

FAMEGLOW HOLDINGS LIMITED

亮晴控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8603



FIRST QUARTERLY REPORT
2020

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

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Given that the companies listed on GEM are generally small and mid-sized companies, 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.

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This report, for which the directors (the “Director(s)”) of Fameglow Holdings Limited (the “Company”, together with its subsidiaries, the “Group” or “We”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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 report 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 report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yip Chun Kwok Danny, MH (*Chairman*)

Ms. Fu Chi Ching (*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Chan Sing Nun

Mr. Khoo Wun Fat William

Mr. Yu Chi Wing

Audit Committee

Mr. Chan Sing Nun (*Chairman*)

Mr. Khoo Wun Fat William

Mr. Yu Chi Wing

Remuneration Committee

Mr. Khoo Wun Fat William (*Chairman*)

Mr. Chan Sing Nun

Ms. Fu Chi Ching

Nomination Committee

Mr. Yip Chun Kwok Danny, MH (*Chairman*)

Mr. Khoo Wun Fat William

Mr. Yu Chi Wing

AUTHORISED REPRESENTATIVES

Mr. Yip Chun Kwok Danny, MH

Ms. Fu Chi Ching

COMPANY SECRETARY

Mr. Li Chi Lok

COMPLIANCE OFFICER

Ms. Fu Chi Ching

AUDITOR

Elite Partners CPA Limited

Certified Public Accountants

10/F, 8 Observatory Road

Tsim Sha Tsui

Kowloon

Hong Kong

COMPLIANCE ADVISER

Sorrento Capital Limited

11/F, The Wellington

198 Wellington Street

Central, Hong Kong

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 304, Global Gateway Tower

63 Wing Hong Street

Cheung Sha Wan

Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd.

Hong Kong Branch

20 Pedder Street

Central, Hong Kong

COMPANY'S WEBSITE

www.fameglow.com

STOCK CODE

8603

FINANCIAL HIGHLIGHTS

Revenue of the Group for the three months ended 30 June 2020 amounted to approximately HK\$18.8 million (2019: approximately HK\$28.8 million).

The Group incurred net loss of approximately HK\$4.8 million for the three months ended 30 June 2020 (2019: net profit of approximately HK\$2.5 million).

The board of directors (the “Board”) did not recommend a payment of dividend for the three months ended 30 June 2020 (2019: Nil).

The Board is pleased to report the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2020, together with the comparative unaudited figures for the corresponding period in 2019, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2020

	NOTES	Three months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	4	18,817	28,788
Cost of inventories and consumables		(2,785)	(2,702)
Other income	6	4,039	352
Staff costs		(8,339)	(11,119)
Rental and related expenses		(570)	(964)
Depreciation of property, plant and equipment		(2,868)	(1,876)
Depreciation of right-of-use assets		(4,242)	(3,125)
Other expenses		(8,120)	(5,145)
Finance costs		(474)	(802)
(Loss) profit before taxation	5	(4,542)	3,407
Taxation	7	(247)	(940)
(Loss) profit and total comprehensive (expense) income for the period		(4,789)	2,467
(Loss) earnings per share			
– Basic (HK cents)	9	(0.60)	0.31

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 JUNE 2020

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	(Accumulated losses)/ retained profits HK\$'000	Total HK\$'000
As at 1 April 2020 (audited)	8,000	64,107	(21,026)	(12,212)	38,869
Loss and total comprehensive expense for the period (unaudited)	-	-	-	(4,789)	(4,789)
As at 30 June 2020 (unaudited)	8,000	64,107	(21,026)	(17,001)	34,080
As at 1 April 2019 (audited)	8,000	64,107	(21,026)	19,646	70,727
Profit and total comprehensive income for the period (unaudited)	-	-	-	2,467	2,467
As at 30 June 2019 (unaudited)	8,000	64,107	(21,026)	22,113	73,194

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 2 March 2018 under the Companies Law Chapter 22 of the Cayman Islands. The shares of the Company (the “Shares”) were listed on GEM of the Stock Exchange on 15 October 2018 (the “Listing”). The immediate holding company of the Company is Equal Joy Holdings Limited (“Equal Joy”), which is incorporated in the British Virgin Islands (“BVI”), and is 50% and 50% owned by Ms. Fu Chi Ching (“Ms. Fu”) and Mr. Yip Chun Kwok Danny (“Mr. Yip”), spouse of Ms. Fu (Mr. Yip together with Ms. Fu collectively known as the “Controlling Shareholders”). The addresses of the registered office and the principal place of business of the Company are disclosed in the section headed “Corporate Information” of this report.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the provision of treatment services and sale of skincare products in Hong Kong. The condensed consolidated financial statements are presented in Hong Kong Dollar (“HK\$”) which is also the functional currency of the Company and its principal subsidiaries.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

3. SIGNIFICANT ACCOUNTING POLICES

The condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) mandatorily effective since 1 April 2020 for the Group, the significant accounting policies used in the preparation of these condensed consolidated financial statements for the three months ended 30 June 2020 are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 March 2020.

Application of new and amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Definition of Business
Amendments to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial statements for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the net amounts received and receivable arising from the provision of treatment services, sales of skincare products and the provision of training services in Hong Kong.

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue from the provision of treatment services	18,030	26,964
Sale of skincare products	288	1,474
Revenue from expiry of prepaid treatments	401	350
Revenue from the provision of training services	98	–
	18,817	28,788

Segment information

The financial information reported to the executive directors of the Company, being the chief operating decision maker ("CODM") for the purpose of resources allocation and performance assessment, the CODM reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies. Accordingly, the Group has one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

5. (LOSS) PROFIT BEFORE TAXATION

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
(Loss) profit before taxation has been arrived at after charging:		
Directors' remuneration	750	1,097
Other staff costs:		
– Salaries, wages, commission, bonuses and allowances	7,277	9,686
– Retirement benefit scheme contribution	312	336
Total staff costs	8,339	11,119
Consultancy fee for doctors (included in other expenses)	1,116	954
Operating leases payments in respect of tenancy agreement of rented premises entered into by the Group:		
– Short-term leases	78	100
– Contingent rent	–	139
	78	239

6. OTHER INCOME

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Government subsidies	3,497	–
Interest income from life insurance contracts	305	292
Interest income from bank deposits	196	1
Interest income from rental deposit	37	59
Others	4	–
	4,039	352

7. TAXATION

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Hong Kong Profits Tax:		
Current tax	–	1,070
Deferred tax charge (credit)	247	(130)
Income tax charge	247	940

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the three months ended 30 June 2020 and 2019, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2,000,000 of that subsidiary. The profits of other group entities not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

8. DIVIDEND

The Board did not recommend a payment of dividend for the three months ended 30 June 2020 (2019: Nil).

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
(Loss) profit for the period for the purposes of basic (loss) earnings per share	(4,789)	2,467

	Three months ended 30 June	
	2020	2019
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue for the purpose of basic (loss) earnings per share	800,000	800,000

No diluted (loss) earnings per share for both periods was presented as there were no potential ordinary shares in issue during both periods.

10. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of key management personnel during the three months ended 30 June 2020 and 2019, respectively were as follows:

	Three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	958	1,604
Post-employment benefits	13	18
	971	1,622

11. SUBSEQUENT EVENTS

Since January 2020, the outbreak of Coronavirus Disease 2019 ("COVID-19") has impact on the global business environment. Due to the COVID-19 pandemic, the Group temporarily closed its medical aesthetic centres during the period from 15 July 2020 and up to the date of this report in accordance with the disease prevention measures and arrangements under the Prevention and Control of Disease Ordinance (Cap. 599F).

Pending the development and spread of COVID-19 subsequent to the date of these consolidated financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these consolidated financial statements.

The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact to the financial position and operating results of the Group. Save as disclosed above, there was no significant event occurred after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a medical aesthetic service provider in Hong Kong and operates five medical aesthetic centres in prime locations of Causeway Bay (the “CWB Centre” and the “CWB Centre 2”), Tsim Sha Tsui (the “TST Centre” and the “TST Centre 2”) and Central (the “Central Centre”) providing non-surgical medical aesthetic services. We strive to provide holistic treatment solutions to our clients through our non-surgical medical aesthetic services, traditional beauty services and sale of skincare products to help our clients maintain and enhance their skin conditions and physical appearance.

The outlook of the medical aesthetic services industry remains optimistic with market demand growing fast in recent years, owed mainly to the increasing affordability and public acceptance of related services.

In order to seize the opportunity created by increasing customer demands, we expanded our operation scale by opening our Central Centre, CWB Centre 2 and TST Centre 2 during the year ended 31 March 2020 to facilitate the continuous growth of our business. The Group believes that the expansion will enable us to deepen our market penetration in Hong Kong and improve our Group’s profitability. The Group will also take advantage of its enlarging geographical presence to attract new and more diverse customers. Along with the strategic expansion of its medical aesthetic centre network, the Group will sharpen its competitive advantage by extending the spectrum of our treatment services offered. During the three months ended 30 June 2020, the Group further expanded its business coverage to provide training courses in relation to laser and intense pulsed light treatments which are accredited under the Hong Kong Qualification Framework.

However, for the three months ended 30 June 2020, the business environment in Hong Kong was adversely affected by the outbreak of COVID-19, the Group’s revenue amounted to approximately HK\$18.8 million, representing a decrease of approximately HK\$10.0 million or 34.6% as compared with the corresponding period of 2019. Loss for the period amounted to approximately HK\$4.8 million, while profit for the corresponding period amounted to approximately HK\$2.5 million. The Directors were of the view that the net loss was primarily attributable to the decrease in revenue as a result of the temporary closure of medical aesthetic centres of the Group for a period of 28 days during the three months ended 30 June 2020 in accordance with the disease prevention measures and arrangements under the Prevention and Control of Disease Ordinance (Cap. 599F).

PROSPECTS

Despite the outlook of medical aesthetic services remains positive, the outbreak of COVID-19 since early 2020 weakened clients' desire and willingness to undergo medical aesthetic treatments which adversely affected the revenue of the Group. The Group will closely monitor the market conditions and will intensify its response and elaborate sustainable development strategies to overcome the current unfavourable environment.

Nevertheless, the Group is confident of its capability to deliver quality service to our clients. Moving forward, the Group will apply its strengths, build on its solid customer base and established reputation to deliver stable business development and maximise the shareholders' value.

FINANCIAL REVIEW

Revenue

The revenue of the Group amounted to approximately HK\$18.8 million for the three months ended 30 June 2020 and approximately HK\$28.8 million for the three months ended 30 June 2019 which represented a decrease of approximately 34.6% as compared with the corresponding period of 2019. The decrease was primarily attributable to the temporary closure of medical aesthetic centres of the Group for a period of 28 days during the three months ended 30 June 2020 in accordance with the disease prevention measures and arrangements under the Prevention and Control of Disease Ordinance (Cap. 599F).

Cost of inventories and consumables

Cost of inventories and consumables amounted to approximately HK\$2.8 million and HK\$2.7 million for the three months ended 30 June 2020 and 2019 respectively.

Other income

Other income amounted to approximately HK\$4.0 million and HK\$0.4 million for the three months ended 30 June 2020 and 2019 respectively. The increase in other income was attributable to Government subsidies granted under the anti-epidemic fund.

Staff costs

Staff costs amounted to approximately HK\$8.3 million and HK\$11.1 million for the three months ended 30 June 2020 and 2019 respectively. The decrease in staff costs was mainly due to the reduced working days as a result of the outbreak of COVID-19 and the temporary closure of medical aesthetic centres of the Group.

Rental and related expenses

Rental and related expenses amounted to approximately HK\$0.6 million and HK\$1.0 million for the three months ended 30 June 2020 and 2019 respectively, which comprised of rental payments of short-term leases, management fees, rates and government rent and license fees for our medical aesthetic centres and retail/service outlets. The decrease was mainly due to the closures of retail/service outlets.

Depreciation of property, plant and equipment

Depreciation expenses amounted to approximately HK\$2.9 million and HK\$1.9 million for the three months ended 30 June 2020 and 2019 respectively. The increase was mainly due to the additions of the property, plant and equipment such as leasehold improvements and treatment devices during the previous financial year.

Depreciation of right-of-use assets

The Group recorded depreciation of right-of-use assets of approximately HK\$4.2 million and HK\$3.1 million for the three months ended 30 June 2020 and 2019 respectively. The increase was mainly due to the increased number of leases for new medical aesthetic centres.

Other expenses

Other expenses amounted to approximately HK\$8.1 million and HK\$5.1 million for the three months ended 30 June 2020 and 2019 respectively, which mainly represented consultancy fee to doctors, card commission expenses, marketing and promotion expenses and other operating and administrative expenses. The increase was primarily due to the increment in promotional campaigns such as outdoor advertising and advertising on various social media platforms to improve the brand awareness so as to maintain the business scale and gain market share.

(Loss)/profit for the period

The Group recorded a net loss of approximately HK\$4.8 million for the three months ended 30 June 2020 (2019: net profit of approximately HK\$2.5 million). This was mainly due to the decrease in revenue as a result of the temporary closure of medical aesthetic centres of the Group for a period of 28 days during the three months ended 30 June 2020 in accordance with the disease prevention measures and arrangements under the Prevention and Control of Disease Ordinance (Cap. 599F).

Dividend

The Board did not recommend a payment of dividend for the three months ended 30 June 2020 (2019: Nil).

Capital commitment

As at 30 June 2020, the Group did not have any material capital commitment (2019: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “Shareholders”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the three months ended 30 June 2020 and up to the date of this report. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he has complied with the required standard of dealings for the three months ended 30 June 2020.

AUDIT COMMITTEE AND REVIEW OF THE FIRST QUARTERLY RESULTS

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee comprises three members, namely Mr. Chan Sing Nun (Chairman), Mr. Khoo Wun Fat William and Mr. Yu Chi Wing, all of them are independent non-executive Directors. The Audit Committee has reviewed with the management the accounting policies and practices adopted by the Group and discussed with the management internal control and financial reporting matters of the Company, including the review of the unaudited condensed consolidated results of the Group for the three months ended 30 June 2020 and the first quarterly report. The Audit Committee is of the opinion that the unaudited condensed consolidated results of the Group for the three months ended 30 June 2020 comply with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosure has been made.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the three months ended 30 June 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

INTERESTS OF COMPLIANCE ADVISER

The Company has changed the compliance adviser from Innovax Capital Limited ("Innovax") to Sorrento Capital Limited ("Sorrento") as Innovax and the Company could not reach an agreement on the consideration of fee levels, effective on 9 May 2020. As notified by Sorrento, neither Sorrento nor any of its close associates and none of the directors or employees of Sorrento had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 June 2020.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were 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 taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

Long position in the shares of the Company:

Name of director/ chief executive	Capacity/Nature of interest	Number of Shares held (Note i)	Percentage of shareholding
Mr. Yip	Interest in controlled corporation (Note ii)	600,000,000 (L)	75%
Ms. Fu	Interest in controlled corporation (Note ii)	600,000,000 (L)	75%

Notes:

- (i) The letter “L” denotes the person’s long position in the relevant Shares.
- (ii) All the issued shares of Equal Joy are legally and beneficially owned as to 50% by each of Mr. Yip and Ms. Fu. Accordingly, they are deemed to be interested in the 600,000,000 Shares held by Equal Joy by virtue of the SFO. Mr. Yip, Ms. Fu and Equal Joy together are a group of Controlling Shareholders of the Company.

Save as disclosed above, as at 30 June 2020, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which 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 were taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which shall be, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2020, to the knowledge of the Directors, the following persons/entities (other than the Directors or chief executive of the Company) who had or were deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of Shares held (Note i)	Percentage of shareholding
Equal Joy	Beneficial owner (Note ii)	600,000,000 (L)	75%

Notes:

- (i) The letter “L” denotes the person’s long position in the relevant Shares.
- (ii) All the issued shares of Equal Joy are legally and beneficially owned as to 50% by each of Mr. Yip and Ms. Fu. Mr. Yip, Ms. Fu and Equal Joy together are a group of controlling shareholders of the Company.

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any other persons/entities (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

In order to incentivise and/or recognise and acknowledge the contributions that eligible persons have made or may make to the Group, the Company adopted the share option scheme pursuant to written resolutions of the Shareholders passed on 21 September 2018 (the “Share Option Scheme”). The Board may, at its discretion, offer to grant an option to any eligible persons.

Unless terminated by the Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing from the date of adoption.

The purpose of the Share Option Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons’ contribution to further advance the interests of the Group. The terms of the Share Option Scheme are in accordance with provisions of Chapter 23 of GEM Listing Rules.

No option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption. The Company did not have any outstanding share options, warrants, derivatives or securities which are convertible or exchangeable into Shares as at 30 June 2020 and up to the date of this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this first quarterly report, at no time during the three months ended 30 June 2020 and up to the date of this report was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the three months ended 30 June 2020 and up to the date of this report, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group and which requires disclosure pursuant to Rule 11.04 of GEM Listing Rules.

By Order of the Board
Fameglow Holdings Limited
Mr. Yip Chun Kwok Danny, MH
Chairman and Executive Director

Hong Kong, 11 August 2020

As at the date of this report, the executive Directors are Mr. Yip Chun Kwok Danny, MH and Ms. Fu Chi Ching; and the independent non-executive Directors are Mr. Chan Sing Nun, Mr. Khoo Wun Fat William and Mr. Yu Chi Wing.