

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8269)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Reference is made to the annual report of Wealth Glory Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2022 (the “**Annual Report**”) published by the Company on 30 June 2022. Unless otherwise defined, terms used herein shall bear the same meanings as those defined in the Annual Report.

MONEY LENDING BUSINESS

In addition to the information disclosed in the section headed “**MONEY LENDING**” under “**MANAGEMENT DISCUSSION AND ANALYSIS**” in the Annual Report relating to the information of the money lending business of the Group, the Board wishes to provide additional information regarding such business during the year ended 31 March 2022 as set out in this announcement.

Business Model

The Group’s money lending business is managed through a wholly-owned subsidiary with money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group target to provide both secured or unsecured loans to different customers which included individuals and corporations mainly in Hong Kong and PRC. The source of customers is mainly past customers which consists of entrepreneurs and sizable enterprises or referrals by the directors. The source of funds for the money lending business is funded by the internal resources of the Group.

Major Terms of Loans Granted

As at 31 March 2022, the loan receivables were due from nine independent third parties. The interest rates of the loan receivables range from 6% to 12% per annum. All of the loan receivables are unsecured, of which the largest loan receivables of approximately HK\$3,300,000 and the five largest loan receivables represent 81.8% of the total loan receivables. The interest receivables arising from the unsecured loans are in the good standing and no occurrence on the default of interests. All loan receivables were repayable within twelve months from the end of the reporting period.

Loan Impairments

The Group will consider both general and specific provision on the impairment of the loan receivables. Specific provision will be considered when the customers are bankrupt, liquidation or any probably events which indicate the occurrence on the default of payments. In 2021, the economic downturn continued due to the continuation of the epidemic which may affect the repayment ability of the borrower, thus affecting the Group's expectation to each of the borrowers on their ability to repay their debts. Therefore, the Group considered that the default rate of each borrowers increased, thus general provision on the loan impairment was recognized due to the expected credit losses. Besides, the Group based on the borrowers' current financial status by communicating with the borrowers, referring to their past and current repayment records, loan terms, and the value of the collaterals, and will make further additional independent adjustments, to calculate the loan impairment for the year.

Internal Controls

The Group manages credit risk through review and credit approval and post-transaction monitoring processes. An independent credit risk assessment has been performed before granting the loans which including but not limited to the background check, income or asset proof of individual customers and financial reports of corporate customers. Besides, verification of the authenticity of the information will be performed. Upon the completion of credit assessment procedures, the Group will propose loan terms, which include loan size, loan tenure, interest rate, guarantee and collateral, with reference to the prime lending rate offered by commercial banks, prevailing interest rates offered by other money lending institutions in the market and internal credit risk rating of the borrowers and ensure that the Company complies with the Money Lenders Ordinance. The proposed loans will then be passed to the directors for review and approval.

The Company has also adopted the procedures on monitoring loan repayment and recovery which involve (a) finance department is required to submit management accounts to the board of directors of the Company and report on the financial and business performance quarterly; (b) finance department required to report the repayment status of all loans to the board of directors of the Company quarterly and report for any material defaulted loans immediately upon occurrence; In respect of overdue loans, the finance managers will proactively contact the borrowers to understand the reasons for overdue repayments and assess the repayment ability of the borrowers by considering factors including but not limited to the business, financial and economic conditions that may affect the repayment ability of the borrowers; actual and expected financial performance and cashflows of the borrowers; and probability of the borrowers entering into bankruptcy or other financial reorganisation. After assessing the repayment ability of the borrowers, the directors may choose to negotiate new repayment schedules with the borrowers if the underlying default risk is considered to be acceptable. In respect of delinquent loans with significant default risk, the standard demand letters will be issued. If no satisfactory response is received, formal legal demand letters will be issued. Thereafter formal legal proceedings may be issued where appropriate.

The above additional information does not affect other information contained in the Annual Report and save as disclosed above, all other information in the Annual Report remains unchanged.

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

Hong Kong, 17 October 2022

As at the date of this announcement, the Board comprises six 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 Stock Exchange's website at www.hkexnews.hk for seven days from the date of its publication and on the website of the Company at www.wealthglory.com.