

FAMEGLOW HOLDINGS LIMITED

亮睛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8603



FIRST QUARTERLY
REPORT 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 “Director(s)”) of Fameglow Holdings Limited (the “Company”, together with its subsidiaries, the “Group” or “We”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 report 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 report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yip Chun Kwok Danny, MH
(Chairman)

Ms. Fu Chi Ching
(Chief Executive Officer)

Independent Non-executive Directors

Mr. Kwok David
Mr. Tan Pui Kwan
Mr. Yu Chi Wing

Audit Committee

Mr. Yu Chi Wing (Chairman)
Mr. Kwok David
Mr. Tan Pui Kwan

Remuneration Committee

Mr. Kwok David (Chairman)
Mr. Tan Pui Kwan
Ms. Fu Chi Ching

Nomination Committee

Mr. Yip Chun Kwok Danny, MH
(Chairman)
Mr. Kwok David
Mr. Yu Chi Wing

AUTHORISED REPRESENTATIVES

Mr. Yip Chun Kwok Danny, MH
Ms. Fu Chi Ching

COMPANY SECRETARY

Ms. Tam Tsz Yan

COMPLIANCE OFFICER

Ms. Fu Chi Ching

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
24/F., Shui On Centre
188 Lockhart Road
Wanchai, Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 304, Global Gateway Tower
63 Wing Hong Street
Cheung Sha Wan
Kowloon, Hong Kong

**PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE IN THE
CAYMAN ISLANDS**

Conyers Trust Company (Cayman)
Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

**HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER
OFFICE**

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd.
Hong Kong Branch
20 Pedder Street
Central, Hong Kong

COMPANY'S WEBSITE

www.fameglow.com

STOCK CODE

8603



FINANCIAL HIGHLIGHTS

Revenue of the Group for the three months ended 30 June 2022 amounted to approximately HK\$44.0 million (2021: approximately HK\$52.5 million).

The Group generated net profit of approximately HK\$1.0 million for the three months ended 30 June 2022 (2021: net profit of approximately HK\$5.1 million).

The board of directors (the “Board”) did not recommend a payment of dividend for the three months ended 30 June 2022 (2021: Nil).

The Board is pleased to report the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2022, together with the comparative unaudited figures for the corresponding period in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2022

	NOTES	Three months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	43,956	52,459
Cost of inventories and consumables		(7,131)	(7,828)
Other income	6	2,330	147
Staff costs		(16,294)	(16,651)
Rental and related expenses		(1,485)	(754)
Depreciation of property, plant and equipment		(6,078)	(3,944)
Depreciation of right-of-use assets		(3,769)	(6,068)
Other expenses		(9,368)	(10,466)
Finance costs		(1,004)	(1,300)
Profit before taxation	5	1,157	5,595
Taxation	7	(148)	(468)
Profit and total comprehensive income for the period		1,009	5,127
Earnings per share — Basic (HK cents)	9	0.13	0.64

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 JUNE 2022

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1 April 2022 (audited)	8,000	64,107	(21,026)	(47,949)	3,132
Profit and total comprehensive income for the period (unaudited)	-	-	-	1,009	1,009
As at 30 June 2022 (unaudited)	8,000	64,107	(21,026)	(46,940)	4,141
As at 1 April 2021 (audited)	8,000	64,107	(21,026)	(39,171)	11,910
Profit and total comprehensive income for the period (unaudited)	-	-	-	5,127	5,127
As at 30 June 2021 (unaudited)	8,000	64,107	(21,026)	(34,044)	17,037

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 2 March 2018 under the Companies Law Chapter 22 of the Cayman Islands. The shares of the Company (the “Shares”) were listed on GEM of the Stock Exchange on 15 October 2018 (the “Listing”). The immediate holding company of the Company is Equal Joy Holdings Limited (“Equal Joy”), which is incorporated in the British Virgin Islands (“BVI”), and is 50% and 50% owned by Ms. Fu Chi Ching (“Ms. Fu”) and Mr. Yip Chun Kwok Danny (“Mr. Yip”), spouse of Ms. Fu (Mr. Yip together with Ms. Fu collectively known as the “Controlling Shareholders”). The addresses of the registered office and the principal place of business of the Company are disclosed in the section headed “Corporate Information” of this report.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the provision of treatment services and sale of skincare products in Hong Kong. The condensed consolidated financial statements are presented in Hong Kong Dollar (“HK\$”) which is also the functional currency of the Company and its principal subsidiaries.

2. BASIS OF PREPARATION

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

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) mandatorily effective since 1 April 2022 for the Group, the significant accounting policies used in the preparation of these condensed consolidated financial statements for the three months ended 30 June 2022 are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 March 2022.

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial statements for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current period, which has no material impact on the Group.

4. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the net amounts received and receivable arising from the provision of treatment services, sales of skincare products and the provision of training services in Hong Kong.

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from the provision of treatment services	42,765	51,389
Sale of skincare products	234	213
Revenue from expiry of prepaid treatments	872	758
Revenue from the provision of training services	85	99
	43,956	52,459

Segment information

The financial information reported to the executive directors of the Company, being the chief operating decision maker ("CODM") for the purpose of resources allocation and performance assessment, the CODM reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies. Accordingly, the Group has one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

5. PROFIT BEFORE TAXATION

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging:		
Directors' remuneration	1,779	1,059
Other staff costs:		
— Salaries, wages, commission, bonuses and allowances	14,091	15,161
— Retirement benefit scheme contribution	424	431
Total staff costs	16,294	16,651
Consultancy fee for doctors (included in other expenses)	1,884	1,625
Marketing and promotion expenses (included in other expenses)	3,984	4,677
Depreciation of property, plant and equipment	6,078	3,944
Depreciation of right-of-use assets	3,769	6,068
Rental and related expenses	1,485	754

6. OTHER INCOME

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies	2,186	–
Interest income from rental deposit	90	92
Others	54	55
	<hr/>	<hr/>
	2,330	147

7. TAXATION

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax:		
Current tax	–	–
Deferred tax charge	148	468
	<hr/>	<hr/>
Income tax charge	148	468

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduced 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\$2,000,000 of profits of qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the three months ended 30 June 2022 and 2021, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2,000,000 of that subsidiary. The profits of other group entities not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

8. DIVIDEND

The Board did not recommend a payment of dividend for the three months ended 30 June 2022 (2021: Nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period for the purposes of basic earnings per share	1,009	5,127

	Three months ended 30 June	
	2022	2021
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	800,000	800,000

No diluted earnings per share for both periods was presented as there were no potential ordinary shares in issue during both periods.

10. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of key management personnel during the three months ended 30 June 2022 and 2021, respectively were as follows:

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	1,770	1,596
Post-employment benefits	9	14
	1,779	1,610

11. SUBSEQUENT EVENTS

After the COVID-19 outbreak in the second half year of 2021, a series of precautionary and strict control measures have been continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, cash flows and operating results at the date on which these consolidated financial statements are authorised for issue. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact to the financial position and operating results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a medical aesthetic service provider in Hong Kong and operates medical aesthetic centres in prime locations of Causeway Bay, Tsim Sha Tsui, Mong Kok and Central providing non-surgical medical aesthetic services. We strive to provide holistic treatment solutions to our clients through our non-surgical medical aesthetic services, traditional beauty services and sale of skincare products to help our clients maintain and enhance their skin conditions and physical appearance.

The outlook of the medical aesthetic services industry remains optimistic with market demand growing fast in recent years, owed mainly to the increasing affordability and public acceptance of related services.

In order to seize the opportunity created by increasing customer demands, we expanded our operation scale by opening several new centres. In May 2021 and June 2022, we have launched a new flagship centre in Mong Kok and a prime new centre in Tsim Sha Tsui, respectively to facilitate the continuous growth of our business. The Group believes that the expansion will enable us to deepen our market penetration in Hong Kong and improve our Group's profitability. The Group will also take advantage of its enlarging geographical presence to attract new and more diverse customers. Along with the strategic expansion of its medical aesthetic centre network, the Group will sharpen its competitive advantage by extending the spectrum of our treatment services offered.

However, for the three months ended 30 June 2022, the business environment in Hong Kong was adversely affected by the Coronavirus Disease 2019 ("COVID-19") pandemic, the Group's revenue amounted to approximately HK\$44.0 million, representing a decrease of approximately HK\$8.5 million or 16.2% as compared with the corresponding period of 2021. Profit for the period amounted to approximately HK\$1.0 million, while profit for the corresponding period amounted to approximately HK\$5.1 million. It was primarily attributable to the decrease in revenue as a result of the fact that the medical aesthetic centres of the Group were compulsory closed for certain period due to the outbreak of COVID-19 during the current period while there was no such impact during the corresponding period of 2021.

PROSPECTS

Despite the COVID-19 pandemic is still causing uncertainties to the business environment, the local economy has started on the path of recovery. As such, the outlook of medical aesthetic services remains positive and the Group will closely monitor the market conditions and will intensify its response and elaborate sustainable development strategies to capture opportunities under the current environment.

Nevertheless, the Group is confident of its capability to deliver quality service to our clients. Moving forward, the Group will apply its strengths, build on its solid customer base and established reputation to deliver stable business development and maximise the shareholders' value.

FINANCIAL REVIEW

Revenue

The revenue of the Group amounted to approximately HK\$44.0 million and approximately HK\$52.5 million for the three months ended 30 June 2022 and 2021 respectively which represented a decrease of approximately HK\$8.5 million or 16.2% as compared with the corresponding period of 2021. The decrease was primarily attributable to the fact that the medical aesthetic centres of the Group were compulsorily closed for certain period due to the outbreak of COVID-19 during the current period while there was no such impact during the corresponding period of 2021.

Cost of inventories and consumables

Cost of inventories and consumables amounted to approximately HK\$7.1 million and HK\$7.8 million for the three months ended 30 June 2022 and 2021 respectively. The decrease was in line with the decline in revenue.

Other income

Other income amounted to approximately HK\$2.3 million and HK\$0.1 million for the three months ended 30 June 2022 and 2021 respectively. The increase in other income was mainly attributable to the government subsidies granted under the anti-epidemic fund during the current period.

Staff costs

Staff costs amounted to approximately HK\$16.3 million and HK\$16.7 million for the three months ended 30 June 2022 and 2021 respectively. The decrease in staff costs was mainly due to the business of the Group has been closed compulsory for certain period due to the outbreak of COVID-19 during the current period.

Rental and related expenses

Rental and related expenses amounted to approximately HK\$1.5 million and HK\$0.8 million for the three months ended 30 June 2022 and 2021 respectively, which comprised of management fees, rates and government rent and license fees for our medical aesthetic centres.

Depreciation of property, plant and equipment

Depreciation expenses amounted to approximately HK\$6.0 million and HK\$3.9 million for the three months ended 30 June 2022 and 2021 respectively. The increase was mainly due to the additions of the property, plant and equipment such as leasehold improvements and treatment devices.

Depreciation of right-of-use assets

The Group recorded depreciation of right-of-use assets of approximately HK\$3.8 million and HK\$6.1 million for the three months ended 30 June 2022 and 2021 respectively. The decrease was mainly due to certain rental concessions was granted for leases of medical aesthetic centres during the period.

Other expenses

The breakdown of the other expenses is as follows:

	Three months ended	
	30 June	
	2022	2021
	HK\$'000	HK\$'000
Marketing and promotion expenses	3,984	4,677
Card Commission	1,097	1,198
Consultancy fees to doctors	1,884	1,625
Professional fees	304	440
Repair and maintenance fees	625	674
Others	1,474	1,852
	9,368	10,466



Other expenses amounted to approximately HK\$9.4 million and HK\$10.5 million for the three months ended 30 June 2022 and 2021 respectively, which mainly represented consultancy fee to doctors, card commission expenses, marketing and promotion expenses and other operating and administrative expenses. The decrease was primarily due to the decrement in promotional campaigns such as outdoor advertising and advertising on various social media platforms.

Profit/(loss) for the period

The Group generated a net profit of approximately HK\$1.0 million for the three months ended 30 June 2022 (2021: net profit of approximately HK\$5.1 million). This was mainly due to the fact that the medical aesthetic centres of the Group were compulsory closed for certain period due to the outbreak of COVID-19 during the current period while there was no such impact during the corresponding period of 2021.

Dividend

The Board did not recommend a payment of dividend for the three months ended 30 June 2022 (2021: Nil).

Capital commitment

As at 30 June 2022, the Group did not have any material capital commitment (2021: Nil).



CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “Shareholders”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the three months ended 30 June 2022 and up to the date of this report. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he has complied with the required standard of dealings for the three months ended 30 June 2022.

AUDIT COMMITTEE AND REVIEW OF THE FIRST QUARTERLY RESULTS

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee comprises three members, namely Mr. Yu Chi Wing (Chairman), Mr. Kwok David and Mr. Tan Pui Kwan, all of them are independent non-executive Directors. The Audit Committee has reviewed with the management the accounting policies and practices adopted by the Group and discussed with the management internal control and financial reporting matters of the Company, including the review of the unaudited condensed consolidated results of the Group for the three months ended 30 June 2022 and the first quarterly report. The Audit Committee is of the opinion that the unaudited condensed consolidated results of the Group for the three months ended 30 June 2022 comply with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosure has been made.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the three months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were 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 taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

Long position in the shares of the Company:

Name of director/ chief executive	Capacity/Nature of interest	Number of Shares held (Note i)	Percentage of shareholding
Mr. Yip	Interest in controlled corporation (Note ii)	600,000,000 (L)	75%
Ms. Fu	Interest in controlled corporation (Note ii)	600,000,000 (L)	75%

Notes:

- (i) The letter "L" denotes the person's long position in the relevant Shares.
- (ii) All the issued shares of Equal Joy are legally and beneficially owned as to 50% by each of Mr. Yip and Ms. Fu. Accordingly, they are deemed to be interested in the 600,000,000 Shares held by Equal Joy by virtue of the SFO. Mr. Yip, Ms. Fu and Equal Joy together are a group of Controlling Shareholders of the Company.

Save as disclosed above, as at 30 June 2022, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are 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 they were taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which shall be, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, to the knowledge of the Directors, the following persons/entities (other than the Directors or chief executive of the Company) who had or were deemed to have interests or short positions in the shares or underlying shares of the Company 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of Shares held (Note i)	Percentage of shareholding
Equal Joy	Beneficial owner (Note ii)	600,000,000 (L)	75%

Notes:

- (i) The letter "L" denotes the person's long position in the relevant Shares.
- (ii) All the issued shares of Equal Joy are legally and beneficially owned as to 50% by each of Mr. Yip and Ms. Fu. Mr. Yip, Ms. Fu and Equal Joy together are a group of controlling shareholders of the Company.



Save as disclosed above, as at 30 June 2022, the Directors were not aware of any other persons/entities (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

In order to incentivise and/or recognise and acknowledge the contributions that eligible persons have made or may make to the Group, the Company adopted the share option scheme pursuant to written resolutions of the Shareholders passed on 21 September 2018 (the “Share Option Scheme”). The Board may, at its discretion, offer to grant an option to any eligible persons.

Unless terminated by the Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing from the date of adoption.

The purpose of the Share Option Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons’ contribution to further advance the interests of the Group. The terms of the Share Option Scheme are in accordance with provisions of Chapter 23 of GEM Listing Rules.

No option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption. The Company did not have any outstanding share options, warrants, derivatives or securities which are convertible or exchangeable into Shares as at 30 June 2022 and up to the date of this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this first quarterly report, at no time during the three months ended 30 June 2022 and up to the date of this report was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the three months ended 30 June 2022 and up to the date of this report, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group and which requires disclosure pursuant to Rule 11.04 of GEM Listing Rules.

By Order of the Board
Fameglow Holdings Limited
Mr. Yip Chun Kwok Danny, MH
Chairman and Executive Director

Hong Kong, 12 August 2022

As at the date of this report, the executive Directors are Mr. Yip Chun Kwok Danny, MH and Ms. Fu Chi Ching; and the independent non-executive Directors are Mr. Tan Pui Kwan, Mr. Kwok David and Mr. Yu Chi Wing.