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WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8269)

2020 THIRD QUARTERLY RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Wealth Glory Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 31 December 2020. This announcement, containing the full text of the 2020 Third Quarterly Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of quarterly results.

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

Hong Kong, 8 February 2021

As at the date of this announcement, 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.

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

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

CHARACTERISTICS OF 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 2020 together with the unaudited comparative figures for the corresponding periods in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine months ended 31 December 2020

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue	3	11,693	14,295	46,787	58,001
Cost of sales		(10,654)	(13,200)	(42,828)	(52,858)
Gross profit		1,039	1,095	3,959	5,143
Other income	3	617	654	1,752	2,126
Other gain and losses, net	4	(215)	(439)	(797)	(2,057)
Selling expenses		(168)	(48)	(493)	(642)
Administrative expense		(4,429)	(3,077)	(11,213)	(8,732)
Other expenses		(108)	(109)	(326)	(326)
Finance costs	5	(111)	(277)	(549)	(687)
(Loss) profit before taxation	6	(3,375)	(2,201)	(7,667)	(5,175)
Taxation credit (expense)	7	18	18	54	54
(Loss) profit for the period from operation		(3,357)	(2,183)	(7,613)	(5,121)
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) income for the period		(3,357)	(2,183)	(7,613)	(5,121)

		For the three months ended 31 December		For the nine months ended 31 December	
Notes		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
(Loss) profit for the period attributable to:					
	Owners of the Company	(3,355)	(2,184)	(7,607)	(5,118)
	Non-controlling interests	(2)	1	(6)	(3)
		<u>(3,357)</u>	<u>(2,183)</u>	<u>(7,613)</u>	<u>(5,121)</u>
Total comprehensive (expense) income for the period attributable to:					
	Owners of the Company	(3,355)	(2,184)	(7,607)	(5,118)
	Non-controlling interests	(2)	1	(6)	(3)
		<u>(3,357)</u>	<u>(2,183)</u>	<u>(7,613)</u>	<u>(5,121)</u>
		HK cents	HK cents (restated)	HK cents	HK cents (restated)
Loss per share					
	– Basic and diluted	<u>(0.47)</u>	<u>(0.3)</u>	<u>(1.06)</u>	<u>(0.71)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2020

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Share premium	Merger reserve	Share-based payment reserve	FVTOCI reserve	(Accumulated loss)		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
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	-	-	-	-	-	(7,607)	(6)	(7,613)
Fair value change of FVTOCI	-	-	-	-	(1,474)	-	-	(1,474)
Total comprehensive expense for the period	-	-	-	-	(1,474)	(7,607)	(6)	(9,087)
Share based payment expenses	-	-	-	1,849	-	-	-	1,849
Capital reduction	(44,374)	44,374	-	-	-	-	-	-
Rights issue	12,326	28,761	-	-	-	-	-	41,087
At 31 December 2020 (Unaudited)	17,256	639,707	(4,246)	4,816	(3,240)	(526,611)	(6)	127,676
At 1 April 2019 (Audited)	49,304	566,572	(4,246)	2,967	(653)	(499,149)	11	114,806
Loss for the period	-	-	-	-	-	(5,118)	(3)	(5,121)
Fair value change of FVTOCI	-	-	-	-	(582)	-	-	(582)
Total comprehensive expense for the period	-	-	-	-	(582)	(5,118)	(3)	(5,703)
At 31 December 2019 (Unaudited)	49,304	566,572	(4,246)	2,967	(1,235)	(504,267)	8	109,103

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

For the nine months ended 31 December 2020

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 2020 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 2020, 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 2020, except for the adoption of the new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 April 2020. 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	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue				
Trading of natural resources and commodities	4,300	6,280	24,265	25,259
Sale of consumer products	6,885	7,504	20,974	31,217
Fee and interest income from money lending	508	511	1,548	1,525
	<u>11,693</u>	<u>14,295</u>	<u>46,787</u>	<u>58,001</u>
Other income				
Bank interest income	–	1	1	2
Imputed interest income from loans to investees	404	527	1,212	1,582
Sundry income	213	126	539	542
	<u>617</u>	<u>654</u>	<u>1,752</u>	<u>2,126</u>

4. OTHER GAIN AND LOSSES, NET

	For the three months ended 31 December		For the nine months ended 31 December	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Change in fair value of held-for-trading investment	(162)	(478)	72	1,630
Net foreign exchange gain/(loss)	(50)	39	(65)	116
Realised gain/(loss) on disposal of financial assets at fair value through profit and loss	(3)	–	(804)	(3,803)
	<u>(215)</u>	<u>(439)</u>	<u>(797)</u>	<u>(2,057)</u>

5. FINANCE COSTS

	For the three months ended 31 December		For the nine months ended 31 December	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Interests on lease liability	11	21	39	70
Interests on other borrowings	16	96	108	138
Effective interests on bonds	84	160	402	479
	<u>111</u>	<u>277</u>	<u>549</u>	<u>687</u>

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	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	10,654	13,200	42,828	52,858
Depreciation of property, plant and equipment	617	431	1,846	1,332
Depreciation of right of use assets	311	349	1,080	1,035
Amortisation of intangible assets	109	109	327	327
Staff costs including directors' emoluments				
– Salaries, bonus and allowances	518	798	1,742	2,395
– Retirement benefit scheme contributions	27	26	81	85
– Share-based payments	–	–	1,849	–
	<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	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Tax credit (charge) comprise of:				
Current	–	–	–	–
Deferred tax credit (charge)	18	18	54	54
	<u>18</u>	<u>18</u>	<u>54</u>	<u>54</u>

No provision for tax has been made for the Group's discontinued operations for the period ended 31 December 2020 (2019: 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 2020 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 2020.

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	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Loss				
Loss for the purpose of basic and diluted loss per share	(3,355)	(2,184)	(7,607)	(5,118)
	<u>(3,355)</u>	<u>(2,184)</u>	<u>(7,607)</u>	<u>(5,118)</u>
Number				
Weighted average number of shares for the purpose of basic and diluted loss per share	'000	'000 (restated)	'000	'000 (restated)
	<u>719,019</u>	<u>719,019</u>	<u>719,019</u>	<u>719,019</u>

9. RELATED PARTY TRANSACTION

	As at 31 December 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Amount due to director	6,496	6,550

10. APPROVAL OF UNAUDITED CONSOLIDATED RESULTS

The unaudited consolidated results of the Group for the nine months ended 31 December 2020 were approved by the Board on 8 February 2021.

11. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the nine months ended 31 December 2020 (2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the nine months ended 31 December 2020, the Group recorded a revenue of HK\$46.8 million as compared to HK\$58.0 million in the same period in previous year representing a decrease of 19.3%. Such decrease was mainly due to the outbreak of Coronavirus Disease 2019 (“COVID-19”) epidemic in January 2020 in the PRC and the contagion of COVID-19 has spread worldwide. The Group also recorded a cost of sales of HK\$42.8 million as compared to HK\$52.9 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\$4.0 million as compared to HK\$5.1 million in the corresponding period last year, representing a decrease of 21.6%. The decrease was mainly due to the decrease in revenue resulting from the COVID-19.

The Group recorded other income of HK\$1.8 million (2019: HK\$2.1 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\$0.8 million as compared to net loss of HK\$2.1 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\$72,000 (2019: gain of HK\$1.6 million) and the realised loss on disposal of held for trading investments of approximately HK\$0.8 million (2019: HK\$3.8 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\$72,000 from change in fair value of such financial assets was recorded in the period whereas a net gain of HK\$1.6 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 nine months ended 31 December 2020 amounted to HK\$11.5 million (2019: HK\$9.1 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\$6.4 million in the same period in previous year on the same basis, which was mainly steadily during the period under review.

On the other hand, the Group incurred HK\$0.5 million in finance costs as compared to HK\$0.7 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\$7.6 million for the nine months ended 31 December 2020 as compared to a net loss of HK\$5.1 million in the corresponding period in 2019.

Business Review and Prospect

Coal Trading Business and Other Natural Resources and Commodities Trading Business

The Group's coal trading business was confirmed to dilute from 33.3% to 0.7% as a result of capital injection by other shareholders to Goldenbase. The Group continued and targeted 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 has affected the business of the Group. During the period, the Group continued to be engaged in the trading of crude palm oil and recorded a turnover of HK\$24.3 million as compared to HK\$25.3 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 although the financial figures had not reflected the true picture of MD which was mainly due to the outbreak of COVID-19 which results in a poor performance in 2020. The MD recorded a turnover of HK\$21.0 million (2019: HK\$31.2 million) for the period ended 31 December 2020. In 2020, MD continued to switch its resources 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. In October 2020, the right issue was completed and part of the use of proceed will be used in the sale of consumer products and trendy fashion merchandises. The Group believed that the funding from rights issue and the technical functions affiliate with well marketing strategies would add value to its merchandises and would facilitate an explosive growth of MD's business once the COVID-19 was being controlled.

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 (2019: 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 2020, 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\$0.7 million for the period under review (2019: net loss of HK\$2.2 million) which was composed of a realized loss of HK\$0.8 million (2019: loss of HK\$3.8 million) and unrealized gain of HK\$72,000 (2019: gain of HK\$1.6 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 2020, 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 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 2020 are set out below:

Name	Date of grant	Exercisable period	Exercise price per share (HK\$)	Number of options Outstanding			Exercised during the year	Outstanding as at 31 December 2020
				Outstanding as at 1 April 2019	Granted during the year	Lapsed during the year		
Directors:								
Ms. Lin Su	13 March 2019	13 March 2019 to 12 March 2021	0.26	2,731,707	-	-	-	2,731,707
	22 April 2020	22 April 2020 to 21 April 2021	0.18	-	2,805,928	-	-	2,805,928
Mr. Tse Sing Yu	13 March 2019	13 March 2019 to 12 March 2021	0.26	2,731,707	-	-	-	2,731,707
	22 April 2020	22 April 2020 to 21 April 2021	0.18	-	2,805,928	-	-	2,805,928
Employees	13 March 2019	13 March 2019 to 12 March 2021	0.26	10,239,770	-	-	-	10,239,770
	22 April 2020	22 April 2020 to 21 April 2021	0.18	-	22,447,422	-	-	22,447,422
Consultants	13 March 2019	13 March 2019 to 12 March 2021	0.26	7,679,752	-	-	-	7,679,752
				<u>23,382,936</u>	<u>28,059,278</u>	<u>-</u>	<u>-</u>	<u>51,442,214</u>
Exercisable at the end of the year				<u>23,382,936</u>				<u>51,442,214</u>

Notes:

- These share options are vested immediately upon the grant date.
- Ms. Lin Su and Mr. Tse Sing Yu were appointed as executive Directors on 30 September 2016.
- Adjustment has been made to the exercise price and the number of shares entitled to be subscribed as a result of the Right Issue.

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 2020.

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

As at 31 December 2020, 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		Total interests	Approximate percentage of total issued shares
	Number of Shares held	Share Options held		
Mr. Tse Sing Yu	–	5,537,635	5,537,635	0.77%
Ms. Lin Su	–	5,537,635	5,537,635	0.77%

Save as disclosed above, as at 31 December 2020, 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 2020 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 2020, 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 (other than the Directors and chief executive of the Company) 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.

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.

CAPITAL REDUCTION

Pursuant to a special resolution passed by the shareholders of the Company at the general meeting held on 31 January 2020 and an order given by the Grand Court of the Cayman Islands, each share with a par value of HK\$0.24 in the share capital of the Company was reduced from HK\$0.24 each to HK\$0.024 each by cancelling the paid-up capital of the Company to the extent of HK\$0.216 on each share with effect from 8 May 2020.

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 2020.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the nine months ended 31 December 2020 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 2020.

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 2020 have been reviewed by the Audit Committee.

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

Hong Kong, 8 February 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.