

**WEALTH GLORY HOLDINGS LIMITED**

**富譽控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269

Third Quarterly Report

**2019**



## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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

The board of directors (the “Board”) of Wealth Glory Holdings Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three and nine months ended 31 December 2019 together with the unaudited comparative figures for the corresponding periods in 2018 as follows:

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

For the three and nine months ended 31 December 2019

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
<b>Revenue</b>	3	14,295	20,288	58,001	65,807
Cost of sales		(13,200)	(19,153)	(52,858)	(62,574)
<b>Gross profit</b>		1,095	1,135	5,143	3,233
Other income	3	654	599	2,126	5,005
Other gain and losses, net	4	(439)	(1,997)	(2,057)	(2,288)
Selling expenses		(48)	–	(642)	(138)
Administrative expense		(3,077)	(3,086)	(8,732)	(8,662)
Other expenses		(109)	(640)	(326)	(1,919)
Finance costs	5	(277)	(195)	(687)	(1,103)
<b>(Loss) profit before taxation</b>	6	(2,201)	(4,184)	(5,175)	(5,872)
Taxation credit (expense)	7	18	18	54	41
(Loss) profit for the period from operation		(2,183)	(4,166)	(5,121)	(5,831)
<b>Other comprehensive (expense) income:</b>					
Items that may be subsequently reclassified to profit or loss:					
– Exchange differences arising on translation of foreign operations		–	–	–	–
<b>Total comprehensive (expense) income for the period</b>		(2,183)	(4,166)	(5,121)	(5,831)

	For the three months ended 31 December		For the nine months ended 31 December	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
<b>(Loss) profit for the period attributable to:</b>				
Owners of the Company	(2,184)	(4,166)	(5,118)	(4,405)
Non-controlling interests	1	-	(3)	(1,426)
	<u>(2,183)</u>	<u>(4,166)</u>	<u>(5,121)</u>	<u>(5,831)</u>
<b>Total comprehensive (expense) income for the period attributable to:</b>				
Owners of the Company	(2,184)	(4,166)	(5,118)	(4,405)
Non-controlling interests	1	-	(3)	(1,426)
	<u>(2,183)</u>	<u>(4,166)</u>	<u>(5,121)</u>	<u>(5,831)</u>
	<i>HK cents</i>	<i>HK cents (restated)</i>	<i>HK cents</i>	<i>HK cents (restated)</i>
<b>Loss per share</b>				
- Basic and diluted	(1.06)	(2.03)	(2.49)	(2.14)

Notes

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

	Attributable to owners of the Company								
	Share capital	Share premium	Merger reserve	Share-based payment reserve	FVTOCI reserve	(Accumulated loss)	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2019 (Audited)	49,304	566,572	(4,246)	2,967	(653)	(499,149)	114,795	11	114,806
Loss for the period	-	-	-	-	-	(5,118)	(5,118)	(3)	(5,121)
Fair value change of FVTOCI	-	-	-	-	(582)	-	(582)	-	(582)
Total comprehensive expense for the period	-	-	-	-	(582)	(5,118)	(5,700)	(3)	(5,703)
Changes in equity for period	-	-	-	-	(582)	(5,118)	(5,700)	(3)	(5,703)
<b>At 31 December 2019 (Unaudited)</b>	<b>49,304</b>	<b>566,572</b>	<b>(4,246)</b>	<b>2,967</b>	<b>(1,235)</b>	<b>(504,267)</b>	<b>109,095</b>	<b>8</b>	<b>109,103</b>
At 1 April 2018 (Audited)	49,304	566,572	(4,246)	12,313	-	(494,097)	129,846	(2,233)	127,613
Loss for the period	-	-	-	-	-	(4,405)	(4,405)	(1,426)	(5,831)
Total comprehensive expense for the period	-	-	-	-	-	(4,405)	(4,405)	(1,426)	(5,831)
Transfer upon lapse of share options	-	-	-	(4,632)	-	4,632	-	-	-
Release upon disposal of subsidiary	-	-	-	-	-	-	-	3,676	3,676
Changes in equity for period	-	-	-	(4,632)	-	227	(4,405)	2,250	(2,155)
<b>At 31 December 2018 (Unaudited)</b>	<b>49,304</b>	<b>566,572</b>	<b>(4,246)</b>	<b>7,681</b>	<b>-</b>	<b>(493,870)</b>	<b>125,441</b>	<b>17</b>	<b>125,458</b>

# NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

*For the nine months ended 31 December 2019*

## 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 12/F, The Pemberton, No 22-26 Bonham Strand, 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) development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; and
- (iv) investment in securities.

## 2. BASIS OF PRESENTATION AND PREPARATION

The unaudited consolidated results for the nine months ended 31 December 2019 have been prepared in accordance with Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. The unaudited consolidated results should be read in conjunction with the annual financial statements for the year ended 31 March 2019, 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 2019, except for the adoption of the new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 April 2019. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and the amounts reported for the current and prior periods.

The Group has not applied the new and revised HKFRSs, which have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 3. REVENUE AND OTHER INCOME

	For the three months ended 31 December		For the nine months ended 31 December	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
<b>Revenue</b>				
Trading of natural resources and commodities	6,280	16,423	25,259	51,537
Sale of consumer products	7,504	3,500	31,217	12,744
Fee and interest income from money lending	511	365	1,525	1,526
	<u>14,295</u>	<u>20,288</u>	<u>58,001</u>	<u>65,807</u>
<b>Other income</b>				
Bank interest income	1	2	2	3
Imputed interest income from loans to investees	527	468	1,582	1,402
Dividend income	-	-	-	36
Waiver of inter group accounts	-	-	-	3,044
Sundry income	126	129	542	520
	<u>654</u>	<u>599</u>	<u>2,126</u>	<u>5,005</u>

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Change in fair value of held-for-trading investment	(478)	(2,099)	1,630	(3,449)
Change in fair value on financial assets at fair value through profit or loss	-	-	-	4,378
Net foreign exchange gain/(loss)	39	102	116	344
Realised gain/(loss) on disposal of held for trading investments	-	-	(3,803)	(429)
Bad debt	-	(2,945)	-	(2,945)
Impairment loss of other receivables	-	(6,038)	-	(6,038)
Gain on disposal of subsidiary	-	5,851	-	5,851
	<b>(439)</b>	<b>(1,997)</b>	<b>(2,057)</b>	<b>(2,288)</b>

#### 5. FINANCE COSTS

	For the three months ended 31 December		For the nine months ended 31 December	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
<b>Continuing operations</b>				
Interests on lease liability	21	-	70	-
Interests on other borrowings	96	45	138	675
Effective interests on bonds	160	150	479	428
	<b>277</b>	<b>195</b>	<b>687</b>	<b>1,103</b>



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

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	13,200	19,153	52,858	62,574
Depreciation of property, plant and equipment	431	1,114	1,332	1,636
Depreciation of right of use assets	349	–	1,035	–
Amortisation of intangible assets	109	530	327	1,810
Operating lease rentals in respect of:				
– land and buildings	–	182	–	1,835
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	798	815	2,395	2,312
– Retirement benefit scheme contributions	26	33	85	94
Share-based payments	–	–	–	–
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 7. TAXATION CREDIT (EXPENSE)

	For the three months ended 31 December		For the nine months ended 31 December	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Tax credit (charge) comprise of:				
Current	–	–	–	–
Deferred tax credit (charge)	18	18	54	41
	<u>18</u>	<u>18</u>	<u>54</u>	<u>41</u>

No provision for tax has been made for the Group's discontinued operations for the period ended 31 December 2019 (2018: Nil).

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

No Hong Kong profits tax was provided for the period ended 31 December 2019 as the Group did not have assessable profit arising or derived from Hong Kong during that period. Hong Kong profits tax was calculated at 16.5% on the estimated assessable profits for the period ended 31 December 2019.

## 8. LOSS PER SHARE

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
<b>Loss</b>				
Loss for the purpose of basic and diluted loss per share	<u>(2,184)</u>	<u>(4,166)</u>	<u>(5,118)</u>	<u>(4,405)</u>
<b>Number</b>				
Weighted average number of shares for the purpose of basic and diluted loss per share	<u>205,434</u>	<u>728,191</u>	<u>205,434</u>	<u>728,191</u>

**9. RELATED PARTY TRANSACTION**

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. On 2 July 2018, the subsidiary of the Group which provides the financial assistant to Mr. Law Chung Lam, Nelson was disposed to an independent third party.

**10. APPROVAL OF UNAUDITED CONSOLIDATED RESULTS**

The unaudited consolidated results of the Group for the nine months ended 31 December 2019 were approved by the Board on 14 February 2020.

**11. DIVIDEND**

The Directors do not recommend the payment of any dividend in respect of the nine months ended 31 December 2019 (2018: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

For the nine months ended 31 December 2019, the Group recorded a revenue of HK\$58.0 million as compared to HK\$65.8 million in the same period in previous year representing a decrease of 11.9%. Such decrease was mainly due to the escalated Sino-US trade dispute and social unrest in Hong Kong which affect the consumers' spending behavior. The Group also recorded a cost of sales of HK\$52.9 million as compared to HK\$62.6 million in the same period of previous year. The decrease in cost of sales reflected the decrease in revenue for the period. The Group recorded an overall gross profit of HK\$5.1 million as compared to HK\$3.2 million in the corresponding period last year, representing an increase of 59.1%. The increase was mainly due to the new sales model in the sales of consumers products.

The Group recorded other income of HK\$2.1 million (2018: HK\$5 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.

Other gains and losses recorded during the year was a net loss of HK\$2.1 million as compared to net loss of HK\$2.3 million in the same period of previous year. The decrease was mainly attributable to the change in fair value of held-for-trading investment of approximately gain of HK\$1.6 million (2018: loss of HK\$3.4 million) and the realised loss on disposal of held for trading investments of approximately HK\$3.8 million (2018: HK\$0.4 million) and absence of bad debt, impairment loss of other receivables, gain on disposal of subsidiary and change in fair value on financial assets at fair value through profit or loss.

During the period under review, the Group continued to be engaged in investment in listed securities in Hong Kong. A net gain of HK\$1.6 million from change in fair value of such financial assets was recorded in the period whereas a net loss of HK\$3.4 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 nine months ended 31 December 2019 amounted to HK\$9.1 million (2018: HK\$10.6 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\$6.4 million as compared to HK\$7.1 million in the same period in previous year on the same basis, representing a reduction of 9.9% which was mainly due to the decrease in other expenses during the period under review.

On the other hand, the Group incurred HK\$0.7 million in finance costs as compared to HK\$1.1 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\$5.1 million for the nine months ended 31 December 2019 as compared to a net loss of HK\$5.8 million in the corresponding period in 2018.

## **Business Review and Prospect**

### ***Coal Trading Business and Other Natural Resources and Commodities Trading Business***

The Group continues to switch more resources to the sales of consumer products and trendy fashion merchandises segment which has a great potential on its business performance. During the period, the Group continued to be engaged in the trading of crude palm oil and recorded a turnover of HK\$25.3 million as compared to HK\$51.5 million in the same period last year. The Group will continue monitoring the business environment and conditions in carrying out the related trades.

### ***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 experienced in a turning point. The MD recorded a turnover of HK\$31.2 million (2018: HK\$12.7 million) for the period ended 31 December 2019. In 2018, MD faced a challenge of the shortage of supply of the well-known gaming console – "NINTENDO SWITCH". MD enjoyed the thriving of "NINTENDO SWITCH" in 2017 by production of protection cases. However, there was a supply chain delay on the components of the gaming console which results in the decrease in the sales of protection cases of "Nintendo SWITCH". MD had timely switched its resources to other profitable segment including but not limited to the sales of trendy fashion merchandises and other consumer products of favorable brands and own branded products. MD's technical and research and development skills was recognised by the customers which built up the confidence on the differentiated own branded products by adding technical function on the existing products. Responses from potential buyers was encouraged particularly on the functionality products with different technical functions. Besides, MD had approached and cross designed with several favorable brands, even Nintendo, a sizable and favorable brand, had approved our new peripheral product for its new gaming console. In order to increase the brand appearance, the MD will develop and register new intellectual properties and 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 Shanghai International Children Baby Maternity Industry Expo. At the Expo, MD displayed a variety of merchandises which were designed and produced by MD. MD had also develop different somatosensory games and made use of this hot technology to promote the brand name in the coming years and linked up with other merchandises to be produced by MD. MD started to increase the sale channels, provide a flexible credit terms to customers and add a new profit sharing sales model to attract the dealers and maximise the profit. The Group intended to expand this business and has been trying to seek for the funding support including but not limited to debt financing or fund raising. The Group believed that the technical functions affiliate with well marketing strategies would add value to its merchandises and would facilitate an explosive growth of MD's business.

### ***Money Lending***

The Group's money lending business has been growing steadily during the period under review. It recorded a revenue of HK\$1.5 million (2018: HK\$1.5 million), which comprised the fee and interest income generated. According to the management's observation and taking into account the positive results of the money lending business, the Group believes that there is a constant demand in the market allowing a further growth of this business segment and is confident that it will continue to contribute positively to the Group's overall results. Nonetheless, as the business is capital-driven in nature, the Group will constantly assess the level of resources to be allocated to this business segment with reference to the availability of capital. In the meantime, it will closely monitor the market conditions and operating environment in order to strike a balance between the returns and the associated business risks.

### ***Investment in Listed Securities***

During the nine months ended 31 December 2019, the Group's securities investment segment continued to focus on listed securities in Hong Kong. It recorded a net loss in securities investments of HK\$2.2 million for the period under review (2018: net loss of HK\$3.9 million) which was composed of a realized loss of HK\$3.8 million (2018: loss of HK\$0.4 million) and unrealized gain of HK\$1.6 million (2018: loss of HK\$3.4 million). The local securities market remained volatile in the period under review. In view of this, the Group will hold a diversified portfolio across different segment of the market with an effort to minimize the associated risk.

### **Pledge of Assets**

As at 31 December 2019, no asset was pledged for the Group.

### **Material Acquisition and Disposals**

Save as disclosed above to the unaudited condensed consolidated results the Group did not have any other material acquisitions and disposals for the nine months ended 31 December 2019.

### **Share Consolidation**

An extraordinary general meeting (the "EGM") was held on 4 October 2019 in which the resolutions regarding the proposed share consolidation involving the consolidation of every four (4) issued and unissued existing shares of par value of HK\$0.06 each in the share capital of the Company into one (1) consolidated share with a par value of HK\$0.24 each (the "Share Consolidation") was passed by the shareholders of the Company. The Share Consolidation became effective on 9 October 2019. Upon completion of the Share Consolidation, the authorised share capital of the Company was HK\$100,000,000 divided into 416,666,666<sup>2/3</sup> Shares, of which 205,434,000 Shares are in issue and fully paid. Details of the Share Consolidation were disclosed in the Company's announcements dated 11 September 2019, 4 October 2019 and the circular of the Company dated 18 September 2019.

### Event after reporting period

An extraordinary general meeting (the “EGM”) was held on 31 January 2020 in which the resolutions regarding the proposed capital reduction of issued shares and sub-division of unissued share was passed by the shareholders of the Company. The capital reduction and the sub-division becomes effective when all the conditions are fulfilled. For further details of the capital reduction and the sub-division, please refer to the announcement of the Company dated 2 January 2020, 31 January 2020 and the circular of the Company dated 8 January 2020.

### Outlook

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

## SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 26 September 2010 (the “Share Option Scheme”), certain Directors and participants were granted share options to subscribe for the Company’s shares, details of share options outstanding and exercisable during the nine months ended 31 December 2019 are set out below:

Name	Date of grant	Exercisable period	Exercise price per share (HK\$)	Number of share option as at 31 December 2019
Directors:				
Ms. Lin Su	13 March 2019	13 March 2019 to 12 March 2021	0.36	2,000,000
Mr. Tse Sing Yu	13 March 2019	13 March 2019 to 12 March 2021	0.36	2,000,000
Employees	13 March 2019	13 March 2019 to 12 March 2021	0.36	7,496,975
Consultants	13 March 2019	13 March 2019 to 12 March 2021	0.36	5,622,675
Exercisable at the end of the year				17,119,650

#### Note:

1. These share options are vested immediately upon the grant date.

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

Save as disclosed above, there were no other options granted, exercised, cancelled, or lapsed during the nine months ended 31 December 2019.

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

As at 31 December 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Number of Shares held	Number of Share Options held	Total interests	Approximate percentage of total issued shares
Mr. Tse Sing Yu	–	2,000,000	2,000,000	0.97%
Ms. Lin Su	–	2,000,000	2,000,000	0.97%

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.



## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosures on the share options granted to the Directors in the section headed "Directors' and Chief Executive's Interests in Shares and Share Options" above, at no time during the nine months ended 31 December 2019 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective associates, or were any such rights exercised by them; or was the Company or any of its subsidiaries, or its holding company, or any of its fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2019, shareholders of the Company (not being Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company are set out below:

	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Approximate percentage of issued share capital</b>
Shan Zumao	Beneficial owner	10,280,000	5.00%

Save as disclosed above, as 31 December 2019, 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.

## CONNECTED TRANSACTIONS

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

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2019.

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

During the nine months ended 31 December 2019 and up to the date of this report, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 31 December 2019.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules throughout the period under review except the following:

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

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

## AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The principal duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group and to provide advice and comments thereon to the Board.

At the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Tam Chak Chi (the Chairman of the Audit Committee), Mr. Liu Yongsheng and Mr. Chan Ka Hung. The unaudited consolidated results of the Group for the nine months ended 31 December 2019 have been reviewed by the Audit Committee.

By order of the Board

**Wealth Glory Holdings Limited**

**Tse Sing Yu**

*Executive Director*

Hong Kong, 14 February 2020

*As at the date of this report, the Board comprises five Directors, including two executive Directors, namely, Ms. Lin Su and Mr. Tse Sing Yu and three independent non-executive Directors, namely, Mr. Tam Chak Chi, Mr. Liu Yongsheng and Mr. Chan Ka Hung.*