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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)**

### **PROPOSED CAPITAL REDUCTION OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARE**

The Company proposes to implement the Capital Reduction involving the reduction of the par value of each issued Shares from HK\$0.24 to HK\$0.024 by cancelling the paid up share capital to the extent of HK\$0.216 per issued Ordinary Share so that following such reduction, each issued Ordinary Share with a par value of HK\$0.024 in the share capital of the Company shall become one New Ordinary Share. The credit arising from the Capital Reduction will be applied towards offsetting the accumulated loss of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated loss of the Company. The balance of credit (if any) will be transferred to the distributable reserve account of the Company which may be utilised by the Directors as a distributable reserve.

Immediately following the Capital Reduction becoming effective, each authorised but unissued Ordinary Share will be sub-divided into 10 unissued New Ordinary Shares with a par value of HK\$0.024 each.

As at the date of this announcement, 416,666,666<sub>2/3</sub> Ordinary Shares have been issued and are fully paid or credited as fully paid. Assuming that the par value of each of the 205,434,000 issued Ordinary Shares will 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, the Company's existing issued share capital of HK\$49,304,160 will be reduced by HK\$44,373,744 to HK\$4,930,416.

The Capital Reduction and the Sub-division are conditional upon fulfillment of the conditions contained in the section headed "Conditions of the Capital Reduction and the Sub-division" in this announcement.

A circular containing, among other matters, details of the Capital Reduction and the Subdivision, together with a notice of EGM and the related proxy form, will be sent to the Shareholders on or before 8 January 2020.

## PROPOSED CAPITAL REDUCTION OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 416,666,666<sup>2/3</sup> Ordinary Shares, of which 205,434,000 Ordinary Shares have been issued and are fully paid or credited as fully paid. The Board proposes the Capital Reduction and the Sub-division to be implemented in the following manner:

- (i) 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;
- (ii) the credit arising from the Capital Reduction be applied towards offsetting the accumulated loss of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated loss of the Company. The balance of credit (if any) will be transferred to a distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate;
- (iii) 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; and
- (iv) each of the New Ordinary Shares arising from the Capital Reduction and Sub-division shall rank pari passu in all respects with each other and will have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reduction and the Sub-division become effective, the share capital structure of the Company will be as follows:

	As at the Date of this Announcement	Immediately after the Capital Reduction and the Sub-division becoming effective
Par value per Share	HK\$0.24	HK\$0.024
Amount of the authorised share capital		
– Ordinary Shares	HK\$100,000,000	HK\$100,000,000
Number of authorised shares		
– Ordinary Shares	416,666,666 <sup>2/3</sup>	4,166,666,666 <sup>2/3</sup>
Amount of the issued share capital	HK\$49,304,160	HK\$4,930,416
Number of issued shares	205,434,000	205,434,000
	Ordinary Shares	New Ordinary Shares

The size of each board lot of the New Ordinary Shares will remain the same as that of the Shares, being 10,000 New Ordinary Shares per board lot. The New Ordinary Shares will rank pari passu in all respects with each other.

As at the date of this announcement, 205,434,000 Ordinary Shares have been issued and are fully paid or credited as fully paid. Assuming that the par value of each of the 205,434,000 issued Ordinary Shares will 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, the Company's existing issued share capital of HK\$49,304,160 will be reduced by HK\$44,373,744 to HK\$4,930,416.

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 17,119,650 Shares under the Share Option Scheme. The Directors will determine, according to the rules of the Share Option Scheme, the adjustments (if any) required to be made in respect of the outstanding options as a result of the Capital Reduction and the Sub-division. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save for the aforesaid, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

### **Reasons for and Effects of the Capital Reduction and the Sub-division**

The proposed Capital Reduction and Sub-division will enable the par value of the Shares to be reduced from HK\$0.24 to HK\$0.024 each. The credit arising from the Capital Reduction will be applied towards offsetting the accumulated loss of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated loss of the Company. The balance of credit (if any) will be transferred to the distributable reserve account of the Company which may be utilised by the Directors as a distributable reserve.

The Board is of the opinion that the proposed Capital Reduction will give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future.

The Board considers that the Capital Reduction and Sub-division will enable the nominal or par value of the Shares to be reduced from HK\$0.24 to HK\$0.024 each, thus giving greater flexibility to the Company to issue new Shares in the future given that the Company is not permitted, without order of the Court, to issue new Shares below their nominal or par value. It is important for Shareholders to note that, at this stage, there can be no assurance that any dividends will be declared or paid in the future, or that the Company will issue New Ordinary Shares, even if the Capital Reduction and the Sub-division take effect.

The Company intends to conduct further fund raising exercises to improve the financial position of the Company in the coming 12 months should the opportunities arise. However, as at present, the Company has no agreement, arrangement, understanding or negotiation with any parties for any potential fund raising activities.

As such, the Directors are of the view that the Capital Reduction and the Sub-division are in the best interests of the Company and its Shareholders as a whole.

Save for applying the credit arising from the Capital Reduction towards offsetting the accumulated loss of the Company and the expenses to be incurred in relation to the Capital Reduction and the Sub-division, the Directors consider that the Capital Reduction and the Sub-division will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company.

### **Conditions of the Capital Reduction and the Sub-division**

The Capital Reduction and the Sub-division are conditional on the following conditions being fulfilled:

- (i) the Shareholders' approval by way of special resolution at the EGM to be convened and held to consider and, if thought fit, approve, among other things, the Capital Reduction and the Sub-division;
- (ii) an order being made by the Court confirming the Capital Reduction;
- (iii) compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (iv) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law with respect to the Capital Reduction; and
- (v) the Listing Committee granting the listing of, and permission to deal in, the New Ordinary Shares arising from the Capital Reduction and the Sub-division.

The Capital Reduction and the Sub-division will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reduction and the Sub-division at the EGM, the legal advisors to the Company (as to the Cayman Islands Law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and a further announcement will be made by the Company as soon as practicable after the Court hearing date(s) is confirmed.

### **Listing and Dealings**

Application will be made to the Listing Committee for the listing of, and permission to deal in, the New Ordinary Shares arising from the Capital Reduction and the Sub-division.

The New Ordinary Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the New Ordinary Shares on the Stock Exchange, the New Ordinary Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Ordinary Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### **Free Exchange of Certificates for New Ordinary Shares**

As the Court hearing date(s) has yet to be fixed, the effective date of the Capital Reduction is not ascertainable at present. Should the Capital Reduction and the Sub-division become effective, Shareholders may submit existing certificates for the Ordinary Shares to the registrar of the Company, Union Registrars Limited at 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for exchange, at the expense of the Company, within one month from the effective date of the Capital Reduction and the Sub-division, for certificates for the New Ordinary Shares. Details of such free exchange of share certificates will be announced as soon as the effective date of the Capital Reduction and the Sub-division is ascertained.

All existing certificates of the Ordinary Shares will continue to be evidence of title to such Ordinary Shares and be valid for delivery, trading and settlement purpose.

### **EXPECTED TIMETABLE**

Set out below is the expected timetable for the implementation of the Capital Reduction and Sub-division. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Capital Reduction and the Sub-division and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to the Hong Kong local times and dates.

Despatch date of circular with notice of the EGM. . . . . on or before Wednesday, 8 January 2020

Latest time for lodging share transfer in order to  
qualify for attending and voting at the EGM . . . . . 4:00 p.m. on Thursday, 23 January 2020

Closure of register of members for determining  
the entitlement to attend and vote at the EGM  
(both dates inclusive) . . . . . Friday, 24 January 2020 to  
Friday, 31 January 2020

Latest time for lodging forms of proxy  
for the EGM . . . . . 11:00 a.m. on Wednesday, 29 January 2020

Date and time of the EGM . . . . . 11:00 a.m. on Friday, 31 January 2020

Announcement of voting results of the EGM . . . . . Friday, 31 January 2020

**The following events are conditional on the results of the EGM and the approval from the Court and therefore the dates are tentative:**

Expected time of the Capital Reduction and  
the Sub-division . . . . . Before 9:00 a.m. on Friday, 29 May 2020

Commencement of dealing in the New Shares . . . . . 9:00 a.m. on Friday, 29 May 2020

First day of free exchange of existing share certificates  
for new share certificates for the New Shares . . . . . Monday, 1 June 2020

Last day for free exchange of existing share certificates  
for new share certificates for the New Shares . . . . . Friday, 3 July 2020

## **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Capital Reduction and the Sub-division. A circular containing, among other things, further details of the Capital Reduction and the Sub-division, together with a notice convening the EGM and the related proxy form, will be despatched by the Company to the Shareholders on or before 8 January 2020.

As no Shareholders have a material interest in the Capital Reduction and the Sub-division, no Shareholders will be required to abstain from voting on the resolutions to approve the Capital Reduction and the Sub-division.

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Capital Reduction”	the reduction of the issued share capital of the Company by reducing the par value of each issued Ordinary Share from HK\$0.24 to HK\$0.024 by cancelling the paid up share capital to the extent of HK\$0.216 per issued Ordinary Share



“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961), of the Cayman Islands as consolidated and revised
“Company”	Wealth Glory Holdings Limited ( 富譽控股有限公司 ) , a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Capital Reduction and Sub-division
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries (from time to time)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“New Ordinary Share(s)”	ordinary share(s) with par value of HK\$0.024 each in the share capital of the Company immediately following the Capital Reduction and the Sub-division becoming effective
“Ordinary Share(s)”	ordinary share(s) with par value of HK\$0.24 each in the share capital of the Company prior to the Capital Reduction and the Sub-division becoming effective
“Share(s)”	the ordinary share(s)
“Shareholder(s)”	the holder(s) of the Share(s)

“Share Option(s)”	share option(s) granted under the Share Option Scheme entitling the holders thereof to subscribe for Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted on 26 September 2010
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the sub-division of each authorised but unissued Ordinary Share into 10 unissued New Ordinary Shares
“%”	per cent

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

Hong Kong, 2 January 2020

*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](http://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](http://www.wealthglory.com).*