an associate	401	152
Consultancy expenses paid to a related party *(note)*	180	–

Note: During the year, the Group entered into an agreement with Rockhound Assets Management Limited ("Rockhound") pursuant to which Rockhound will provide technical support to the Group on technical issues regarding minerals engineering and minerals exploration at a monthly fee of HK$30,000 for a period of one year subject to renewal. Mr. Lau Wan Pui, Joseph, Non-executive Director of the Company, is a beneficial owner and a director of Rockhound. 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.

19. EVENTS AFTER THE REPORTING PERIOD

On 1 April 2014, Nice Glory (China) Limited, an indirect wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with independent third parties to acquire 100% equity interest in the Guangzhou Shouchuang Investment Advisory Limited 廣州首創投資諮詢有限公司 ("GSIAL"), a limited liability company incorporated in the PRC, at a cash consideration of RMB5,000,000 (equivalent to approximately HK$6,250,000). GSIAL has 49% equity interest in a PRC incorporated company which principally engages in the operation of a coal trading centre in Guizhou Province, the PRC. The PRC incorporated company is an associate of GSIAL. The transaction was not completed at the date of authorisation for issue of the consolidated financial statements.

Pursuant to the extraordinary general meeting held on 15 April 2014, the refreshment of share option scheme mandate limit and grant of share options are approved by the shareholders. 98,000,000 share options are granted and accepted by the eligible participants on 15 April 2014. The grant is not expected to have a significant financial effect to the Group for the year ended 31 March 2015.

FINANCIAL REVIEW

For the year ended 31 March 2014, the Group achieved a consolidated revenue of HK$316.6 million (2013: 48.3 million), representing a growth by HK$268.3 million or an over-fivefold increase from 2013. The tremendous growth was brought about by the Group's commencement of the trading of natural resources and commodities in the year. A gross profit of approximately HK$4.7 million was recorded for the year ended 31 March 2014 (2013: HKHK7.9 million) with an overall profit margin of 1.5% (2013: 16.5%). The low overall profit margin was mainly attributed to the new natural resources and commodities trading business which posted a much lower gross profit margin rate due to the price transparency in the open markets.

Selling expenses for the year ended 31 March 2014 amounted to HK$1.4 million which was comparable to that in 2013 of HK$1.6 million despite of the increase in turnover.

Administrative expenses and other expenses ("Operating Expenses") for the year amounted to HK$68.7 million as compared to HK$21.1 million in prior year. Excluding the major non-cash items in relation to amortization of other intangible assets, depreciation charges and share-based payments with an aggregate amount of HK$29.5 million (2013: HK$1.3 million), Operating Expenses would have amounted to HK$39.2 million (2013: HK$19.8 million) which represented a significant increase of HK$19.4 million as compared to prior year. Major increases included staff costs which accounted for approximately HK$5.5 million of the increase. Legal and professional fees incurred and consultancy services fees paid in connection with the acquisition related matters and various proposed fund raising activities accounted for approximately HK$6.3 million increase whereas office premises related costs accounted for another HK$1.5 million increase. Apart from the aforesaid non-cash items, there was an impairment of interest in an associate amounted to HK$35.4 million and share of its loss of HK$46.5 million being recognized in respect of the Group's interest in the coal trading business.

During the year ended 31 March 2014, the Group has issued corporate bonds for the purpose of financing business acquisition as well as working capital needs. Effective interests on these bonds charged to the profit and loss amounted to approximately HK$11.3 million (2013: Nil). Apart from those arising from corporate bonds, effective interests of HK$2.2 million (2013: Nil) was also recorded for a promissory note issued during the year as part of the consideration of acquiring the iron ore business.

Loss attributable to owners of the Company for the year amounted to approximately HK$159.4 million (2013: HK$13.9 million). With the exclusion of those non-cash impairment of interest in an associate, share of loss of an associate, the amortization of other intangible assets, share-based payments and the reversal of deferred tax etc., the Group would have recorded a loss attributable to owners of the Company of HK$51.6 million.

BUSINESS REVIEW

During the year ended 31 March 2014, the Group's business was organized in two segments namely (i) Packaged Food Segment; and (ii) Natural Resources and Commodities Segment.

Packaged Food Segment

Revenue generated from this segment represents the sale of noodles mainly in the mainland China. The diminishing demand from overseas purchase orders wipe out a major portion of the revenue in this segment leading to a plunge by nearly 70% of segment revenue from prior year of approximately HK$48.3 million to approximately HK$14.7 million in the current year. Although the escalating demand from mainland China has served as a mitigating cushion to the negative impact resulting from the drop in overseas purchase orders, the management is prudent towards the future of this segment.

Natural Resources and Commodities Segment

The Group's natural resources and commodities business segment has commenced operation in the second quarter and continued growing in the third and fourth quarters. During the year ended 31 March 2014, the Group was engaged in the trading of natural resources and commodities generating an aggregate revenue of approximately HK$302.0 million (2013: Nil).

Coal Trading Business

During the year ended 31 March 2014, the coal trading business was operated by an associate, Goldenbase Limited (together with its subsidiaries, the "Goldenbase Group"). The business was carried out under the coal trading license of its PRC co-operator pursuant to a Joint Cooperation Agreement entered into in 1 April 2012 for an initial term of 3 years. Since then, the Goldenbase Group encountered certain administrative delay from the relevant PRC tax authorities in carrying out its coal trading business with the coal operation license from its PRC co-operator. In the circumstances, (i) the management of the Goldenbase Group decided to set up a new wholly-foreign owned enterprise (the "WFOE") in Qinghai Province, the PRC and it was originally expected that the same would be set up in or about September 2013, and thereafter, to arrange the WFOE to apply for a coal operation license in Qinghai Province, the PRC. It was originally expected by the management of the Goldenbase Group that the whole procedure can be completed in or about the third quarter of 2013.

In late November 2013, it was expected by the management of the Goldenbase Group that the establishment of the WFOE would be delayed to the end of January 2014, the reason of which, as was advised by the PRC legal adviser of the Goldenbase Group, was due to the then recent enactment of the revised "Coal Act" in the PRC. The management of Goldenbase Group was further advised by its PRC legal adviser that according to the revised "Coal Act", enterprises are no longer required to obtain any coal trading license for operation of coal trading business.

The Company was advised by the management of the Goldenbase Group that the WFOE obtained a business license (「營業執照」) and tax registration certificate (「稅務登記證」) on 15 December 2013 and 3 March 2014 respectively. Subsequently, part of the registered capital of the WFOE was paid up and a capital verification report (「驗資報告」) was issued on 25 March 2014 (with such capital verification report, the WFOE was able to apply for ordinary taxpayer qualification (「一般納稅人資格」) with its local tax bureau for issuing VAT invoices to its customers).

Termination of Coal Supply Agreements with Coal Suppliers

In early April 2014 the management of Goldenbase Group communicated to each of the coal suppliers under the coal supply agreements entered into among such coal suppliers and the Goldenbase Group prior to the date on which the Company acquired its interest in the Goldenbase Group for the purpose of reactivating the coal supply agreements. However, as informed by the management of the Goldenbase Group, the response from each of the coal suppliers was negative whom was of the view that it was unfair to reactivate the coal supply agreements given that the coal markets have been substantially deteriorated since May 2012 when such coal supply agreements were entered into. In early May 2014, each of the coal suppliers communicated their intention to terminate the coal supply agreements to the management of the Goldenbase Group. The Company was further advised by the management of the Goldenbase Group that, immediately following the above events, the Goldenbase Group had consulted its PRC legal adviser as to its legal position in the coal supply agreements, and was advised by its PRC legal adviser that each coal suppliers is entitled to rely on the grounds of changes in circumstances and has prospects of success to (a) apply to the PRC court for an order to terminate the coal supply agreements; or (b) resist the specific performance of the coal supply agreements, if an application was made by the Goldenbase Group.

Expiration of Coal Purchase Agreement with a Customer

There was a coal purchase agreement entered into between Goldenbase Group and a PRC customer prior to the date on which the Company acquired its interest in the Goldenbase Group. On or about 20 February 2014, when the coal purchase agreement was about to expire, the management of the Goldenbase Group communicated to the customer for a further extension of the coal purchase agreement. The customer indicated to the management of the Goldenbase Group that it was willing to extend the coal purchase agreement subject to certain amendments to be made on the provisions in the coal purchase agreement, including but not limited to the payment of the advance deposit as stipulated in the original coal purchase agreement, and it further proposed to postpone the negotiation of the extension of the coal purchase agreement until the WFOE has obtained all necessary approvals to issue VAT invoices. Thus, the coal purchase agreement expired on 28 February 2014.

The Company was further advised by the management of Goldenbase Group that as at the date of this announcement, as the WFOE is still in the course of changing its registered address to an economic & technological development zone in Xining City, Qinghai Province, the PRC for tax reason, the WFOE has not obtained the ordinary taxpayer qualification and has not commenced business operation.

In light of the prolonged delay in executing the coal supply agreements with the coal suppliers due to the inability to issue PRC tax invoices by the WFOE and the drastic deterioration of the coal product market condition of which relevant coal price in the current open market plunged over 30% since 2012 and after taking into consideration of a number of factors both from the commercial and legal perspectives, the management of the Goldenbase Group decided to enter into settlement agreements with these coal suppliers to terminate the original coal supply agreements (as supplemented by the subsequent supplemental agreements). Details of updates on coal trading business conducted by the Goldenbase Group was set out in the Company's announcement dated 13 June 2014.

Impairment Testing of Interest in an Associate

In view of the termination of the coal supply agreements with coal suppliers and the expiration of the coal purchase agreement with a customer of the Goldenbase Group, the Company engaged an independent valuer, Roma Appraisals Limited ("Roma Appraisal") to perform a business valuation of the associate group.

In determining the value in use of the investment, the Group, by making reference to the business valuation performed by Roma Appraisals, estimated the present value of the estimated future cash flows expected to arise from the operations of the associate and from its ultimate disposal, by using discount rate of 17% to discount the cash flow projections to net present values. A key assumption for the value in use calculation is the budgeted growth rate of 0%, which is determined based on management's estimation on the development of the associate in the trading of natural resources market. An impairment loss of HK$35,441,000 (2013: nil) has recognized to profit or loss during the year ended 31 March 2014.

Despite of the impairment recognized above, the Company was advised by the management of Goldenbase Group that, with its business connection, the management of Goldenbase Group has been vigorously liaising with other potential suppliers and customers in the coal industry and new trading contracts are signed and under negotiation. As such, the coal trading business of Goldenbase Group will be on-going. The Goldenbase Group also achieved a turnover of HK$265.8 million (2013: HK$3.0 million) and recorded an operating profit of HK$0.2 million (2013: net loss of HK$1.3 million) for the year ended 31 March 2014.

Iron Ore Trading Business

On 6 September 2013, the Group has successfully acquired the entire equity interest in Digital Rainbow Holdings Limited. As detailed in the Company's circular dated 29 June 2013, the Digital Rainbow Group is engaged in the business of trading in magnetite sand concentrate. In relation to such business, the Digital Rainbow Group has separately entered into three legally binding offtake agreements (the "Supply Agreements") with three companies established in the Philippines (the "Suppliers"). Pursuant to the Supply Agreements, the Digital Rainbow Group secured the supply of an aggregate of not less than 23.5 million dry metric tonne ("DMT") magnetite sand concentrate (subject to (+/-) 10% fluctuation) from the Suppliers over the period from 1 March 2013 to 31 December 2018 extendable for one additional year to 31 December 2019 of which not less than aggregate of 5 million DMT magnetite sand concentrate will be supplied by the Suppliers. The Digital Rainbow Group also entered into a legally binding letter of intent with a state-owned enterprise of the PRC (the "Customer"), pursuant to which the Customer has agreed to buy an aggregate of not less than 23.5 million DMT magnetite sand concentrate (subject to (+/-) 10% fluctuation) over the period from 1 March 2013 to 31 December 2018 extendable for one additional year to 31 December 2019 on which not less than aggregate of 5 million DMT magnetite sand concentrate will be bought by the Customer (the "Purchase Schedule"). The Digital Rainbow Group has also managed to obtain pricing models with the Suppliers and the Customer separately so that the Digital Rainbow Group was able to secure a gross profit margin (excluding other expenses) of US$3 per DMT. Pursuant to the Purchase Schedule, 500,000 DMT magnetite sand concentrate will be purchased by the Customer from the Digital Rainbow Group by 31 December 2013.

On 29 November 2013, Digital Rainbow Group received a letter from the Customer notifying that it was unable to fulfill the Purchase Schedule of purchase of 500,000 DMT of magnetite sand concentrate by 31 December 2013 and requesting a postponement of the original Purchase Schedule. In view of the long-term business relationship with the Customer and after negotiating with the Suppliers, the Group agreed that the terms for the supply of magnetite sand concentrate to be supplied by the Group to the Customer and those for the supply of magnetite sand concentrate to be supplied by each of the three Suppliers to be revised from the period from 1 March 2013 to 31 December 2018 to the period from 1 March 2013 to 31 December 2019 and a supplemental letter of intent (the "Supplemental Letter of Intent") was entered into between the Group and the Customer on 15 January 2014 and three supplemental supply agreements (the "Supplemental Supply Agreements") were entered into between the Group and each of the three Suppliers respectively on 15 January 2014. Despite the amendments, the overall quantity of magnetite sand concentrate to be supplied by the Group remained unchanged. Nevertheless, the Group continued in negotiating with the Customer and the Suppliers as well as soliciting other potential supplier and customers with the objective to regain the deficit in trading volume arising from the revised trading schedules. The Group's iron ore trading activity was started subsequent to the reporting date. At the date of this announcement, purchase order together with letter of credit in relation to iron ore trading was received from the customer. Shipment of goods and other logistics are undergoing.

Other Natural Resources and Commodities Trading Business
During the year ended 31 March 2014, the Group started to engage in the trading of crude palm oil via its wholly-owned subsidiary, Grand Charm Commodities Limited and recorded a turnover of HK$293.5 million (2013: Nil). Although the profit margin from this product line was thin, there is positive contribution of HK$0.2 million (2013: Nil) being recorded from the trading of this product whereas, the underlining importance of engaging in such trading is the diversification of the products in the commodities trading business segment and widening the Group's business network and range of products in the field of commodities trading.

Financial Position

Net assets value of the Group as at 31 March 2014 amounted to HK$69.1 million compared to HK$147.7 million as at 31 March 2013. The drop was mainly due to the impairment of investment in an associate together with the Group's share of the associate's loss and the net loss of the Group of its own for the year.

The total non-current assets of the Group increased from HK$110.6 million as at 31 March 2013 to HK$172.1 million as at 31 March 2014. The rise was brought about by the acquisition of iron ore trading business which gave rise to the recognition of intangible assets of HK$112.4 million and goodwill of HK$29.7 million at the reporting date. The rise was partly offset by the impairment in value of interest in an associate amounted to HK$81.9 during the year.

Net current assets as at 31 March 2014 amounted to HK$18.9 million as compared to HK$37.0 million in prior year. The significant drop was caused by the inclusion in current liabilities the promissory note of HK$18.8 million which was to be repaid next year. The increase in prepayments and receivables depleted bank and cash balances from HK$31.5 million at 31 March 2013 to a balance of HK$18.9 million at 31 March 2014.

Non-current liabilities as at 31 March 2014 of HK$122.0 million (2013: Nil) included corporate bonds issued during the year as part of the consideration for acquiring the iron ore trading business as well as working capital needs. The aforementioned acquisition also gave rise to deferred tax liabilities upon recognition of intangible assets on acquisition.

Liquidity and Financial Resources

During the year ended 31 March 2014, the Group has net cash outflow in operating activities amounted to HK$44.9 million soaring from HK$4.9 million in prior year. The investing activities mainly related to the acquisition of iron ore trading business used up an aggregate of HK$92.8 million. These cash outflows were met by the issues of new shares and corporate bonds which provide an aggregate of HK$125.3 million cash inflow in the current year.

During the year ended 31 March 2014, the Group also issued corporate bonds of aggregate principal amount of HK$31.0 million (2013: Nil) to independent third parties. The bonds are unsecured, bearing effective interest ranging from 5% to 6.594% and with maturity dates ranging from 24 to 90 months and were all outstanding at 31 March 2014. The Group also has outstanding secured corporate bonds with principal value of HK$80.0 million (2013: Nil) which was issued for partial funding for the acquisition of iron ore business. The Group has obtained structured trade finance facilities from bank amounted to US$13.0 million (equivalent to approximately HK$101.4 million (2013: Nil)). The Group's gearing ratio as at 31 March 2014 was approximately 60% (2013: -27%). The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total of promissory note; bonds and other borrowings less cash and bank balances. The current ratio (ratio of current assets to current liabilities) of the Group as at 31 March 2014 was approximately 1.6 (2013: 9.2).

Financial Management Policy and Foreign Currency Risk

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

The Group adopts a conservative approach towards its treasury policies. It strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. 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

As at 31 March 2014, the Group had no significant contingent liabilities and no charges on its assets (2013: Nil).

Commitments

As at 31 March 2014, the Group had no significant capital commitments. The operating lease commitments in respect of office premises, factory and office equipment of the Group amounted to HK$5.8 million (2013: HK$6.3 million).

Material Transactions

During the year, the Group entered into the following material transactions:

(a) On 3 May 2013, the Company entered into a conditional share placing agreement with a placing agent for the placing of up to an aggregate of 250,000,000 new ordinary shares at a placing price of the higher of (i) HK$0.20 per share; or (ii) the price per share which represented 30% discount of the average closing price per share as quoted on the Stock Exchange for the five trading days immediately prior to the date to be notified by the placing agent on which the placing price will be fixed for the purposes of the placing of shares. The share placing agreement was approved by the Company's shareholders at the extraordinary general meeting of the Company held on 25 July 2013. On 6 September 2013, the Company and the placing agent mutually agreed to terminate the share placing agreement. The Directors consider that the termination of the share placing agreement has no material adverse impact on the existing business and financial position of the Group.

(b) On 6 September 2013, the Group completed in acquiring the entire equity interest in Digital Rainbow Holdings Limited, a company to be engaged in the business of magnetite sand concentrate trading. The consideration of the acquisition was partially satisfied by the payment of cash of HK$85.0 million and the issue of promissory note in an amount of HK$23.0 million in favour of one of the vendors and the remaining satisfied by the issue of an aggregate of 193,000,000 ordinary shares of the Company to other vendors.

(c) On 17 January 2014, the Group entered into a non-legally binding memorandum of understanding with the relevant vendors in relation to the possible acquisition (the "Possible Acquisition") of the entire equity interests of Guangzhou Shouchuang Investment Limited (the "Target Company"), being a company established in the PRC with limited liability. On 6 January 2014, the Target Company entered into a share transfer agreement (the "Share Transfer Agreement") with Tianjin Bangchuang Investment Consultancy Limited ("Tianjin Bangchuang"), pursuant to which the Target Company has agreed to purchase and Tianjin Bangchuang has agreed to sell 49% equity interest in AVIC Southern Coal Trading Center Limited ("Project Company"), being a company incorporated in the PRC with limited liability and is principally engaged in the operation of a coal trading center in Guizhou Province, the PRC. Details of the Possible Acquisition were disclosed in the announcement of the Company dated 17 January 2014. On 1 April 2014, the Group entered into an acquisition agreement with the relevant vendors pursuant to which the Group conditionally agreed to acquire and the vendors conditionally agreed to dispose of the 100% equity interest in the Target Company, at an aggregate Consideration of RMB5,000,000 (equivalent to approximately HK$6,250,000). An arranger fee of HK$9,600,000 to be satisfied by the issue of 32,000,000 new shares of the Company will be payable to the arranger in connection with the Possible Acquisition upon completion. The acquisition has not yet completed at the date of this announcement.

(d) On 18 January 2014, the Company entered into the subscription agreement with a subscriber pursuant to which the Company has conditionally agreed to allot and issue and the subscriber has conditionally agreed to subscribe for a total of 58,824,000 shares in cash at the subscription price of HK$0.17 per share. The subscription was subsequently completed on 29 January 2014. The net proceeds from the subscription, after deducting related expenses, amounted to approximately HK$9.9 million. The net proceeds will be used for the general working capital of the Group and to fund the acquisition of equity interests in potential business(es) in the future.

(e) On 20 January 2014, the Company entered into another subscription agreement with another subscriber pursuant to which the Company has conditionally agreed to allot and issue and the subscriber has conditionally agreed to subscribe for a total of 52,624,000 shares in cash at the subscription price of HK$0.19 per share. The subscription was subsequently completed on 29 January 2014. The net proceeds from the subscription, after deducting related expenses, amounted to approximately HK$9.9 million. The net proceeds will be used for the general working capital of the Group and to fund the acquisition of equity interests in potential business(es) in the future.

(f) On 17 February 2014 the Company has granted share options to certain grantees to subscribe for a total of 39,000,000 ordinary shares of the Company at an exercise price of HK$0.24, subject to acceptance of the grantees, under the share option scheme adopted by the Company on 26 September 2010. The exercisable period was from 17 February 2014 to 16 February 2019.

(g) On 21 February 2014 the Company has conditionally granted share options to certain directors and employees to subscribe for a total of 98,000,000 ordinary shares of the Company at an exercise price of HK$0.26, subject to acceptance of the grantees, under the share option scheme adopted by the Company on 26 September 2010. The exercisable period was from 21 February 2014 to 20 February 2019. The grant was subsequently approved by the Company's shareholders at the extraordinary general meeting of the Company held on 15 April 2014.

(h) On 28 February 2014, the Company entered into a subscription agreement with a subscriber in relation to (i) the share subscription; and (ii) the warrants issue. Pursuant to the subscription agreement, the Company has conditionally agreed to issue and the subscriber has conditionally agreed to subscribe (i) in cash for a total of 45,448,000 shares at the subscription price of HK$0.22 per share; and (ii) for the 38,456,000 warrants conferring the rights to subscribe for an initial aggregate of 38,456,000 warrant shares (subject to adjustment in the event of a consolidation, subdivision and reclassification of the shares) at the initial exercise price of HK$0.26 per warrant share (subject to adjustment). Each warrant will carry the right to subscribe for initially one warrant share (subject to adjustment in the event of a consolidation, subdivision and reclassification of the shares) at an initial exercise price of HK$0.26 per warrant share, subject to adjustment. The subscription right will be exercisable within twelve (12) months from the date of the issue of the warrants. The subscription was subsequently completed on 7 March 2014. The net proceeds from the subscription, after deducting related expenses, amounted to approximately HK$9.9 million. The net proceeds will be used for the general working capital of the Group.

(i) On 21 March 2014, the Company entered into a project investment agreement in relation to, among others, the Company's potential participation as a strategic investor in a project in connection with the proposed establishment and operation of a commodity trading center named Guizhou Qian Lang Commodity Trading Center (貴州乾朗大宗商品交易中心) in Yunyan District of Guiyang in the Guizhou Province, the PRC (subject to final approval from the relevant government authority) for trading mainly iron and steel. Details of the potential project investment were disclosed in the announcement of the Company dated 21 March 2014. As at the date of this announcement, the Company does not have any financial commitment under the project investment agreement.

Subsequent Events

(a) On 30 April 2014, the Company entered into a memorandum of understanding for the establishment of the joint venture in Hong Kong which will be principally engaged in project investments. The memorandum of understanding does not constitute legally-binding commitment in respect of the possible establishment of the joint venture. The establishment of the Joint Venture is subject to the execution and completion of a formal agreement.

(b) On 9 May 2014, the Company entered into a non-legally binding memorandum of understanding with two vendors in relation to the possible acquisition of the entire equity interests in a company established in the PRC with limited liability. The group headed by this PRC company was principally engaged in coal mines development and investment, coal mining, sale of construction materials, electrical and mechanical equipment and metallic materials etc. It owns and/or will own a series of coal mining rights in respect of certain coal mines in Guizhou Province, the PRC covering an aggregate area of approximately 19,000,000 square meters. Based on the information provided by the vendors, the original valid periods of the licenses for the coal mining rights ranged from approximately 3 years to 10 years with an aggregate planned production scale of approximately 2,400,000 tonnes per annum.

Employees and Remuneration Policies

As at 31 March 2014, the Group had 86 (2013: 76) employees, including the Directors. Staff remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. It comprised of monthly salaries, mandatory provident fund contributions, medical benefits, other allowances and discretionary share options issued based on their contribution to the Group. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. The Group also participates in a retirement benefit scheme for its staff in the PRC and a defined statutory mandatory provident fund scheme to its employees in Hong Kong. The Group has adopted a share option scheme of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. As at the date of this announcement, a total of 157,000,000 share options remain unexercised.

Outlook

With the changing condition in the coal trading market, the Group will readjust its business development strategies. The possible acquisition of the 49% interest in Southern Coal Trading Center (南方煤炭交易中心) in Guizhou Province, the PRC enabled the Group to capture the opportunity in participating in the reform of the coal trading market in the PRC. Capitalizing on the supportive government policies on promoting electronic coal trading platform, the management believes that acquisition is the first step forward in cooperating with PRC conglomerate in meeting the challenge of the industry and it will strengthen the Group's presence in the coal-related business and provide the Group access to more business and investment opportunities in the PRC and enhance the profitability of the Group ultimately.

Regarding the natural resources and commodities trading business, the management will use its best endeavour in soliciting new trades by utilizing its wide-spread business connections while in the meantime, it will also pursue the execution of the trading contracts on hand.

To further diversify its business, the Group has been granted the money lenders license in May 2014 to carry on business as a money lender in Hong Kong through a subsidiary of the Group and this will become another revenue stream to contribute to the Group as a whole in the near future.

CODE ON CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to protect the interests of shareholders and enhance shareholder value.

The Company acknowledges the important role of its Board in providing effective leadership and direction to the Group's business, and ensuring accountability, transparency, fairness and integrity of the Company's operations.

Throughout the year ended 31 March 2014, the Company has complied with the code provisions (the "CG Code") on Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its securities dealing code (the "Own Code") regarding Directors' dealings in the Company's securities by the Directors, senior personnel and certain employees of the Group (who are likely to be in possession of unpublished inside information in relation to the Company or its securities) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Specific enquiry has been made of the Directors and all of them have confirmed that they have complied with the required standards set out in the Required Standard of Dealings and the Own Code throughout the year ended 31 March 2014.

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

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year.

AUDIT COMMITTEE

This annual results for the year ended 31 March 2014 has been reviewed by the Audit Committee of the Company, which was of the opinion that the information contained therein had complied with the disclosure requirements of the GEM Listing Rules, and that adequate disclosures had been made.

The Audit Committee comprises a total of three members, namely, Mr. Chow Chi Fai (Chairman), Mr. May Tai Keung, Nicholas and Mr. Tam Chak Chi, all of whom are Independent Non-executive Directors, with written terms of reference.

By order of the Board
Wealth Glory Holdings Limited
Wong Ka Wah, Albert
Chairman

Hong Kong, 25 June 2014

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

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be posted on the website of the Company atwww.lmfnoodle.com.