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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)

2023 FIRST 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 three months ended 30 June 2023. This announcement, containing the full text of the 2023 First 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, 14 August 2023

As at the date of this announcement, the Board comprises four Directors, including one executive Directors, namely, Ms. Lin Su 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.

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 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 (the “Company”) 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 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: (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 condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 30 June 2023 together with the unaudited comparative figures for the corresponding period in 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2023

		For the three months ended 30 June	
	<i>Notes</i>	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Revenue	3	9,157	14,441
Cost of sales		(8,174)	(13,484)
		983	957
Gross profit			
Other income	3	–	64
Net loss on financial assets at fair value through profit or loss	4	(107)	(214)
Selling expenses		(361)	(448)
Administrative expense		(1,164)	(1,364)
Other expenses		–	–
Finance costs	5	(98)	–
		(747)	(1,005)
Loss before taxation	6		
Taxation credit	7	–	–
		(747)	(1,005)
Loss for the period			
Other comprehensive expense:			
Items that may be subsequently reclassified to profit or loss:			
– Exchange differences arising on translation of foreign operations		–	–
		(747)	(1,005)
Total comprehensive expense for the period		(747)	(1,005)

		For the three months ended 30 June	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
	<i>Notes</i>		
Loss for the period attributable to:			
Owners of the Company		(747)	(1,003)
Non-controlling interests		–	(2)
		<hr/>	<hr/>
		(747)	(1,005)
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive expense for the period attributable to:			
Owners of the Company		(747)	(1,003)
Non-controlling interests		–	(2)
		<hr/>	<hr/>
		(747)	(1,005)
		<hr/> <hr/>	<hr/> <hr/>
		HK cents	HK cents
Loss per share			
– Basic and diluted	<i>8</i>	0.08	0.14
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Attributable to owners of the Company					Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Share-based payment reserve HK\$'000	(Accumulated loss) HK\$'000			
At 1 April 2023 (Audited)	21,377	655,495	(4,246)	7,028	(638,091)	41,563	(33)	41,530
(Loss)/profit for the period	-	-	-	-	(747)	(747)	-	(747)
Total comprehensive (expense)/income for the period	-	-	-	-	(747)	(747)	-	(747)
Changes in equity for period	-	-	-	-	(747)	(747)	-	(747)
At 30 June 2023 (Unaudited)	21,377	655,495	(4,246)	7,028	(638,838)	40,816	(33)	40,783
At 1 April 2022 (Audited)	17,256	638,735	(4,246)	8,877	(612,589)	48,033	(27)	48,006
(Loss)/profit for the period	-	-	-	-	(1,003)	(1,003)	(2)	(1,005)
Exercise of share option	670	6,192	-	(1,839)	-	5,023	-	5,023
Lapse of share option	-	-	-	(10)	10	-	-	-
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	-
Changes in equity for period	670	6,192	-	(1,849)	(993)	4,020	-	4,020
At 30 June 2022 (Unaudited)	17,926	644,927	(4,246)	7,028	(613,582)	52,053	(29)	52,024

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

For the three months ended 30 June 2023

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 AND PREPARATION

The unaudited consolidated results for the three months ended 30 June 2023 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 2023, which have been prepared in accordance with HKFRSs.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Group. The adoption of these new and revised HKFRSs has no material effect on the unaudited condensed consolidated financial statements.

3. REVENUE AND OTHER INCOME

	For the three months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Revenue		
Trading of natural resources and commodities	–	2,300
Sale of consumer products	8,518	11,591
Fee and interest income from money lending	639	550
	<hr/>	<hr/>
	9,157	14,441
	<hr/> <hr/>	<hr/> <hr/>
Other income		
Bank interest income	–	–
Government grants	–	64
Sundry income	–	–
	<hr/>	<hr/>
	–	64
	<hr/> <hr/>	<hr/> <hr/>

4. NET LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the three months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Net realised loss on sale of financial assets measured at fair value through profit or loss	–	–
Net unrealised loss/(gain) on financial assets measured at fair value through profit or loss	107	214
	<hr/>	<hr/>
	107	214
	<hr/> <hr/>	<hr/> <hr/>

5. FINANCE COSTS

For the three months ended
30 June

	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Interests on lease liability	-	-
Interests on other borrowings	-	-
Effective interests on bonds	98	-
	<hr/>	<hr/>
	98	-
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6. LOSS BEFORE TAXATION

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

For the three months ended
30 June

	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Cost of inventories recognised as an expense	8,174	13,484
Depreciation of property and equipment	-	-
Depreciation of right of use assets	-	-
Amortisation of intangible assets	-	-
Staff costs including directors' emoluments		
- Salaries, bonus and allowances	569	555
- Retirement benefit scheme contributions	16	16
- Share-based payments	-	-
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7. TAXATION CREDIT

**For the three months ended
30 June**

	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Continuing operations		
Tax credit comprise of:		
Current	-	-
Deferred tax credit	-	-
	<hr/>	<hr/>
	-	-
	<hr/> 0	<hr/> 0

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 EIT was provided for the period ended 30 June 2023 as the Group did not generate any assessable profit arising from the PRC.

Hong Kong Profits Tax was calculated at 16.5% on the estimated assessable profits for the period ended 30 June 2023. No Hong Kong Profits Tax was provided for the period ended 30 June 2023 as the Group did not have assessable profit arising or derived from Hong Kong during the period.

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 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Loss		
Loss for the purpose of basic and diluted loss per share	(747)	(1,003)
	'000	'000
Number		
Weighted average number of shares for the purpose of basic and diluted loss per share	890,723	741,094

9. APPROVAL OF UNAUDITED CONSOLIDATED RESULTS

The unaudited consolidated results of the Group for the three months ended 30 June 2023 were approved by the Board on 14 August 2023.

10. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the three months ended 30 June 2023 (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the three months ended 30 June 2023, the Group's consolidated revenue decreased from HK\$14.4 million in the same period in previous year to HK\$9.2 million in this period under review, representing a 36.1% decrease. Such decrease was mainly due to no revenue was generated from the trading of natural resources and commodities as the cost of this segment has increased, thus the result of this segment is not favorable, it is better to switch the resources to others potential segments. The Group recorded an overall gross profit of HK\$1 million (2022: HK\$1 million).

No other income was recorded by the Group (2022: HK\$64,000) for the three month ended 30 June 2023 which mainly comprised government grants, dividend income from held-for-trading investments, interest generated from loan to an associate as well as imputed interest arising from loans to investees. The decrease was mainly due to the absence of government grants.

During the period under review, the Group continued to be engaged in investment in listed securities in Hong Kong. A net loss of HK\$0.1 million on financial assets on fair value through profit or loss was recorded in the period whereas a net loss of HK\$0.2 million on financial assets on fair value through profit or loss 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 three months ended 30 June 2023 amounted to HK\$1.2 million (2022: HK\$1.4 million). By excluding the major non-cash items in relation to amortization of intangible assets and depreciation charges in both periods, Operating Expenses for this period under review would have amounted to HK\$1.2 million as compared to HK\$1.4 million in the same period in previous year on the same basis, representing an decrease of 14.3%, the decrease was mainly due to the decrease in marketing expenses.

On the other hand, the Group recorded the finance cost of approximately HK\$98,000 (2022: nil) which was mainly composed of the imputed interest on bonds issued by the Group.

The Group recorded a net loss of HK\$0.7 million for the three months ended 30 June 2023 as compared to a net loss of HK\$1 million in the corresponding period in 2022. The decrease was mainly due to the decrease in marketing expenses.

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 June 2023, and the cost of this business has increased which made this business unfavourable. No turnover was recorded (2022: HK\$2.3 million). 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 continuance of COVID-19 which results in delay in expansion of this business. The MD recorded a turnover of HK\$8.5 million (2022: HK\$11.6 million) for the period ended 30 June 2023. 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 and the Group are optimistic with this business, confidence was built by the satisfaction with our differentiated products by the potential buyers. The Group is 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\$0.6 million (2022: HK\$0.6 million), which comprised the fee and interest income generated.

Investment in Listed Securities

During the three months ended 30 June 2023, the Group's investment continued to focus on listed securities in Hong Kong. The Group recorded a net loss in securities investments of HK\$0.1 million for the period under review (2022: net loss of HK\$0.2 million) which was composed of a realised loss of HK\$nil (2022: nil) and unrealised loss of HK\$0.1 million (2022: loss 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.

MATERIAL TRANSACTIONS

During the three months ended 30 June 2023, the Group did not have any material transactions.

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 27 September 2021 (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 three months ended 30 June 2023 are set out below:

Name	Date of grant	Exercisable period	Exercise price per share (HK\$)	Number of options Outstanding			Outstanding as at 30 June 2023	
				Outstanding as at 1 April 2023	Granted during the year	Exercised during the year		Lapsed during the year
Directors:								
Ms. Lin Su	30 March 2022	30 March 2022 to 29 March 2024	0.211	7,190,190	-	-	-	7,190,190
Employees	30 March 2022	30 March 2022 to 29 March 2024	0.211	64,711,710	-	-	-	64,711,710
				<u>71,901,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,901,900</u>
Exercisable at the end of the year				<u>71,901,900</u>				<u>71,901,900</u>

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 three months ended 30 June 2023.

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

As at 30 June 2023, 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 Option held	Total interests	Approximate percentage of total Issued shares
Ms. Lin Su	2,790,000	7,190,190	9,980,190	1.12%

Save as disclosed above, as at 30 June 2023, 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 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 three months ended 30 June 2023 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 June 2023, 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

As at 30 June 2023, 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 three months ended 30 June 2023.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the three months ended 30 June 2023 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 three months ended 30 June 2023.

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.

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.

The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Tam Chak Chi (the Chairman of the Audit Committee), Mr. Chan Ka Hung and Mr. Liu Yongsheng. The unaudited consolidated results of the Group for the three months ended 30 June 2023 have been reviewed by the Audit Committee.

By order of the Board
Wealth Glory Holdings Limited
Lin Su
Executive Director

Hong Kong, 14 August 2023

As at the date of this report, the Board comprises four Directors, including one executive Director, namely, Ms. Lin Su and three independent non-executive Directors, namely, Mr. Tam Chak Chi, Mr. Liu Yongsheng and Mr. Chan Ka Hung.