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## **CL GROUP (HOLDINGS) LIMITED**

### **昌利（控股）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8098)**

## **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 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 CL Group (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 (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.*

## **FINANCIAL HIGHLIGHT**

- Recorded an unaudited turnover of approximately HK\$30.0 million for the nine months ended 31 December 2014, representing a decrease of approximately 12.3% over the same period of the previous year.
- Recorded an unaudited profit attributable to the owners of the Company of approximately HK\$9.2 million for the nine months ended 31 December 2014. The significant decreased in profit was mainly attributed to the recognition of share-based payment expenses of approximately HK\$8.3 million, which is a non-cash expense, as a result of the share options granted by the Company on 9 April 2014.
- Basic and diluted earnings per share for the nine months ended 31 December 2014 were HK0.84 cents (2013: basic earnings per share of HK1.71 cents) and HK0.84 cents (2013: HK1.71 cents) respectively.
- The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2014.

The board of directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 31 December 2014 together with comparative unaudited figures for the corresponding period in 2013, as follows:

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

*For the three months and nine months ended 31 December 2014*

		Three months ended 31 December		Nine months ended 31 December	
		2014	2013	2014	2013
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
	Notes	HK\$	HK\$	HK\$	HK\$
<b>Turnover</b>	3	<b>9,418,029</b>	12,777,528	<b>29,978,376</b>	34,173,335
Net other income	4	<b>1,952,643</b>	2,185,417	<b>4,465,933</b>	4,926,282
Administrative expenses		<b>(5,773,898)</b>	(8,074,349)	<b>(22,250,945)</b>	(17,981,209)
Finance costs		—	(60,676)	<b>(8,185)</b>	(60,676)
Profit before tax		<b>5,596,774</b>	6,827,920	<b>12,185,179</b>	21,057,732
Income tax expenses	5	<b>(520,045)</b>	(1,500,498)	<b>(2,946,943)</b>	(3,925,305)
Profit and total comprehensive income for the period		<b><u>5,076,729</u></b>	<u>5,327,422</u>	<b><u>9,238,236</u></b>	<u>17,132,427</u>
<b>Profit and total comprehensive income for the period attributable to:</b>					
Owners of the Company		<b>5,073,566</b>	5,326,768	<b>9,240,231</b>	17,126,718
Non-controlling interests		<b>3,163</b>	654	<b>(1,995)</b>	5,709
		<b><u>5,076,729</u></b>	<u>5,327,422</u>	<b><u>9,238,236</u></b>	<u>17,132,427</u>
<b>Earnings per share</b>					
— Basic	7	<b><u>0.46 cents</u></b>	<u>0.53 cents</u>	<b><u>0.84 cents</u></b>	<u>1.71 cents</u>
— Diluted	7	<b><u>0.46 cents</u></b>	<u>0.53 cents</u>	<b><u>0.84 cents</u></b>	<u>1.71 cents</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2014

	Share capital HK\$	Share premium HK\$	Merger reserve HK\$	Share option reserve HK\$	Retained profits HK\$	Attributable to owners of the Company HK\$	Non- controlling interests HK\$	Total HK\$
At 1 April 2014	11,000,000	141,963,232	32,500,000	—	38,175,120	223,638,352	(114,654)	223,523,698
Profit and total comprehensive income for the period	—	—	—	—	9,240,231	9,240,231	(1,995)	9,238,236
Recognition of equity-settle share-based payments	—	—	—	8,275,000	—	8,275,000	—	8,275,000
Dividends	—	—	—	—	(22,000,000)	(22,000,000)	—	(22,000,000)
At 31 December 2014	<u>11,000,000</u>	<u>141,963,232</u>	<u>32,500,000</u>	<u>8,275,000</u>	<u>25,415,351</u>	<u>219,153,583</u>	<u>(116,649)</u>	<u>219,036,934</u>
At 1 April 2013	10,000,000	112,473,021	32,500,000	211,906	33,085,670	188,270,597	(133,961)	188,136,636
Profit and total comprehensive income for the period	—	—	—	—	17,126,718	17,126,718	5,709	17,132,427
Recognition of equity-settle share-based payments	—	—	—	76,286	—	76,286	—	76,286
Dividends	—	—	—	—	(20,000,000)	(20,000,000)	—	(20,000,000)
At 31 December 2013	<u>10,000,000</u>	<u>112,473,021</u>	<u>32,500,000</u>	<u>288,192</u>	<u>30,212,388</u>	<u>185,473,601</u>	<u>(128,252)</u>	<u>185,345,349</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability. The Company's shares have been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are engaged in the provision of securities, futures and options broking and trading, placing and underwriting services, wealth management services and securities advisory services.

## 2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong, 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. They have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

The accounting policies and method of computation used in preparing the unaudited condensed consolidated results are consistent with those used in the audited financial statements for the year ended 31 March 2014 except in relation to the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are adopted for the first time for the current period's financial statements. The adoption of these new and revised HKFRSs has had no material impact on the unaudited condensed consolidated financial statements. The unaudited condensed consolidated interim results have not been reviewed by the Company's auditors, but have been reviewed by the Company's audit committee.

The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

### 3 TURNOVER

An analysis of the Group's revenue for the period from continuing operations is as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$	HK\$	HK\$	HK\$
Commission and brokerage fees from securities dealing on The Stock Exchange of Hong Kong Limited	2,528,553	1,411,953	5,230,367	4,064,069
Commission and brokerage fees from dealing in futures contracts	18,042	8,051	36,198	47,329
Commission from wealth management business	3,789	15,905	28,404	355,659
Placing and underwriting commission	113,000	3,774,169	2,667,525	9,217,144
Clearing and settlement fee	656,740	294,015	1,554,460	939,941
Handling service and dividend collection fees	157,817	115,976	364,135	313,466
Interest income from				
— authorised financial institutions	50,955	23,232	140,029	64,631
— clients	5,839,123	7,134,195	19,907,225	19,170,991
— others	50,010	32	50,033	105
	<u>9,418,029</u>	<u>12,777,528</u>	<u>29,978,376</u>	<u>34,173,335</u>

### 4 NET OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$	HK\$	HK\$	HK\$
Gain on trading of financial assets at fair value through profit or loss	27,540	1,081,999	1,469,889	3,296,301
Dividends income	—	—	—	955
Net change in fair value of financial assets at fair value through profit or loss	1,048,710	1,103,058	1,856,985	1,480,542
Other income	876,393	360	1,139,059	148,484
	<u>1,952,643</u>	<u>2,185,417</u>	<u>4,465,933</u>	<u>4,926,282</u>

## 5 INCOME TAX EXPENSES

	Three months ended		Nine months ended	
	31 December		31 December	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$	HK\$	HK\$	HK\$
Hong Kong Profits Tax				
— current period	534,414	1,514,503	2,955,235	3,954,559
Deferred tax credit				
— current period	(14,369)	(14,005)	(8,292)	(29,254)
	<u>520,045</u>	<u>1,500,498</u>	<u>2,946,943</u>	<u>3,925,305</u>

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimate assessable profits arising in Hong Kong for the three months and nine months ended 31 December 2014 and 2013.

## 6 DIVIDEND

A final dividend of HK\$0.02 per share, totalling HK\$22,000,000 for the year ended 31 March 2014 was declared on 31 July 2014 and paid on 13 August 2014. The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2014 (2013: Nil).

## 7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company and the weighted average number of the Company's ordinary shares in issue during the period.

	Note	Three months ended		Nine months ended	
		31 December		31 December	
		2014	2013	2014	2013
		HK\$	HK\$	HK\$	HK\$
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period attributable to owners of the Company		<u>5,073,566</u>	<u>5,326,768</u>	<u>9,240,231</u>	<u>17,126,718</u>
	Note	Three months ended		Nine months ended	
		31 December		31 December	
		2014	2013	2014	2013
		No. of	No. of	No. of	No. of
		shares	shares	shares	shares
Weighted average number of ordinary shares in issue during the period		<u>1,100,000,000</u>	<u>1,000,000,000</u>	<u>1,100,000,000</u>	<u>1,000,000,000</u>
Weighted average number of ordinary shares and dilutive potential ordinary shares in issue during the period	(a)	<u>1,100,000,000</u>	<u>1,000,000,000</u>	<u>1,100,000,000</u>	<u>1,000,000,000</u>

Note:

- (a) No adjustment had been made to the basic earnings per share amounts presented for the three months and nine months ended 31 December 2014 and 2013 as the conversion of the outstanding share options during the period had an anti-dilutive effect on the basic earnings per share because the exercise price per share option was higher than the average share price of the Company for the period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market review

During the reporting period, as impacted by the external environment such as the People's Republic of China (the "PRC") economic reform, the stock market remained volatile. The Shanghai-Hong Kong Stock Connect finally launched in mid-November 2014, investors in both Hong Kong and the PRC can trade eligible shares listed on each other's market. The Hong Kong Exchange's turnover in the 4th quarter 2014 was approximately HK\$5,005,118 million, increased by approximately 36.7% from approximately HK\$3,661,066 million of the corresponding period in 2013.

As at 31 December 2014, the Hang Seng Index closed at 23,605 representing approximately 6.6% increase as compared with 22,151 as at 31 March 2014.

### Business review

#### *Securities and Futures Brokerage*

The commission and brokerage fee from securities dealings increased by approximately 28.7% from approximately HK\$4.1 million for the nine months ended 31 December 2013 to approximately HK\$5.2 million for the nine months ended 31 December 2014. The total value of transaction increased by approximately 61.4% from approximately HK\$45,258.9 million for the nine months ended 31 December 2013 to approximately HK\$73,046.8 million for the nine months ended 31 December 2014. As a result, income relating to clearing and settlement fee also increased by approximately 65.4% from HK\$939,941 for the nine months ended 31 December 2013 to HK\$1,554,460 for the nine months ended 31 December 2014.

The commission and brokerage fee from dealings in futures contracts decreased by approximately 23.5% from HK\$47,329 for the nine months ended 31 December 2013 to HK\$36,198 for the nine months ended 31 December 2014.

The commission from wealth management business decreased by approximately 92.0% from HK\$355,659 for the nine months ended 31 December 2013 to HK\$28,404 for the nine months ended 31 December 2014.

#### *Loan and Financing*

Revenue from loan and financing represent interest income from margin financing, IPO financing and loans and advances to customers.

The interest income, excluding the interest from authorised financial institutions, increased by approximately 4.1% from approximately HK\$19.2 million for the nine months ended 31 December 2013 to approximately HK\$20.0 million for the nine months ended 31 December 2014.

#### *Securities Advisory Services*

The Group holds licence under the Securities and Futures Ordinance to engage in Type 4 regulated activities — Advising on Securities. Revenue generated from this segment derived from services is provided under this type of regulated activities.



## *Placing and Underwriting Business*

Under normal circumstances, the Group acts as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent on best effort basis for fund-raising activities. It would take the role on underwritten basis only if it received special requests from the issuers and/or their respective placing and underwriting agents.

The placing and underwriting commission decreased by approximately 71.1% from approximately HK\$9.2 million for the nine months ended 31 December 2013 to approximately HK\$2.7 million for the nine months ended 31 December 2014.

## **Financial review**

The Group's revenue for the nine months ended 31 December 2014 was approximately HK\$30.0 million, representing a decrease of approximately 12.3% from approximately HK\$34.2 million of the corresponding period in 2013.

The Group traded equity securities listed in Hong Kong and Canada. During the nine months ended 31 December 2014, the Group generated realised gain and unrealised gain of approximately HK\$1.5 million and approximately HK\$1.9 million respectively on trading of equity securities listed in Hong Kong and Canada.

Administrative expenses for the nine months ended 31 December 2014 were approximately HK\$22.3 million (approximately HK\$18.0 million for the nine months ended 31 December 2013), representing an increase of approximately 23.7%, mainly attributed to the recognition of share-based payment expenses of approximately HK\$8.3 million, which is a non-cash expenses, as a result of the share option granted by the Company on 9 April 2014.

Staff cost excluding the effects of fair value provision for share options for the nine months ended 31 December 2014 were approximately HK\$4.7 million (approximately HK\$5.1 million for the nine months ended 31 December 2013), representing a decrease of approximately 6.4%.

Profit attributable to the owners of the Company amounted to approximately HK\$9.2 million for the nine months ended 31 December 2014 (approximately HK\$17.1 million for the nine months ended 31 December 2013). The significant decreased in profit attributable to the owners of the Company for the nine months ended 31 December 2014 was mainly due to the recognition of share-based payment expenses of approximately HK\$8.3 million, which is a non-cash expenses, as described above. Earnings per share was approximately HK0.84 cents for the nine months ended 31 December 2014 (approximately HK1.71 cents for the nine months ended 31 December 2013).

## **Material investments or acquisition of capital assets**

During the period under review, a wholly owned subsidiary of the Company (the "Purchaser") and Singyes Green Investment (HK) Company Limited (the "Vendor"), a wholly owned subsidiary of China Singyes Solar Technologies Holdings Limited, entered into the Agreement at 7 November 2014 to acquire the income rights of the photovoltaic power plant at the rooftop of a factory located at Hunan Province, People's Republic of China for 20 years at the consideration of RMB19 million in cash. Under the Agreement, the Vendor has agreed to procure its subsidiary, 湖南興業太陽能科技有限公司 (Hunan Singyes Solar Technology Co., Ltd.) to transfer to the Purchaser the income rights of the photovoltaic power plant for 20 years commencing from the date of the Agreement. Pursuant to the Agreement, the Group shall receive a fixed income of RMB2 million per annum during the transfer period of 20 years.

## **Outlook**

Investors might concern about the negative impact by the raise of US interest rate, hard-landing in the PRC economy and prolonged global recession; however, Hong Kong stock market might tend to benefit from monetary easing policy in the PRC, we consider that the outlook for the first quarter 2015 remains positive. The Group will leverage the knowledge and experience of our management team to seize opportunities as they arise. The Group will continue to put efforts on expanding the margin and loan financing business and securities advisory service and on satisfying the needs of our customers.

The Group aims to become a leading financial service group in Hong Kong. The Group will actively review future business opportunities to develop into various financial services in Hong Kong in anticipating to bring in new sources of income and to further increase the profitability of the Group.

## **SHARE OPTIONS SCHEMES**

The Company has two share option schemes namely, the pre-IPO share option scheme (the “Pre-IPO Share Option Scheme”) and the share option scheme (the “Share Option Scheme”) which were adopted on 22 February 2011.

### **Pre-IPO Share Option Scheme**

The Company has adopted the Pre-IPO Share Option Scheme on 22 February 2011 under which the Company has conditionally granted options to certain Directors, senior management and employees of the Group to purchase shares of the Company with an exercise price equal to the offer price as defined in the prospectus of the Company dated 28 February 2011.

There are no share options granted and outstanding under the Pre-IPO Share Option Scheme as at 31 December 2014.

### **Share Option Scheme**

The Company adopted the Share Option Scheme on 22 February 2011, which was approved by the shareholders’ written resolutions, is valid and effective for a period of 10 years. It is a share incentive scheme and is established to recognise and acknowledge the contribution that the eligible participants have or may have made to the Group. Pursuant to the Share Option Scheme, the Board may, at its discretion, offer to grant an option to any Directors, employees, advisers, consultants, distributors, contractors, suppliers, customers, agents, business partners and service providers of any member of the Group.

Under the share option scheme, the Company may grant to directors (the “Directors”) and employees of the Group and any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group which options granted shall be immediately vested. The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the share option scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

The total number of shares which may be issued upon exercise of all options to be granted under the share option scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue at the date of the passing of the relevant ordinary resolution. If any option is to be granted to connected person(s), it must be approved by independent non-executive directors or independent shareholders as the case may be.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

The total number of shares in respect of which share options granted under the Share Option Scheme as at 31 December 2014 and not yet exercised was 50,000,000 which represented approximately 4.55% of the issued share capital of the Company as at 31 December 2014.

As at 31 December 2014, details of the share options granted under the Share Option Scheme are as follows:

Grantees	Date of Grant (dd/mm/yyyy)	Exercise price per share HK\$	Exercisable period (dd/mm/yyyy)	Changes during the period				Balance as at 31 December 2014
				Balance as at 1 April 2014	Granted	Exercised	Cancelled/ lapsed	
Kwok Kin Chung, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	—	10,000,000	—	—	10,000,000
Yu Linda, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	—	10,000,000	—	—	10,000,000
Lau Kin Hon, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	—	10,000,000	—	—	10,000,000
<b>Sub-total</b>				<u>—</u>	<u>30,000,000</u>	<u>—</u>	<u>—</u>	<u>30,000,000</u>
Employees and Other Participants	09/04/2014	0.455	09/04/2014–08/04/2023	—	20,000,000	—	—	20,000,000
<b>Total</b>				<u>—</u>	<u>50,000,000</u>	<u>—</u>	<u>—</u>	<u>50,000,000</u>
Weighted average exercise price				<u>—</u>	<u>0.455</u>	<u>—</u>	<u>—</u>	<u>0.455</u>

### Fair value of share options and assumptions

The fair value of share option granted at the grant date was HK\$0.1655 per share, which are calculated using the Black-Scholes model with the following inputs:

Date of grant	: 9 April 2014
Share price at the grant date	: HK\$0.410
Exercise price	: HK\$0.455
Expected volatility	: 55.019%
Expected life of option	: 9 years
Expected dividend yield	: 5.860%
Risk free rate	: 2.106%

The fair values of share options granted by the Company were determined by using Black-Scholes option pricing model (the “Model”). The Model is one of the commonly used models to estimate the fair value of an option. The variables and assumptions used in computing the fair value of the share options are based on the management’s best estimate. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

## **DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 December 2014, save for the interest of the Directors in share options as below, neither of the Directors nor the Chief Executive of the Company had interests and or short positions in the shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (“SFO”) which (i) are 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 they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

### **Long Position in the Shares and underlying shares of the Company**

#### *Share Option*

As at 31 December 2014, there were a total of 30,000,000 outstanding share options of the Company granted to the Directors, details of which are summarised in the following table:

Director	Date of grant (dd/mm/yyyy)	Options to Subscribe for Shares of the Company				Outstanding as at 31 December 2014	Option exercise Period (dd/mm/yyyy)	Exercise price per share	Approximate percentage of shareholding
		Outstanding as at 1 April 2014	Granted during the period	Exercised during the period	Lapsed during the period				
Kwok Kin Chung	09/04/2014	—	10,000,000	—	—	10,000,000	09/04/2014 to 08/04/2023	HK\$0.455	0.91%
Yu Linda	09/04/2014	—	10,000,000	—	—	10,000,000	09/04/2014 to 08/04/2023	HK\$0.455	0.91%
Lau Kin Hon	09/04/2014	—	10,000,000	—	—	10,000,000	09/04/2014 to 08/04/2023	HK\$0.455	0.91%
Total		—	30,000,000	—	—	30,000,000			2.73%

Save as disclosed above, none of the Directors or the Chief Executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 31 December 2014.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 31 December 2014, according to the register of interests kept by the Company under Section 336 of the SFO, the following parties (in addition to those disclosed above in respect of the Directors and Chief Executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

### **Long position in shares of the Company**

<b>Name of shareholder</b>	<b>Number of shares</b>	<b>Approximate percentage holding</b>
Zillion Profit Limited	750,000,000	68.18%
Ms. Au Suet Ming Clarea ( <i>note i</i> )	750,000,000	68.18%

*Note:*

- (i) Ms. Au Suet Ming Clarea is deemed to be interested in 750,000,000 shares through her controlling interest (100%) in Zillion Profit Limited.

Save as disclosed above, as at 31 December 2014, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which were interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2014.

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

For the nine months ended 31 December 2014, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective 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.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the code of conduct for securities transactions by the Directors 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 Company had made specific enquiry to all the Directors and the Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 31 December 2014.

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to promoting high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests and the Group's assets.

Throughout the period of nine months ended 31 December 2014, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

## AUDIT COMMITTEE

The Company set up an audit committee (the "Committee") with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive directors of the Company, namely Mr. Poon Wing Chuen, Mr. Chiu Wai Keung and Mr. Au-Yeung Tai Hong Rorce. The unaudited condensed consolidated interim results of the Group for the nine months ended 31 December 2014 have been reviewed by the Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board  
**CL Group (Holdings) Limited**  
**Kwok Kin Chung**  
*Executive Director*

Hong Kong, 9 February 2015

*As at the date of this announcement, the Company's non-executive Director is Mr. Alexis Ventouras (Chairman), the Company's executive Directors are Mr. Kwok Kin Chung (Chief Executive Officer), Mr. Lau Kin Hon and Ms. Yu Linda, and the Company's independent non-executive Directors are Mr. Au-Yeung Tai Hong Rorce, Mr. Chiu Wai Keung and Mr. Poon Wing Chuen.*