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WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8269)

2017 INTERIM RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Wealth Glory Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 September 2017. This announcement, containing the full text of the 2017 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of interim results.

By Order of the Board
Wealth Glory Holdings Limited
Tse Sing Yu
Executive Director

Hong Kong, 14 November 2017

As at the date of this announcement, 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for seven days from the date of its publication and on the website of the Company at www.wealthglory.com.

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

The board of directors (the “Board”) of Wealth Glory Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the three and six months ended 30 September 2017 together with the unaudited comparative figures for the corresponding periods in 2016 as follows:

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

For the three and six months ended 30 September 2017

		For the three months ended 30 September		For the six months ended 30 September	
	Notes	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
Continuing operations					
Revenue	3	29,578	14,675	57,404	31,082
Cost of sales		(26,915)	(12,933)	(52,684)	(27,452)
Gross profit		2,663	1,742	4,720	3,630
Other income	3	668	1,573	2,136	2,803
Other gains and losses, net	4	728	(7,948)	(755)	(8,409)
Share of profit of associates		1,212	410	1,380	546
Selling expenses		(78)	(99)	(115)	(162)
Administrative expense		(3,788)	(8,162)	(6,615)	(13,435)
Other expenses		(474)	(8,699)	(1,644)	(11,825)
Finance costs	6	(758)	(1,386)	(1,525)	(2,462)
Profit (loss) before taxation		173	(22,569)	(2,418)	(29,314)
Taxation credit (expense)	7	18	18	36	36
Profit (loss) for the period from continuing operations		191	(22,551)	(2,382)	(29,278)

		For the three months ended 30 September		For the six months ended 30 September	
	Notes	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
Discontinued operations					
Profit (loss) for the period from discontinued operations	8(b)	–	363	–	494
Profit (loss) for the period	8(a)	191	(22,188)	(2,382)	(28,784)
Other comprehensive (expense) income:					
Items that may be subsequently reclassified to profit or loss:					
– Exchange differences arising on translation of foreign operations		(15)	315	(17)	(64)
Total comprehensive income (expense) for the period		176	(21,873)	(2,399)	(28,848)
Profit (loss) for the period attributable to:					
Owners of the Company		(44)	(22,335)	(2,900)	(29,081)
Non-controlling interests		235	147	518	297
		191	(22,188)	(2,382)	(28,784)

		For the three months ended 30 September		For the six months ended 30 September	
Notes		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
	Total comprehensive income (expense) for the period attributable to:				
	Owners of the Company	(59)	(22,020)	(2,917)	(29,145)
	Non-controlling interests	235	147	518	297
		<u>176</u>	<u>(21,873)</u>	<u>(2,399)</u>	<u>(28,848)</u>
		HK cents	HK cents (Restated)	HK cents	HK cents (Restated)
	Loss per share from continuing and discontinued operations				
	– Basic and diluted	(0.01)	(3.07)	(0.4)	(4.0)
		<u>(0.01)</u>	<u>(3.07)</u>	<u>(0.4)</u>	<u>(4.0)</u>
	Loss per share from continuing operations				
	– Basic and diluted	(0.01)	(3.12)	(0.4)	(4.06)
		<u>(0.01)</u>	<u>(3.12)</u>	<u>(0.4)</u>	<u>(4.06)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

		As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	10	4,022	271
Interests in associates		26,267	24,904
Goodwill		34,279	34,279
Intangible assets	11	9,552	10,716
Loans receivables		3,688	2,704
Deposits and other receivables		11,295	9,581
Financial assets designated at fair value through profit and loss	12	10,158	10,972
Available-for-sale investments		4,329	4,329
		103,590	97,756
Current assets			
Inventories	13	875	412
Held-for-trading investments	14	31,942	45,636
Trade receivables	15	16,441	2,668
Prepayments, deposits and other receivables		10,720	10,679
Loans receivables		46,799	37,144
Loan to associates		6,504	6,254
Cash and cash equivalents		12,416	8,373
		125,697	111,166

		As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
	Notes		
Current liabilities			
Trade payables	16	930	1,307
Accruals and other payables		13,915	7,713
Bonds	17	–	22,585
Bank borrowings	18	–	147
Other borrowings	19	21,550	23,458
Tax payable		117	117
		36,512	55,327
Net current assets		89,185	55,839
Total assets less current liabilities		192,775	153,595
Non-current liabilities			
Bonds	17	7,800	7,541
Deferred tax liabilities		287	323
		8,087	7,864
NET ASSETS		184,688	145,731
Capital and reserves			
Share capital	20	49,304	41,087
Reserves		134,446	104,224
Equity attributable to owners of the Company		183,750	145,311
Non-controlling interests		938	420
TOTAL EQUITY		184,688	145,731

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital HK\$'000	Share premium HK\$'000	Warrants reserve HK\$'000	Merger reserve HK\$'000	Share-based payment reserve HK\$'000	Translation reserve HK\$'000	Legal reserve HK\$'000	(Accumulated loss) HK\$'000	Total 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	-	-	-	-	-	-	-	(2,900)	(2,900)	518	(2,382)	
Total comprehensive expense for the period	-	-	-	-	-	(17)	-	(2,900)	(2,917)	518	(2,399)	
Transfer upon lapse of share options	-	-	-	-	-	-	-	-	-	-	-	
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	-	-	-	-	
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	-	-	-	-	-	(2,900)	38,439	518	38,957	
At 30 September 2017 (Unaudited)	49,304	566,572	-	(4,246)	12,313	(301)	-	(439,892)	183,750	938	184,688	

Attributable to owners of the Company

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Net cash flows used in operating activities	(6,685)	(22,510)
Net cash flows used in investing activities	(3,869)	(7,178)
Net cash flows generated from financing activities	14,597	11,110
Increase (Decrease) in cash and cash equivalents	4,043	(18,578)
Effect of the change in exchange rate	–	–
Cash and cash equivalents at the beginning of the period	8,373	23,714
Cash and cash equivalents at the end of the period	12,416	5,136

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is 17/F., No. 8 Wyndham Street, Central, Hong Kong. The Company's shares were listed on GEM of the Stock Exchange.

The Company is an investment holding company. During the period, the Group was involved in the following principal activities:

- (i) trading of natural resources and commodities;
- (ii) money lending 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 condensed consolidated interim financial statements for the six months ended 30 September 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 condensed consolidated interim financial statements 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 30 September		For the six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
Continuing operations				
Revenue				
Trading of natural resources and commodities	12,140	12,538	24,292	24,683
Sale of consumer products	16,006	617	30,245	3,285
Fee and interest income from money lending	1,432	1,520	2,867	3,114
	<u>29,578</u>	<u>14,675</u>	<u>57,404</u>	<u>31,082</u>
Other income				
Bank interest income	6	–	53	1
Imputed interest income from loans to investees	327	368	653	732
Dividend income	–	284	–	999
Reversal of impairment of deposits	–	780	780	780
Interest income from loans to an associate	125	125	250	250
Sundry income	210	16	400	41
	<u>668</u>	<u>1,573</u>	<u>2,136</u>	<u>2,803</u>
Discontinued operations				
Revenue				
Sale of packaged food	–	1,161	–	5,087
	<u>–</u>	<u>1,161</u>	<u>–</u>	<u>5,087</u>

	For the three months ended 30 September		For the six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
Other income				
Bank interest income	-	5	-	10
Sundry income	-	4	-	8
Gain on disposal of subsidiaries	-	511	-	511
	-	520	-	529
Consolidated				
Revenue				
Trading of natural resources and commodities	12,140	12,538	24,292	24,683
Sale of consumer products	16,006	617	30,245	3,285
Fee and interest income from money lending	1,432	1,520	2,867	3,114
Sale of packaged food	-	1,161	-	5,087
	29,578	15,836	57,404	36,169
Other income				
Bank interest income	6	5	53	11
Imputed interest income from loans to investees	327	368	653	732
Dividend income	-	284	-	999
Gain on disposal of subsidiaries	-	511	-	511
Reversal of impairment of deposits	-	780	780	780
Interest income from loans to an associate	125	125	250	250
Sundry income	210	20	400	49
	668	2,093	2,136	3,332

4. OTHER GAIN AND LOSSES, NET

	For the three months ended 30 September		For the six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000 (represented)
Continuing operations				
Change in fair value of held-for-trading investment	1,137	(6,283)	(5,750)	(653)
Change in fair value on financial assets at fair value through profit or loss	(814)	–	(814)	–
Net foreign exchange gain/(loss)	196	10	357	(11)
Realised gain/(loss) on disposal of held for trading investments	209	(1,675)	5,452	(7,745)
	<u>728</u>	<u>(7,948)</u>	<u>(755)</u>	<u>(8,409)</u>

5. SEGMENT INFORMATION

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

The management considers the business from a product/service perspective. During the six months ended 30 September 2017, the Group's reportable and operating segments are as follows:

- the natural resources and commodities business segment engages in the trading of natural resources and commodities including but not limited to coal and crude palm oil etc. ("Natural Resources and Commodities");
- the trading of fashion items, camera bags and sport car ("Trading of Consumer Products");
- the money lending business ("Money Lending");
- the manufacturing and trading of packaged food (i.e. noodles) ("Packaged Food"); and
- the investment in securities ("Securities Investment").

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

The following is an analysis of the Group's revenue and results for the six months ended 30 September 2017 by operating and reportable segment:

	Continuing Operations						Discontinued Operations		Consolidated	
	Trading of Natural Resources and Commodities		Trading of Consumer Products		Money Lending		Securities Investment		Packaged Food	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Segment Revenue										
External	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
Segment Results	23	(92)	1,831	(925)	2,490	695	(298)	(7,399)	-	(17)
Reconciliation:										
Imputed interest income from loans to investees										653
Gain on disposal of subsidiaries										-
Reversal of impairment of deposits										780
Interest income										303
Share-based payments										-
Amortisation of intangible assets										946
Corporate and other unallocated expenses										(4,238)
Share of profit of an associate										1,380
Corporate finance costs										(1,428)
Change in fair value on financial assets at fair value through profit or loss										(814)
Taxation credit (expense)										36
Loss for the period										
Revenue from major products and services										
The following is an analysis of the Group's revenue from its major products and services:										
Palm oil	24,292	24,683	-	-	-	-	-	-	-	24,292
Fashion items and camera bags	-	-	30,245	3,285	-	-	-	-	-	30,245
Money lending and financing service	-	-	-	-	2,867	3,114	-	-	-	2,867
Packaged food	-	-	-	-	-	-	-	-	5,087	-
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-	-	5,087
	24,292	24,683	30,245	3,285	2,867	3,114	-	-</		

6. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Continuing operations				
Interests on bank overdrafts and bank borrowings	1	20	3	46
Interests on other borrowings	94	637	94	1,267
Effective interests on bonds	663	729	1,428	1,149
	758	1,386	1,525	2,462

During the six months ended 30 September 2017, the Group's discontinued operations did not incur any finance costs (2016: Nil).

7. TAXATION CREDIT/(EXPENSE)

	For the three months ended 30 September		For the six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Continuing operations				
Tax credit (charge) comprise of:				
Current	–	–	–	–
Deferred tax credit (charge)	18	18	36	36
	<u>18</u>	<u>18</u>	<u>36</u>	<u>36</u>

No provision for tax has been made for the Group's discontinued operations for the period ended 30 September 2017 (2016: Nil).

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

No provision for Hong Kong Profits Tax has been made for the period ended 30 September 2017 as the Group did not generate any assessable profits arising in Hong Kong. Hong Kong Profits Tax was calculated at 16.5% on the estimated assessable profits for the period ended 30 September 2016 in relation to the Group's continuing operations.

According to the current applicable laws of the Macau Special Administrative Region, Macau Complementary Tax is calculated at a progressive rate from 9% to 12% (2015: 9% to 12%) on the estimated assessable profits for the year with the first two hundred thousand Patacas ("MOP") assessable profits being free from tax. However, Greenfortune (Macao Commercial Offshore) Limited ("Greenfortune"), the then wholly-owned subsidiary of the Company, operating in Macau during the year was in compliance with the Decree-Law No. 58/99/M of Macau Special Administrative Region, and thus, the profits generated by the subsidiary is exempted from the Macau Complementary Tax. No provision for profits tax in Macau has been made for the period ended both periods as the Group did not generate any assessable profits arising in Macau.

8. PROFIT (LOSS) FOR THE PERIOD

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

Continuing operations			
	For three months ended 30 September		For six months ended 30 September
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
			2016 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	26,915	12,932	27,451
Depreciation	52	59	118
Amortisation of intangible assets	366	688	1,457
Operating lease rentals in respect of:			
– land and buildings	1,062	946	1,688
– other facilities	–	–	–
Staff costs including directors' emoluments			
– Salaries, bonus and allowances	793	3,978	6,506
– Retirement benefit scheme contributions	29	46	100
– Share-based payments	–	1,608	1,608
Share-based payments to grantees other than employees and directors	–	3,024	3,024
	<u>–</u>	<u>3,024</u>	<u>–</u>
	<u>–</u>	<u>3,024</u>	<u>3,024</u>

Discontinued operations

	For three months ended 30 September		For six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	–	785	–	3,135
Depreciation	–	16	–	64
Operating lease rentals in respect of:				
– land and buildings	–	87	–	347
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	–	103	–	655
– Retirement benefit scheme contributions	–	124	–	459
	<u>–</u>	<u>124</u>	<u>–</u>	<u>459</u>

Consolidated

	For three months ended 30 September		For six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	26,915	13,717	52,684	30,586
Depreciation	52	75	118	182
Amortisation of intangible assets	366	688	946	1,457
Operating lease rentals in respect of:				
– land and buildings	1,062	1,033	1,935	2,035
– other facilities	–	–	–	–
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	793	4,081	1,521	7,161
– Retirement benefit scheme contributions	29	170	55	559
– Share-based payments	–	1,608	–	1,608
Share-based payments to grantees other than employees and directors	–	3,024	–	3,024
	=====	=====	=====	=====

(b) Discontinued operations

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

The 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 carrying amounts of assets and liabilities disposed of for the Paraburdoo Group at the date of disposal are disclosed in note 21 to the unaudited condensed consolidated interim financial statements.

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 30 September prior to disposal		For the six months ended 30 September prior to disposal	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Revenue	-	1,161	-	5,087
Cost of sales	-	(785)	-	(3,135)
Gross profit	-	376	-	1,952
Other income	-	9	-	18
Selling expenses	-	(110)	-	(371)
Administrative expense	-	(423)	-	(1,616)
Loss before taxation	-	(148)	-	(17)
Taxation credit (expense)	-	-	-	-
Loss for the period	-	(148)	-	(17)
Gain on disposal of discontinued operations	-	511	-	511
Profit (loss) for the period from discontinued operations	-	363	-	494

9. LOSS PER SHARE

Continuing and discontinued operations

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

	Three months ended 30 September		Six months ended 30 September	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) (restated) <i>HK\$'000</i>	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) (restated) <i>HK\$'000</i>
Loss				
Loss for the purpose of basic and diluted loss per share	(44)	(22,335)	(2,900)	(29,081)
Number	'000	'000	'000	'000
Weighted average number of shares for the purpose of basic and diluted loss per share	728,191	728,191	728,191	728,191

Continuing operations

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

	Three months ended 30 September		Six months ended 30 September	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) (restated) <i>HK\$'000</i>	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) (restated) <i>HK\$'000</i>
Loss				
Loss for the purpose of basic and diluted loss per share	(44)	(22,698)	(2,900)	(29,575)
Number	'000	'000	'000	'000
Weighted average number of shares for the purpose of basic and diluted loss per share	728,191	728,191	728,191	728,191

Discontinued operations

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

	Three months ended 30 September		Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) (restated) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) (restated) HK\$'000
Profit (Loss)				
Profit (Loss) for the purpose of basic and diluted loss per share	–	363	–	494
Number	'000	'000	'000	'000
Weighted average number of shares for the purpose of basic and diluted loss per share	728,191	728,191	728,191	728,191
Earnings (Loss) per shares (HK cents)				
– Basic and diluted	N/A	0.05	N/A	0.07

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

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2017, the Group acquired property, plant and equipment of approximately HK\$3.8 million (2016: Nil).

11. INTANGIBLE ASSETS

During the six months ended 30 September 2017, the Group did not acquire any intangible assets in significant amount (2016: Nil).

12. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

During the year ended 31 March 2017, the Group acquired convertible bonds with principal amounts of HK\$7,000,000 ("CB 1") issued by Deson Construction International Holdings Limited ("Deson"), a company incorporated in the Cayman Islands and its shares are listed on the Stock Exchange of Hong Kong Limited (Stock code: 8268), an independent third party, at a consideration of HK\$7,000,000 satisfied by cash. CB 1 are unsecured, bearing interest at 2% and will mature on 17 April 2019. The CB 1 entitles the Group to convert into ordinary shares of Deson at any time for the period commencing on 12 months after the date of issue of the CB 1 to 7 days immediately preceding the maturity date on 17 April 2019 at a conversion price of HK\$0.3 per ordinary shares of Deson. Deson is principally involved in construction business in Hong Kong, inland China and Macau. As the CB 1 contain an embedded derivative which is the conversion option, the CB 1 was designated by the management of the Group as financial assets at fair value through profit or loss.

During the year ended 31 March 2017, the Group acquired convertible bonds with principal amounts of US\$1,000,000 ("CB 2") issued by Siberian Mining Group Company Limited ("Siberian"), a company incorporated in the Cayman Islands and its shares are listed on the Stock Exchange of Hong Kong Limited (Stock code: 1142), an independent third party, in exchange for loan receivable of HK\$4,047,000. The fair value of the CB 2 of approximately HK\$1,933,000 as at acquisition date with a loss on settlement of loan receivable HK\$2,114,000 for the year ended 31 March 2017. The CB 2 entitles the Company to convert into 162,500 ordinary shares of Siberian at any time between the date of issue of the CB and the maturity date on 3 April 2018 at a conversion price of US\$6.154 per conversion share. On the maturity date, Siberian shall redeem the CB 2 at 115% of the outstanding principal amount. Siberian is principally involved in holding of mining rights of coal mine located in Russia and conducting the business of coal trading and scrapped iron trading. As the CB 2 contain an embedded derivative which is the conversion option the CB 2 was designated by the management of the Group as financial assets at fair value through profit or loss.

13. INVENTORIES

	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
Raw materials	–	–
Work in progress	–	–
Finished goods	875	412
	875	412

14. HELD-FOR-TRADING INVESTMENTS

	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong (Note)	31,942	45,636

Note: The fair values of the listed securities were determined based on the quoted market closing prices at 30 September 2017 available on the Hong Kong Stock Exchange.

15. TRADE RECEIVABLES

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

	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
Trading of Consumer Products		
0-90 days	16,379	2,628
91-180 days	62	40
	<u>16,441</u>	<u>2,668</u>

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

16. TRADE PAYABLES

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

	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
0-90 days	226	1,205
91-180 days	704	102
	930	1,307

The credit period ranged from 90 days to 120 days.

17. BONDS

	Amount HK\$'000
As at 31 March 2017 (Audited)	30,126
Effective interest expense	1,318
Overdue interest expense	110
Interest paid	(2,754)
Repayment	(21,000)
As at 30 September 2017 (Unaudited)	7,800

Analysed into:

	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
Current	–	22,585
Non-current	7,800	7,541
	7,800	30,126

During the six months ended 30 September 2017, the Company has repaid a bond of principal amount of HK\$11,000,000 with coupon rate of 12% per annum and a bond with principal amount of HK\$10,000,000 with coupon rate of 12% per annum.

18. BANK BORROWINGS

As at 30 September 2017, no bank borrowings incurred by the Group. As at 30 September 2016, all the bank borrowings contain a repayment on demand clause and accordingly the balance is shown under current liabilities. The following table details the amounts due which are based on scheduled repayment dates set out in the loan agreements:

	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
Carrying amount repayable:		
Within one year	–	147
Within a period of more than one year but not exceeding two years	–	–
	–	147

19. OTHER BORROWINGS

	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
Borrowings from outsiders (Note 1)	2,495	2,403
Borrowings granted by non-controlling shareholders of a subsidiary (Note 2)	19,055	21,055
	<u>21,550</u>	<u>23,458</u>

Notes:

- The amount represents unsecured short-term borrowings which bears interest rate at 8% per annum and repayable within one year.
- The borrowings are granted by the non-controlling shareholders of a subsidiary of the Company, which bears fixed-rate interests of 12% per annum and repayable in October 2016. The borrowings are secured by certain loan receivables of that subsidiary.

20. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2017 and 30 September 2017	<u>1,666,667</u>	<u>100,000</u>
Issued and fully paid:		
At 31 March 2017	684,786	41,087
Issue of shares upon placing (Note (a))	<u>136,950</u>	<u>8,217</u>
At 30 September 2017	<u>821,736</u>	<u>49,304</u>

Note:

- On 21 July 2017, the Company and the placing agent entered into the placing agreement pursuant to which the placing agent agreed to place, on a best endeavour basis, to not less than six independent placees for up to 136,950,000 new shares at a price of HK\$0.31 per placing share. The placing was completed on 3 August 2017. The net proceeds of placing is intended to be used as general working capital and settlement of the indebtedness under the bonds issued by the Company.

21. DISPOSAL OF SUBSIDIARIES

As referred to note 8(b) above, the carrying amounts of assets and liabilities disposed of for the Paraburdoo Group are as follows:

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

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

23. RELATED PARTY TRANSACTIONS

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

	For the three months ended 30 September		For the six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Loan interest income from an associate	125	125	250	250
Finance costs paid/payable to non-controlling shareholders of a subsidiary	—	637	—	1,267
	<u>125</u>	<u>637</u>	<u>250</u>	<u>1,267</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\$145,000 as at 30 September 2017 (31 March 2017: HK\$177,000).

24. EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2017 and up to the date of this interim report.

25. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2017 were approved by the Board on 14 November 2017.

26. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the six months ended 30 September 2017 (2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During 2016, the Group disposed the Paraburdoo Group which was one of the Group's operating segments in the past engaged in the manufacture and sale of packaged food. The disposal constitutes a discontinued operation and thus certain comparative figures of the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the corresponding periods in 2016 were restated in order to reflect the results of the continuing operations. The management discussion and analysis will be based on the restated figures where appropriate.

For the six months ended 30 September 2017, the Group's continuing operations recorded a revenue of HK\$57.4 million as compared to HK\$31.1 million in the same period in previous year representing an increase of 84.6%. The increase was mainly due to the good performance on the trading of consumer products and trendy fashion merchandises which contributed approximately HK\$30.2 million to the Group's revenue in the period. The Group's continuing operations also recorded a cost of sales of HK\$52.7 million as compared to HK\$27.5 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\$4.7 million as compared to HK\$3.6 million in the corresponding period last year, representing an increase of 30.6%.

The Group recorded other income of HK\$2.1 million (2016: HK\$2.8 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\$0.8 million as compared to net loss of HK\$8.4 million in the same period of previous year. The decrease was mainly attributable to a realised gain of HK\$5.5 million on disposal of held-for-trading investments incurred during the period as compared to a realised loss of HK\$7.7 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\$0.3 million from change in fair value of such financial assets was recorded in the period whereas a net loss of HK\$8.4 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 six months ended 30 September 2017 amounted to HK\$8.3 million (2016: HK\$25.3 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\$7.2 million as compared to HK\$19.1 million in the same period in previous year on the same basis, representing a reduction of 62.3% 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\$1.5 million in finance costs as compared to HK\$2.5 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\$2.4 million for its continuing operations for the six months ended 30 September 2017 as compared to a net loss of HK\$29.3 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

Natural Resources and Commodities Business

(a) Coal Trading Business

The Group’s coal trading business was operated by an associate, Goldenbase Limited (together with its subsidiaries, the “Goldenbase Group”) for the six months ended 30 September 2017. The Goldenbase Group recorded a turnover of HK\$185.9 million (2016: HK\$128.3 million). The Group was advised by the management of the Goldenbase Group that an aggregate of approximately 340,555 tonnes (2016: 435,200 tonnes) of coal was traded during the period under review.

The Goldenbase Group recorded a net profit of HK\$4.2 million for the six months ended 30 September 2017 as compared to a profit of HK\$1.6 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, the Group continued to be engaged in the trading of crude palm oil and recorded a turnover of HK\$24.3 million as compared to HK\$24.7 million in the same period last year. The trading performance continued to be sluggish although it will not cost significant impact to the Group’s overall financial results.

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\$30.2 million in the period under review.

Money Lending Business

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 turnover of HK\$2.9 million (2016: HK\$3.1 million), which comprised the fee and interest income generated. It continued to contribute positively to the Group's results. The money lending business recorded a net profit of HK\$2.9 million (2016: HK\$0.7 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 six months ended 30 September 2017, the Group's investment continued to focus on listed securities in Hong Kong. The Group recorded a net loss in securities investments of HK\$0.3 million for the period under review (2016: net loss of HK\$8.4 million) which was composed of a realised gain of HK\$5.5 million (2016: loss of HK\$7.7 million) and unrealised loss of HK\$5.8 million (2016: loss of HK\$0.7 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 and reduce its portfolio at an appropriate timing.

Packaged Food Business

On 24 March 2016, the Group entered into a conditional sale and purchase agreement with an independent third party for the disposal of the packaged food business (the “Packaged Food Disposal”) at a consideration of HK\$2 million. The Directors consider the Packaged Food Disposal allows the Group to exit from subsidizing the non-performing business and create a good opportunity for the Group to restructure its strategic business position and focus its resources in pursuing development opportunities of other existing businesses of the Group. The Packaged Food Disposal was completed on 25 July 2016.

Financial Position

Net assets of the Group as at 30 September 2017 was HK\$184.7 million compared to HK\$145.7 million as at 31 March 2017 representing an increase of 26.8%. The increase was mainly due to the repayment of bonds of HK\$21 million issued by the Group in the period under review.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2017, the Group mainly financed its operations with its own working capital supplemented by certain corporate borrowings including corporate bond and short-term borrowings. As at 30 September 2017, the Group had cash and cash equivalents of HK\$12.4 million (31 March 2017: HK\$8.4 million)

As at 30 September 2017, the Group has issued share capital of HK\$49.3 million (31 March 2017: HK\$41.1 million) divided into 821,736,000 shares of HK\$0.06 each. The Group’s total indebtedness amounted to approximately HK\$29.4 million (31 March 2017: HK\$53.8 million) out of which corporate bonds amounted to HK\$7.8 million (31 March 2017: HK\$30.1 million), other borrowings of HK\$21.6 million (31 March 2017: HK\$23.5 million) and no bank overdraft and borrowings (31 March 2017: HK\$0.1 million).

The Group’s gearing ratio at the reporting date was 8.4% (31 March 2017: 23.8%). The increase in gearing ratio was due to the increased corporate bonds balances and reduction in cash balance. The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total of bonds, other borrowing, bank borrowings and overdraft less cash and bank balances. The current ratio (ratio of current assets to current liabilities) of the Group as at 30 September 2017 was approximately 3.4 (31 March 2017: 2.0), the increase in current ratio was led by the increase in cash balances and the repayment of bonds issued by the Group as compared to 31 March 2017.

Update on Refund of Deposit

On 1 August 2014, the Company, as purchaser, entered into a memorandum of understanding (“MOU”) with Southernpec Storage and Logistics Holding Limited (the “Vendor”), as vendor, for the proposed acquisition of Southernpec Singapore Storage and Logistics Limited. Pursuant to a supplemental memorandum of understanding, the Company paid a refundable deposit of HK\$10 million (the “Deposit”). The MOU lapsed on 31 July 2015 and the Deposit shall be returned by the Vendor to the Company in full within three business days. However, the Vendor was failed to return the Deposit within the said period and the parties were unable to reach a consensus on the repayment schedule. Following a series of negotiations and actions (including legal proceedings against the Vendor for the recovery of the Deposit) taken against the Vendor on the delay in repayment of the Deposit, the Company has reached a settlement agreement (the “Settlement Agreement”) with the Vendor. Pursuant to the Settlement Agreement, in consideration of the Company’s forbearance to sue and to proceed with the legal proceedings and to withdraw/discontinue such legal proceedings against the Vendor, the Vendor irrevocably covenants with the Company that the Vendor shall pay to the Company a sum of HK\$5,000,000 (the “Settlement Sum”) by instalments over a period of 18 months from the date of the Settlement Agreement as the full and final settlement of the Deposit (the “Settlement”). In view of the failure of receiving the Settlement Sum in accordance to the payment schedule, an amount of HK\$9.5 million (being the difference of the Deposit and the amount paid by the Vendor to the Company up to the date of this report) was impaired and charged to the profit and loss. Until the period under review, HK\$780,000 was received and hence an equivalent amount was reversed from the impaired amount and credited as other income. At the date of this report, total amount of HK\$3.1 million was received and the Settlement Sum for payment was in line with the payment schedule stipulated in the Settlement Agreement. The Company will continue to monitor the payments from the Vendor and update its shareholders where appropriate.

Material Acquisitions and Disposals

Save as disclosed in the notes 8(b) to the unaudited condensed consolidated interim financial statements, the Group did not have any other material acquisitions and disposals for the six months ended 30 September 2017.

Significant Investments

As at 30 September 2017, the Group's held-for-trading investments amounted to HK\$31.9 million which were equity investments listed in Hong Kong. Details of the significant investments are as follows:

Company Name	Fair value change in the period HK\$'000	Fair value at 30 September 2017 HK\$'000	Approximate percentage of held-for trading investment	Approximate percentage to the Group's total asset as at 30 September 2017
Master Glory Group Limited	(2,437)	2,346	7.3	1.0
LEAP Holdings Group Limited	(384)	6,360	19.9	2.8
Jia Meng Holdings Limited	(1,560)	1,800	5.6	0.8
Hong Wei (Asia) Holdings Co. Limited	(177)	4,310	13.5	1.9
Echo International Holdings Group Limited	(1,152)	1,747	5.5	0.7
Sunrise (China) Technology Group Limited	6,552	10,560	33.1	4.6
Link Holdings Limited	(390)	2,310	7.2	1.0
Other securities with individual fair value less than 5% of the aggregate held-for-trading investment as at 31 March 2017	(6,202)	2,509	7.9	1.1
Total	(5,750)	31,942	100.0	13.9

Financial Management and Policy and Foreign Currency Risk

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

Treasury Policies and Credit Risk Management

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. For those loans secured by properties and other collaterals, the Group has procedures for the identification and evaluation of the legal ownership and accurate valuation of properties or other collaterals. The loan amount to be granted to a particular client is subject to judgement made by the top management of the Group's money lending business after taking into consideration of different factors including market conditions, type of property and financial background of borrowers etc. For the valuation of the properties, the Group will make reference to either a third party valuer or the internet valuation services provided by banks in Hong Kong. The Group holds collateral against certain loan receivables in the form of mortgages over property or other assets.

The Group considers that the credit risk arising from the loan receivables is significantly mitigated by the properties and other assets held as collateral with reference to the estimated market value of the property or the relevant assets at the grant date and the on-going evaluation of the financial condition of the borrowers where appropriate. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Contingent Liabilities and Pledge of Assets

Save as disclosed in note 18 to the unaudited condensed consolidated interim financial statements, the Group had no other significant charges on its assets nor any significant contingent liabilities at 30 September 2017 (31 March 2017: Nil).

Material Transactions

Save as disclosed in other sections of this unaudited condensed consolidated interim financial statements, the Group had no other material transactions for the six months ended 30 September 2017.

Subsequent Event

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2017 and up to the date of this interim report.

Outlook

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

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 26 September 2010 (the "Share Option Scheme"), certain Directors and participants were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable during the six months ended 30 September 2017 are set out below:

Name	Date of grant	Exercisable period	Exercise price Per share (HK\$) (Note d)	Number of options Outstanding				Outstanding as at 30 September 2017
				Outstanding as at 1 April 2017	Granted during the year	Lapsed during the year	Exercised during the year	
Directors:								
Ms. Lin Su	30 September 2016	30 September 2016 to 29 September 2018	0.3744	6,500,000	–	–	–	6,500,000
Mr. Tse Sing Yu	30 September 2016	30 September 2016 to 29 September 2018	0.3744	6,500,000	–	–	–	6,500,000
Mr. Law Chung Lam, Nelson	15 April 2014	15 April 2014 to 20 February 2019	1.518	342,333	–	–	–	342,333
Employees	15 April 2014	15 April 2014 to 20 February 2019	1.518	1,711,667	–	–	–	1,711,667
Consultants	17 February 2014	17 February 2014 to 16 February 2019	1.404	6,675,500	–	–	–	6,675,500
	15 April 2014	15 April 2014 to 20 February 2019	1.518	4,279,167	–	–	–	4,279,167
	30 September 2016	30 September 2016 to 29 September 2018	0.3744	24,140,000	–	–	–	24,140,000
				<u>50,148,667</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>50,148,667</u>
Exercisable at the end of the period				<u>50,148,667</u>				<u>50,148,667</u>

Notes:

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

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

Save as disclosed above, there were no other options granted, exercised, cancelled or lapsed during the six months ended 30 September 2017.

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

As at 30 September 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 of total issued shares	
			Total interests	
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 30 September 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 six months ended 30 September 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 30 September 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:

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

Save as disclosed above, as 30 September 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 30 September 2017, the Group had utilized approximately HK\$23.8 million in settlement of the bonds issued by the Company, approximately HK\$14 million used as the general working capital. The Group had utilised the balance of the net proceeds of placing as general working capital as intended.

CONNECTED TRANSACTIONS

Save as disclosed in note 23 to the unaudited condensed consolidated interim financial statements, the Directors are not aware of any connected transactions of the Group that shall be disclosed in this report.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2017.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the six months ended 30 September 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 six months ended 30 September 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 condensed consolidated interim financial statements of the Group for the six months ended 30 September 2017 have been reviewed by the Audit Committee.

By order of the Board
Wealth Glory Holdings Limited
Tse Sing Yu
Executive Director

Hong Kong, 14 November 2017

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.