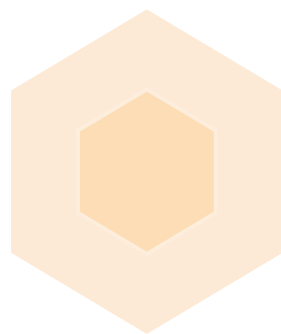


WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269



2021

**INTERIM
REPORT**



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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

The board of directors (the “Board”) of Wealth Glory Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the three and six months ended 30 September 2021 together with the unaudited comparative figures for the corresponding periods in 2020 as follows:

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

For the three and six months ended 30 September 2021

		For the three months ended 30 September		For the six months ended 30 September	
	Notes	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Continuing operations					
Revenue	4	19,639	16,926	36,120	35,094
Cost of sales		(18,165)	(15,384)	(33,467)	(32,174)
Gross profit		1,474	1,542	2,653	2,920
Other income	4	2,000	593	2,000	1,135
Other gains and losses, net	5	(518)	(519)	(1,385)	(582)
Selling expenses		(1,249)	(171)	(2,440)	(325)
Administrative expense		(4,545)	(2,263)	(8,922)	(6,784)
Other expenses		(109)	(110)	(218)	(218)
Finance costs	7	–	(218)	(306)	(438)
Loss before taxation		(2,947)	(1,146)	(8,618)	(4,292)
Taxation credit	8	18	18	36	36
Loss for the period		(2,929)	(1,128)	(8,582)	(4,256)

	For the three months ended 30 September		For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
<i>Notes</i>				
Other comprehensive (expense)/income:				
Items that may be subsequently reclassified to profit or loss:				
– Exchange differences arising on translation of foreign operations	–	–	–	–
Total comprehensive expense for the period	(2,929)	(1,128)	(8,582)	(4,256)
Profit/(loss) for the period attributable to:				
Owners of the Company	(2,932)	(1,126)	(8,583)	(4,252)
Non-controlling interests	3	(2)	1	(4)
	(2,929)	(1,128)	(8,582)	(4,256)
Total comprehensive income/(expense) for the period attributable to:				
Owners of the Company	(2,932)	(1,126)	(8,583)	(4,252)
Non-controlling interests	3	(2)	1	(4)
	(2,929)	(1,128)	(8,582)	(4,256)
	HK cents	HK cents (restated)	HK cents	HK cents (restated)
Loss per share				
– Basic and diluted	(0.4)	(0.16)	(1.19)	(0.59)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	<i>Notes</i>	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	11	923	1,467
Right-of-use assets		–	573
Intangible assets	12	324	542
		1,247	2,582
Current assets			
Inventories	13	3,522	3,744
Financial assets at fair value through profit or loss	14	1,026	2,669
Trade receivables	15	31,515	31,936
Prepayments, deposits and other receivables		11,562	6,962
Loans receivables		20,345	19,332
Loans to investee		–	4,099
Tax recoverable		13	13
Cash and cash equivalents		19,161	28,561
		87,144	97,316

		As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
	<i>Notes</i>		
Current liabilities			
Bonds	17	–	9,700
Trade payables	16	5,674	2,167
Accruals and other payables		22,222	18,225
Lease liabilities		–	694
		27,896	30,786
Net current assets		59,248	66,530
Total assets less current liabilities		60,495	69,112
Non-current liabilities			
Deferred tax liabilities		–	35
NET ASSETS		60,495	69,077
Capital and reserves			
Share capital	18	17,256	17,256
Reserves		43,257	51,840
Equity attributable to owners of the Company		60,513	69,096
Non-controlling interests		(18)	(19)
TOTAL EQUITY		60,495	69,077

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Share-based payment reserve HK\$'000	Accumulated loss HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2021 (Audited)	17,256	638,735	(4,246)	1,849	(584,498)	69,096	(19)	69,077
Loss for the period	-	-	-	-	(8,583)	(8,583)	1	(8,582)
Total comprehensive expense for the period	-	-	-	-	(8,583)	(8,583)	1	(8,582)
At 30 September 2021 (Unaudited)	17,256	638,735	(4,246)	1,849	(593,081)	60,513	(18)	60,495

Attributable to owners of the Company

	Share capital <i>HKS'000</i>	Share premium <i>HKS'000</i>	Merger reserve <i>HKS'000</i>	Share-based payment reserve <i>HKS'000</i>	FVTOCI reserve <i>HKS'000</i>	(Accumulated loss) <i>HKS'000</i>	Total <i>HKS'000</i>	Non-controlling interests <i>HKS'000</i>	Total <i>HKS'000</i>
At 1 April 2020 (Audited)	49,304	566,572	(4,246)	2,967	(1,766)	(519,004)	93,827	-	93,827
Loss for the period	-	-	-	-	-	(4,252)	(4,252)	(4)	(4,256)
Fair value change of FVTOCI	-	-	-	-	(1,087)	-	(1,087)	-	(1,087)
Total comprehensive expense for the period	-	-	-	-	(1,087)	(4,252)	(5,339)	(4)	(5,343)
Share based payment expenses	-	-	-	1,849	-	-	1,849	-	1,849
Capital reduction	(44,374)	44,374	-	-	-	-	-	-	-
At 30 September 2020 (Unaudited)	4,930	610,946	(4,246)	4,816	(2,853)	(523,256)	90,337	(4)	90,333

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Net cash flows (used in)/generated from operating activities	(5,111)	1,477
Net cash flows used in investing activities	(3,601)	–
Net cash flows used in financing activities	(688)	(661)
	<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents	(9,400)	816
Cash and cash equivalents at the beginning of the period	28,561	462
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	19,161	1,278
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Room 1104, Crawford House, 70 Queen's Road Central, Central, Hong Kong. The Company's shares were listed on GEM of the Stock Exchange.

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

- (i) trading of natural resources and commodities;
- (ii) money lending business;
- (iii) 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

Statement of compliance

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

The interim financial report has been prepared in accordance with same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Application of new and amendments to HKFRSs

In the current interim 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 2021 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

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

4. REVENUE AND OTHER INCOME

	For the three months ended 30 September		For the six months ended 30 September	
	2021 (Unaudited) HK\$’000	2020 (Unaudited) HK\$’000	2021 (Unaudited) HK\$’000	2020 (Unaudited) HK\$’000
Revenue				
Trading of natural resources and commodities	9,818	9,330	18,368	19,965
Sale of consumer products	9,312	7,069	16,740	14,089
Fee and interest income from money lending	509	527	1,012	1,040
	<u>19,639</u>	<u>16,926</u>	<u>36,120</u>	<u>35,094</u>
Other income				
Bank interest income	–	–	–	1
Imputed interest income from loans to investees	–	448	–	808
Reversal of impairment loss provided on loan to investees	2,000	–	2,000	–
Sundry income	–	145	–	326
	<u>2,000</u>	<u>593</u>	<u>2,000</u>	<u>1,135</u>

5. OTHER GAIN AND LOSSES, NET

	For the three months ended 30 September		For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Loss on fair value changes of financial assets at fair value through profit or loss	(518)	(504)	(1,385)	(567)
Net foreign exchange loss	-	(15)	-	(15)
	<u>(518)</u>	<u>(519)</u>	<u>(1,385)</u>	<u>(582)</u>

6. SEGMENT INFORMATION

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

The management considers the business from a product/service perspective. During the six months ended 30 September 2021, the Group's reportable and operating segments are as follows:

- (a) the natural resources and commodities business segment engages in the trading of natural resources and commodities including but not limited to coal and crude palm oil etc. ("Natural Resources and Commodities");
- (b) the trading of fashion items and camera bags ("Trading of Consumer Products");
- (c) the money lending business ("Money Lending");
- (d) the investment in securities ("Securities Investment").

The following is an analysis of the Group's revenue and results for the six months ended 30 September 2021 by operating and reportable segment:

	Trading of Natural Resources and Commodities		Trading of Consumer Products		Money Lending		Securities Investment		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Segment Revenue										
External	18,368	19,965	16,740	14,089	1,012	1,040	-	-	36,120	35,094
Segment Results	305	1,151	(4,787)	(492)	738	1,034	-	(567)	(3,744)	1,126
Reconciliation:										
Imputed interest income from loans to investees									-	808
Interest income									-	1
Amortisation of intangible assets									(218)	(218)
Reversal of impairment loss provided on loan to investees									2,000	-
Corporate and other unallocated expenses									(6,356)	(5,691)
Corporate finance costs									(900)	(318)
Taxation credit									36	36
Loss for the period									(8,582)	(4,256)

7. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Interests on lease liability	-	12	6	28
Interests on other borrowings	-	46	-	92
Effective interests on bonds	-	160	300	318
	-	218	306	438

8. TAXATION CREDIT

	For the three months ended 30 September		For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Tax credit comprise of:				
Current	–	–	–	–
Deferred tax credit	18	18	36	36
	<u>18</u>	<u>18</u>	<u>36</u>	<u>36</u>

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

No provision for Hong Kong Profits Tax has been made for the period ended 30 September 2020 as the Group did not generate any assessable profits arising in Hong Kong. On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces 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 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

9. LOSS FOR THE PERIOD

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

	For three months ended 30 September		For six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	18,165	15,384	33,467	32,174
Depreciation of property, plant and equipment	271	958	544	1,229
Depreciation of right of use assets	230	426	573	769
Amortisation of intangible assets	109	109	218	218
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	338	580	785	1,161
– Retirement benefit scheme contributions	5	27	26	54
– Share-based payments	–	1,849	–	1,849
	<u>–</u>	<u>1,849</u>	<u>–</u>	<u>1,849</u>

10. 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:

	Three months ended 30 September		Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Loss				
Loss for the purpose of basic and diluted loss per share	(2,932)	(1,126)	(8,583)	(4,252)
Number	'000	'000 (Restated)	'000	'000 (Restated)
Weighted average number of shares for the purpose of basic and diluted loss per share	719,019	719,019	719,019	719,019

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired property, plant and equipment of approximately HK\$nil (2020: nil).

12. INTANGIBLE ASSETS

During the six months ended 30 September 2021, the Group did not acquire any intangible assets in significant amount (2020: nil).

13. INVENTORIES

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Finished goods	3,522	3,744

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Listed securities, at fair value:		
Equity securities listed in Hong Kong (Note)	1,026	2,669

Note: The fair values of the listed securities were determined based on the quoted market closing prices at 30 September 2021 available on the Hong Kong Stock Exchange.

15. TRADE RECEIVABLES

An aging analysis of the trade receivables that are not considered to be impaired as at 30 September 2021, based on the date of recognition of sales, net of allowances, is as follows:

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
0-90 days	5,700	2,001
91-180 days	25,570	24,360
181-365 days	–	1,282
Over 365 days	245	4,293
	31,515	31,936

16. TRADE PAYABLES

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

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
0-90 days	28	1,167
91-180 days	5,646	1,000
	<hr/>	<hr/>
	5,674	2,167
	<hr/> <hr/>	<hr/> <hr/>

The credit period ranged from 90 days to 120 days.

17. BONDS

	Amount HK\$'000
As at 31 March 2021 (Audited)	9,700
Effective interest expense	300
Financing cash outflow	(10,000)
	<hr/>
As at 30 September 2021 (Unaudited)	-
	<hr/> <hr/>

18. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.24 each at 31 March 2020	416,667	100,000
Sub-division of unissued shares (<i>Note i</i>)	3,750,000	–
	<hr/>	<hr/>
Ordinary shares of HK\$0.024 each at 30 September 2020, 31 March 2021 and 30 September 2021	4,166,667	100,000
	<hr/> <hr/>	<hr/> <hr/>
Issued and fully paid:		
Ordinary shares of HK\$0.24 each at 31 March 2020	205,434	49,304
Capital reduction (<i>Note i</i>)	–	(44,374)
	<hr/>	<hr/>
Ordinary shares of HK\$0.024 each at 30 September 2020	205,434	4,930
Shares issued under rights issue (<i>Note ii</i>)	513,585	12,326
	<hr/>	<hr/>
Ordinary shares of HK\$0.024 each at 31 March 2021 and 30 September 2021	719,019	17,256
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) On 31 January 2020, the Company approved the capital reduction of issued shares and sub-division of unissued shares at extraordinary general meeting. On 7 May 2020, the Court approved the capital reduction of issued shares and sub-division of unissued shares of the Company.

For the capital reduction of issued shares, the par value of each of the issued ordinary shares be reduced from HK\$0.24 to HK\$0.024 per issued ordinary share by cancelling the paid up share capital to the extent of HK\$0.216 per issued ordinary share by way of a reduction of capital, so as to form issued new ordinary shares with par value of HK\$0.024 each.

For sub-division of unissued shares, immediately following the capital reduction, each of the authorised but unissued ordinary shares with par value of HK\$0.24 each be subdivided into 10 new ordinary shares with par value of HK\$0.024 each.

The capital reduction of issued shares and sub-division of unissued shares became effective on 8 May 2020.

- (ii) On 27 November 2020, the Company issued 513,585,000 ordinary shares, on the basis of five rights shares for every two existing shares held by the shareholders of the Company at a subscription price of HK\$0.08 per share through rights issue.

19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

20. RELATED PARTY TRANSACTIONS

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Amount due to director	3,363	3,552

21. EVENT AFTER THE REPORTING PERIOD

No significant events take place subsequent to 30 September 2021.

22. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2021 were approved by the Board on 12 November 2021.

23. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the six months ended 30 September 2021 (2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 30 September 2021, the Group recorded a revenue of HK\$36.1 million as compared to HK\$35.1 million in the same period in previous year representing an increase of 2.8%. Such increase was mainly attributable to the gradually recovery from Coronavirus Disease 2019 ("COVID-19") epidemic in January 2020 in the PRC. The Group also recorded a cost of sales of HK\$33.5 million as compared to HK\$32.2 million in the same period of previous year. The increase in cost of sales reflected the increase in revenue for the period. The Group recorded an overall gross profit of HK\$2.7 million as compared to HK\$2.9 million in the corresponding period last year, representing an decrease of 6.9%.

The Group recorded other income of HK\$2.0 million for the six months ended 30 September 2021 (2020: HK\$1.1 million) where as the same period of previous year. The increase was mainly due to the reversal of impairment loss provided on loan to investees.

Other gains and losses recorded during the year was a net loss of HK\$1.4 million as compared to net loss of HK\$0.6 million in the same period of previous year. The increase was mainly attributable to the change in fair value on financial assets at fair value through profit or loss of approximately loss of HK\$1.4 million (2020: loss of HK\$0.6 million).

During the period under review, the Group continued to be engaged in investment in listed securities in Hong Kong. A net loss of HK\$1.4 million from change in fair value of such financial assets was recorded in the period whereas a net loss of HK\$0.6 million from change in fair value of financial assets was recorded in the same period last year due to the volatility of the stock market.

Administrative expenses and other expenses (the “Operating Expenses”) incurred for the six months ended 30 September 2021 amounted to HK\$9.1 million (2020: HK\$7.0 million). By excluding the major non-cash items in relation to amortization of intangible assets, share-based payment and depreciation charges in both periods, Operating Expenses for this period under review would have amounted to HK\$7.8 million as compared to HK\$2.9 million in the same period in previous year on the same basis, representing an increase of 169.0% which was mainly due to the increase in marketing expenses for the expansion of the business of trading the consumers products incurred during the period under review.

On the other hand, the Group incurred HK\$0.3 million in finance costs as compared to HK\$0.4 million in same period in previous year which was mainly composed of the imputed interest on bonds issued by the Group and interests on lease liability.

The Group recorded a net loss of HK\$8.6 million for the six months ended 30 September 2021 as compared to a net loss of HK\$4.3 million in the corresponding period in 2020. The increase was mainly due to the increase in marketing expenses in order to increase our brand awareness to expand the consumer products and trendy fashion business.

Business Review

Natural Resources and Commodities Business

Coal Trading Business and Other Natural Resources and Commodities Trading Business

The Group continued to switch more resources to the sales of consumer products and trendy fashion merchandises segment which has a great potential on its business performance. Nevertheless, the COVID-19 continued to affect this business. During the period ended 30 September 2021, the Group continued engaging in the trading of other natural resources and commodities and recorded a turnover of HK\$18.4 million as compare to HK\$20.0 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 experiencing in a turning point although the financial figures had not reflected the true picture of MD which was mainly due to the continuance of COVID-19 which results in delay in expansion of this business. The MD recorded a turnover of HK\$16.7 million (2020: HK\$14.1 million) for the period ended 30 September 2021. 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 and FILA, sizable and favorable brands. In order to increase the brand appearance, the MD will continue to develop and register new intellectual properties and will actively participated in different marketing activities such as trade fairs and exhibitions once the COVID-19 was being controlled and reopen of the exhibitions in particular those organized in the major cities of the People's Republic of China (the "PRC") such as 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. In order to expand this business, 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. MD Group has gradually resumed operations while the Directors consider that the impact of COVID-19 on the Group's operations and future prospects may affected by the duration of the epidemic, the implementation of regulatory policies and relevant protective measures which might affect the business environment that the Group is operating at. However, the Group are optimistic with this business, confidence was built by the satisfaction with our differentiated products by the potential buyers. The Group believed that once the COVID-19 was being controlled, MD's business will resume as normal and looking forward to the expansion of the business.

Money Lending Business

The Group's money lending business has been growing steadily during the period under review. It recorded a turnover of HK\$1.0 million (2020: HK\$1.0 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 six months ended 30 September 2021, the Group's investment continued to focus on listed securities in Hong Kong. The Group recorded a net loss in securities investments of HK\$1.4 million for the period under review (2020: net loss of HK\$0.6 million) which was composed of a realised loss of HK\$0.6 million (2020: loss of HK\$0.8 million) and unrealised loss of HK\$0.8 million (2020: gain of HK\$0.2 million). The local securities market remained volatile in the period under review. In view of this, the Group will hold a diversified portfolio across different segment of the market and reduce its portfolio at an appropriate timing.

Financial Position

Net assets of the Group as at 30 September 2021 was HK\$60.5 million compared to HK\$69.1 million as at 31 March 2021 representing an decrease of 12.4%.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2021, the Group mainly the Group generally financed its daily operations from cash flows generated internally and the gross proceeds of approximately HK\$41.1 million raised from the rights issue during the year ended 31 March 2021. As at 30 September 2021, the Group had cash and cash equivalents of HK\$19.2 million (31 March 2021: HK\$28.6 million).

As at 30 September 2021, the Group has issued share capital of HK\$17.3 million (31 March 2021: HK\$17.3 million) divided into 719,019,000 shares of HK\$0.024 each.

The Group's gearing ratio at the reporting date was Nil (31 March 2021: 12.3%). The decrease in gearing ratio was due to the repayment of corporate bonds. The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total of bonds. The current ratio (ratio of current assets to current liabilities) of the Group as at 30 September 2021 was approximately 3.1 (31 March 2021: 3.2), the decrease in current ratio was led by the repayment of corporate bonds.

Update on Refund of Deposit

On 1 August 2014, the Company, as purchaser, entered into a memorandum of understanding ("MOU") with Southernpec Storage and Logistics Holding Limited (the "Vendor"), as vendor, for the proposed acquisition of Southernpec Singapore Storage and Logistics Limited. Pursuant to a supplemental memorandum of understanding, the Company paid a refundable deposit of HK\$10 million (the "Deposit"). The MOU lapsed on 31 July 2015 and the Deposit shall be returned by the Vendor to the Company in full within three business days. However, the Vendor was failed to return the Deposit within the said period and the parties were unable to reach a consensus on the repayment schedule. Following a series of negotiations and actions (including legal proceedings against the Vendor for the recovery of the Deposit) taken against the Vendor on the delay in repayment of the Deposit, the Company has reached a settlement agreement (the "Settlement Agreement") with the Vendor. Pursuant to the Settlement Agreement, in consideration of the Company's forbearance to sue and to proceed with the legal proceedings and to withdraw/discontinue such legal proceedings against the Vendor, the Vendor irrevocably covenants with the Company that the Vendor shall pay to the Company a sum of HK\$5,000,000 (the "Settlement Sum") by instalments over a period of 18 months from the date of the Settlement Agreement as the full and final settlement of the Deposit (the "Settlement"). In view of the failure of receiving the Settlement Sum in accordance to the payment schedule, an amount of HK\$9.5 million (being the difference of the Deposit and the amount paid by the Vendor to the Company up to the date of this report) was impaired and charged to the profit and loss. Until the period under review, the Company did not received any amount and hence no amount was reversed from the impaired amount and credited as other income. The Company will continue to monitor the payments from the Vendor and update its shareholders where appropriate.

Material Acquisitions and Disposals

The Group did not have any other material acquisitions and disposals for the six months ended 30 September 2021.

Significant Investments

As at 30 September 2021, the Group's financial assets at fair value through profit or loss amounted to HK\$1.0 million which were equity investments listed in Hong Kong. Details of the significant investments are as follows:

Company Name	Fair value change in the period <i>HK\$'000</i>	Fair value at 30 September 2021 <i>HK\$'000</i>	Approximate percentage of financial assets at fair value through profit or loss	Approximate percentage to the Group's total asset as at 30 September 2021
Hong Wei (Asia) Holdings Co. Limited	858	279	27.2	0.3
Other securities with individual fair value less than 5% of the aggregate financial assets at fair value through profit or loss as at 30 September 2020	(29)	747	72.8	0.8
Total	829	1,026	100.0	1.1

Financial Management and Policy and Foreign Currency Risk

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

Treasury Policies and Credit Risk Management

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

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

Contingent Liabilities and Pledge of Assets

The Group had no significant charges on its assets nor any significant contingent liabilities at 30 September 2021 (31 March 2021: Nil).

Use of Proceeds

The Company would like to provide information on the use of proceeds as follow:

Nature	Original intended use of proceeds stated in circular dated 30 September 2020	Actual use of proceeds as at the date of this report	Remaining balance	Progress
	HK\$'million	HK\$'million	HK\$'million	
Rights Issue				
Repayment of bond and other borrowings	13.1	13.1	–	Used as intended
Expansion of sales channels	9.7	3.0	6.7	Used as intended and the remaining balance unchanged with the original plan
Development of new merchandises and other consumer products	4.4	3.5	0.9	Used as intended and the remaining balance unchanged with the original plan
Marketing activities and use of third-party intellectual properties	4.0	4.0	–	Used as intended
General working capital	7.9	5.9	2.0	Used as intended and the remaining balance unchanged with the original plan
	<u>39.1</u>	<u>29.5</u>	<u>9.6</u>	

Material Transactions

Save as disclosed in other sections of this unaudited condensed consolidated interim financial statements, the Group had no other material transactions for the six months ended 30 September 2021.

Subsequent Event

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2021 and up to the date of this interim report.

Outlook

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

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 26 September 2010 (the "Share Option Scheme"), certain Directors and participants were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable during the six months ended 30 September 2021 are set out below:

Name	Date of grant	Exercisable period	Exercise price per share (HK\$)	Number of options Outstanding			Outstanding as at 30 September 2021	
				Outstanding as at 1 April 2021	Granted during the year	Lapsed during the year		Exercised during the year
Directors:								
Ms. Lin Su	22 April 2020	22 April 2020 to 21 April 2022	0.18	2,805,928	-	-	-	2,805,928
Mr. Tse Sing Yu	22 April 2020	22 April 2020 to 21 April 2022	0.18	2,805,928	-	-	-	2,805,928
Employees	22 April 2020	22 April 2020 to 21 April 2022	0.18	22,447,422	-	-	-	22,447,422
				28,059,278	-	-	-	28,059,278
				28,059,278	-	-	-	28,059,278
Exercisable at the end of the year				28,059,278				28,059,278

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

Save as disclosed above, there were no other options granted, exercised, cancelled or lapsed during the six months ended 30 September 2021.

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

As at 30 September 2021, 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	–	2,805,928	2,805,928	0.39%
Ms. Lin Su	–	2,805,928	2,805,928	0.39%

Save as disclosed above, as at 30 September 2021, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosures on the share options granted to the Directors in the section headed "Directors' and Chief Executive's Interests in Shares and Share Options" above, at no time during the six months ended 30 September 2021 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective associates, or were any such rights exercised by them; or was the Company or any of its subsidiaries, or its holding company, or any of its fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 September 2021, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short positions in the Shares or underlying Shares 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 who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

CONNECTED TRANSACTIONS

Save as disclosed in note 20 to the unaudited condensed consolidated interim financial statements, the Directors are not aware of any connected transactions of the Group that shall be disclosed in this report.

RIGHTS ISSUE

On 24 August 2020, the Company proposes to raise a gross proceeds, before expenses, of up to approximately HK\$41.1 million, by way of a rights issue by issuing 513,585,000 rights shares to the qualifying shareholders on the basis of five rights share for every two existing shares held on the record date 4 November 2020 at a price of HK\$0.08 per rights share.

On 27 November 2020, a total of 513,585,000 shares have been allotted. The gross proceeds raised from the rights issue are approximately HK\$41.1 million before expenses.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2021.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the six months ended 30 September 2021 and up to the date of this report, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the six months ended 30 September 2021.

CORPORATE GOVERNANCE CODE

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

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

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

AUDIT COMMITTEE

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

At the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Tam Chak Chi (the Chairman of the Audit Committee), Mr. Liu Yongsheng and Mr. Chan Ka Hung. The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2021 have been reviewed by the Audit Committee.

By order of the Board

Wealth Glory Holdings Limited

Tse Sing Yu

Executive Director

Hong Kong, 12 November 2021

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.