

WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8269)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

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 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.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Wealth Glory Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended 31 March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	32,265	48,179
– Goods and service		30,364	45,717
– Interest		1,901	2,462
Cost of sales		(29,674)	(43,445)
Gross profit		2,591	4,734
Other income	5	–	82
Other losses	6	(59)	(354)
Provision for impairment losses of financial assets at amortised cost, net of reversal	7	(15,826)	(12,001)
Selling expenses		(1,523)	(1,988)
Administrative expenses		(15,503)	(15,712)
Loss from operations		(30,320)	(25,239)
Finance costs	8	(390)	(274)
Loss before taxation		(30,710)	(25,513)
Taxation		–	(5)
Loss and total comprehensive expense for the year		(30,710)	(25,518)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		(30,704)	(25,512)
Non-controlling interests		(6)	(6)
		(30,710)	(25,518)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
Basic and diluted	10	(3.45)	(3.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current asset			
Intangible assets		<u>13</u>	<u>324</u>
Current assets			
Inventories		583	3,625
Financial assets at fair value through profit and loss (“FVTPL”)		308	366
Trade receivables	<i>11</i>	17,850	28,778
Loans receivables	<i>12</i>	22,034	26,320
Prepayments, deposits and other receivables		10,752	14,115
Prepaid tax		2	2
Cash and cash equivalents		<u>6,229</u>	<u>6,319</u>
		<u>57,758</u>	<u>79,525</u>
Current liabilities			
Trade payables	<i>13</i>	3,850	946
Accruals and other payables		<u>36,827</u>	<u>31,099</u>
		<u>40,677</u>	<u>32,045</u>
Net current assets		<u>17,081</u>	<u>47,480</u>
Total assets less current liabilities		<u>17,094</u>	<u>47,804</u>
Non-current liability			
Bond		<u>6,274</u>	<u>6,274</u>
Net assets		<u>10,820</u>	<u>41,530</u>
Capital and reserves			
Share capital		21,377	21,377
Reserves		<u>(10,518)</u>	<u>20,186</u>
Equity attributable to owners of the Company		10,859	41,563
Non-controlling interests		<u>(39)</u>	<u>(33)</u>
Total equity		<u>10,820</u>	<u>41,530</u>

NOTES:

1. GENERAL INFORMATION

Wealth Glory Holdings Limited (the “**Company**”) is incorporated in the Cayman Islands with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company are disclosed in Corporate Information section to the annual report.

The Company acts as an investment holding company. The Group is principally engaged in the trading of natural resources and commodities; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; investment in securities; and money lending business.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Impacts on application of amendments to HKAS 1 and HKFRS practice statement 2 disclosure of accounting policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

Except for disclosed above, the application of other new and amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ effective for annual periods beginning on or after 1 January 2024.

² effective for annual periods beginning on or after 1 January 2025.

³ to be determined.

The directors anticipate that the application of all the above amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance and Basis of Preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold and services provided by the Group, net of discounts and sales related taxes for both years.

Revenue by product type is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Natural Resources and Commodities	–	10,400
Trading of Consumer Products	30,364	35,317
Money Lending	1,901	2,462
	<u>32,265</u>	<u>48,179</u>

Segment revenue and results

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers (the "CODM"), for the purposes of resource allocation and performance assessment.

During the year ended 31 March 2024, the Group's reportable and operating segments are as follows:

- (a) the natural resources and commodities business segment engaged in the trading of natural resources and commodities including but not limited to iron ore concentrate, coal and crude palm oil etc. ("**Trading of Resources and Commodities**");
- (b) the trading of trendy fashion merchandises and others consumer products ("**Trading of Consumer Products**");
- (c) interest income from the money lending business ("**Money Lending**"); and
- (d) the investments in securities in Hong Kong ("**Securities Investment**").

The following is an analysis of the Group's revenue and results by operating and reportable segment.

	2024				
	Trading of Resources and Commodities	Trading of Consumer Products	Money Lending	Securities Investment	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue					
External	<u>–</u>	<u>30,364</u>	<u>1,901</u>	<u>–</u>	<u>32,265</u>
Timing of revenue recognition					
At a point of time	<u>–</u>	<u>30,364</u>	<u>–</u>	<u>–</u>	<u>30,364</u>
Segment results	<u>(6,854)</u>	<u>(7,187)</u>	<u>(2,408)</u>	<u>(59)</u>	<u>(16,508)</u>
Reconciliation:					
Unallocated corporate expenses					(13,812)
Unallocated finance costs					<u>(390)</u>
Loss before taxation					<u>(30,710)</u>

	2023				
	Trading of Resources and Commodities <i>HK\$'000</i>	Trading of Consumer Products <i>HK\$'000</i>	Money Lending <i>HK\$'000</i>	Securities Investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
External	<u>10,400</u>	<u>35,317</u>	<u>2,462</u>	<u>–</u>	<u>48,179</u>
Timing of revenue recognition					
At a point of time	<u>10,400</u>	<u>35,317</u>	<u>–</u>	<u>–</u>	<u>45,717</u>
Segment results	<u>(6,830)</u>	<u>(4,633)</u>	<u>(4,289)</u>	<u>(354)</u>	<u>(16,106)</u>
Reconciliation:					
Unallocated corporate income					82
Unallocated corporate expenses					(9,215)
Unallocated finance costs					<u>(274)</u>
Loss before taxation					<u>(25,513)</u>

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment profit/(loss) represents the (loss)/profit earned suffered by each segment without allocation of unallocated corporate income, corporate expenses and certain finance costs. This is the measure reported to the Group's CODM for the purpose of resource allocation and performance assessment. The CODM only focuses on monitoring segment performances without reviewing segment assets and liabilities. Accordingly, no segment assets and segment liabilities are presented.

5. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Government grants	–	65
Others	<u>–</u>	<u>17</u>
	<u>–</u>	<u>82</u>

During the year ended 31 March 2023, the Group recognised government grants of Covid-19 related subsidies, of which all related to Employment Support Scheme provided by the Hong Kong Government.

6. OTHER LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss from changes in fair value on financial assets at FVTPL	<u>59</u>	<u>354</u>

7. PROVISION FOR IMPAIRMENT LOSSES OF FINANCIAL ASSETS AT AMORTISED COST, NET OF REVERSAL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Impairment loss provided on trade receivables	9,598	6,968
Impairment loss provided on other receivables	1,919	93
Impairment loss provided on loans receivables	4,309	4,940
	<u>15,826</u>	<u>12,001</u>

8. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Effective interests on bonds	<u>390</u>	<u>274</u>

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	630	590
Cost of inventories recognised as an expense	29,674	43,445
Expenses related to short-term leases	67	214
Impairment loss on intangible assets	311	–
Staff costs including directors' emoluments		
– Salaries and benefits in kind	1,985	2,054
– Contributions to retirement benefits schemes	73	56
	<u>2,058</u>	<u>2,110</u>
Total staff costs	<u>2,058</u>	<u>2,110</u>

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company for the year is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company		
Loss for the purposes of basic and diluted loss per share	<u>(30,704)</u>	<u>(25,512)</u>
	2024 <i>'000</i>	2023 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>890,723</u>	<u>815,278</u>

No diluted earnings per share for the year ended 31 March 2024 was presented as there were no potential ordinary shares in issue for the year ended 31 March 2024.

The computation of diluted loss per share for the year ended 31 March 2023 do not assume the exercise of the Company's share options since their assumed conversion would result in a decrease in loss per share.

11. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	35,650	36,980
Less: Impairment allowance	<u>(17,800)</u>	<u>(8,202)</u>
	<u>17,850</u>	<u>28,778</u>

The Group allows an average credit period of 30 days to its customers from Trading of Consumer Products business for both years. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. An ageing analysis of the trade receivables, net of allowance of credit loss presented based on the invoice date (which is approximately the revenue recognition date) at the end of the reporting period is presented below.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-90 days	4,806	1,575
91-180 days	4,043	8,450
181-365 days	–	828
366-540 days	1,183	16,465
541-730 days	7,818	1,460
	<u>17,850</u>	<u>28,778</u>

12. LOANS RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Unsecured fixed-rate loans receivables	30,825	32,511
Less: Impairment allowance	(8,791)	(6,191)
	22,034	26,320

The exposure of the Group's fixed-rate loans receivables to interest rate risks and their contractual maturity dates are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	22,034	23,496
One to two years	–	2,824
	22,034	26,320

The Group seeks to apply strict control over its outstanding loans receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The loans receivables had contractual maturity dates between one months to eight months as at 31 March 2024 (2023: six months to thirteen months). The interest rate for the fixed-rate loans receivables was ranged from 6% to 12% (2023: 6% to 12%) per annum.

13. TRADE PAYABLES

The following is an ageing analysis of trade payable presented based on the invoice date at the end of the reporting period.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-90 days	2,904	–
91-180 days	–	–
181-365 days	–	946
Over 365 days	946	–
	3,850	946

The credit period ranged from 90 days to 120 days.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 March 2024, the Group's operations recorded a revenue of HK\$32.3 million as compared to HK\$48.2 million in the previous year, representing a decrease of 33%. The decrease was mainly attributable to the Group did not engage in natural resources and commodities trading business in 2024 as it is not a good timing in engaging this business as the macro environment in trading of natural resources was not favor which may due to the potential global issues and the potential war crisis. The money lending business also contributed HK\$1.9 million (2023: HK\$2.5 million) to the Group's revenue during the year. The Group's gross profit in relation to its operations decreased from HK\$4.7 million in last year to HK\$2.6 million in the current year under review. The decrease in gross profit is in line with the decrease in revenue.

The Group recorded no other income for the year ended 31 March 2024 (2023: HK\$82,000). The decrease was mainly attributable to the absence of government grants received.

Other gains and losses recorded during the year was a net loss of HK\$0.06 million (2023: net loss of HK\$0.4 million). The decrease was resulting from the decrease in loss from changes in fair value on financial assets at FVTPL from approximately loss of HK\$0.4 million to loss of approximately HK\$0.06 million.

Administrative expenses and other expenses (the "**Operating Expenses**") incurred for the year ended 31 March 2024 amounted to HK\$15.5 million (2023: HK\$15.7 million). After excluding the major non-cash items in relation to amortisation of intangible assets, depreciation charges, bad debts and the share-based payments, Operating Expenses for this year would have amounted to HK\$15.5 million as compared to HK\$15.7 million in the previous year on the same basis, representing a slightly decrease of 1.3% which was mainly attributable to the decrease in expenses incurred during the year.

The Group incurred finance costs for the year ended 31 March 2024 amounted to HK\$0.4 million (2023: HK\$0.3 million) which was mainly composed of imputed interest on bonds issued by the Group.

The Group recorded a loss attributable to owners of the Company of approximately HK\$30.7 million for the year as compared the amount in 2023 of approximately HK\$25.5 million, representing an increase of HK\$5.2 million. Such increase was mainly due to the increase in provision for impairment losses of financial assets of approximately HK\$3.8 million.

BUSINESS REVIEW

During the year ended 31 March 2024, the Group's business was organised in four segments namely (i) Natural Resources and Commodities; (ii) Branding, Trendy Fashion Merchandise and Other Consumers Products; (iii) Money Lending; and (iv) Securities Investment.

Natural Resources and Commodities

Natural Resources and Commodities Trading Business

During 2023, there is not a good timing in engaging this business as the macro environment in trading of natural resources was not favor which may due to the potential global issues and the potential war crisis. The Group switched more resources to the sales of consumer products and trendy fashion merchandises segment which has a great potential on its business performance. During the year ended 31 March 2024, the Group did not engage in the trading of crude palm oil via its wholly-owned subsidiary during 2023 (2023: HK\$10.4 million). The Group will continue monitoring the business environment and conditions and start engaging the business when appropriate.

Branding, Trendy Fashion Merchandise and Others Consumer Products

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 Group is optimistic with this business although the financial figures had not reflected the true picture of MD. The MD recorded a turnover of HK\$30.4 million (2023: HK\$35.3 million) for the year ended 31 March 2024. MD continued to sales of trendy fashion merchandises and other consumer products of favorable brands and own branded products. Besides, 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. MD had also approached and cross designed with several favorable brands, like Thermos.



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. MD also tried another ways to increase the brand awareness such as placing advertisements on internet. MD continue to develop different somatosensory games and will 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 expansion this business, MD started to increase the sale channels in department stores such as AEON, WingOn, Sincere and YATA and provide a flexible credit terms to customers to attract the dealers and maximise the profit.



MD Group has resumed operations while the Group are optimistic with this business, confidence was built by the satisfaction with our differentiated products by the potential buyers. The Group believed that MD's business will resume as normal and looking forward to the expansion of the business.

The Group will stay alert on the effects from potential global issues and local social incidents, continue to assess its impacts on the financial position and operating results of the Group and take necessary actions to mitigate its business risk. Up to the date of this report, the aforesaid assessment is still in progress.

The Group intended to expand this business. The Group believed that the technical functions affiliate with well marketing strategies would add value to its merchandises and would facilitate an explosive growth of MD's business including the growth in revenue and margins as the high-tech differentiated products can contribute higher profit margin.

Money Lending

The Group's money lending business recorded a revenue of HK\$1.9 million (2023: HK\$2.5 million), which comprised 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.

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 2024, the loan receivables were due from sixteen 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\$4,000,000 and the five largest loan receivables represent 55.6% 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 2023, the economic downturn continued 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 commercials 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.

Securities Investment

During the year, 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\$0.06 million for the year ended 31 March 2024 (2023: net loss of HK\$0.4 million) which was composed of no loss on disposal of financial assets at FVTPL (2023: nil) and a loss from changes in fair value on financial assets at FVTPL of HK\$0.06 million (2023: loss of HK\$0.4 million). As at 31 March 2024, the Group held an investment portfolio with fair value of HK\$0.3 million (31 March 2023: HK\$0.4 million). There was no dividend income generated for the year ended 31 March 2024.

The local securities market remained volatile during the year. 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.

Financial Position

Net assets value of the Group as at 31 March 2024 amounted to HK\$10.8 million compared to HK\$41.5 million as at 31 March 2023. The decrease was mainly due to the provision for impairment losses on financial assets at amortised cost of approximately HK\$15.8 million and increase in trade payables and accruals and other payables of approximately HK\$3 million and HK\$5.8 million respectively.

The non-current assets of the Group as at 31 March 2024 was HK\$13,000. (31 March 2023: HK\$324,000)

Net current assets as at 31 March 2024 amounted to HK\$17.1 million as compared to HK\$47.5 million in the previous year. The decrease was mainly attributable to the provision for impairment losses on financial assets at amortised cost and increase in accruals and other payable.

Liquidity and Financial Resources

The Group's gearing ratio as at 31 March 2024 was 36.7% (2023: 13.1%). The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total of promissory note, bonds, bank overdraft and bank and other borrowings. The current ratio (ratio of

current assets to current liabilities) of the Group as at 31 March 2024 was approximately 1.4 (2023: 2.5) which has decreased as compared to the previous year which is resulting from the decrease in receivables due to the increase in provision of impairment losses on financial assets at amortised cost.

As at 31 March 2024, no banking facilities available to the Group (2023: Nil).

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year, the Group did not have other material acquisitions and disposals of subsidiaries and affiliated companies.

Significant Investments

As at 31 March 2024, the Group's held-for-trading investments amounted to HK\$0.3 million represented were equity investments listed in Hong Kong. Details of the significant investments are as follows:

Company Name	Fair value change <i>HK\$'000</i>	Fair value at 31 March 2024 <i>HK\$'000</i>	Approximate percentage of held-for-trading investment	Approximate percentage to the Group's total asset as at 31 March 2024
Echo International Holdings Group Limited	(11)	62	20.1	0.1%
HMVOD Limited	40	191	62.0	0.33%
Other securities with individual fair value less than 5% of the aggregate held-for-trading investment as at 31 March 2024	(88)	55	17.9	0.1%
	<u>(59)</u>	<u>308</u>	<u>100.0</u>	<u>0.53%</u>

At 31 March 2024, the Group held (i) approximately 0.4 million shares (approximately 0.05%) of Echo International Holdings Group Limited, (ii) approximately 0.2 million shares (approximately 0.17%) of HMVOD Limited. All companies were listed on the Hong Kong Stock Exchange. Hong Wei (Asia) Holdings Group Limited is principally engaged in manufacturing and selling of particleboards in the PRC timber logging, plantation and sales of timber woods and agricultural products in the PRC. Echo International Holdings Group Limited is principally engaged in manufacturing and trading of electronic products and accessories. HMVOD Limited is principally engaged in provision of over-the-top (“OTT”) services and professional services. The investment cost of Echo International Holdings Group Limited and HMVOD Limited is HK\$7.5 million and HK\$0.6 million respectively. The Group adopted a passive investment strategy for the investments and maintain a diversified investment portfolio to mitigate risks. Except the significant investments disclosed above, there was no investment held by the Group of which the value was more than 5% of the total assets of the Group.

Financial Management and Policy and Foreign Currency Risk

The Group's finance division manages the financial risks of the Group. One of the key objectives of the Group's treasury policy is to manage its exposure to fluctuations in foreign currency exchange rates. The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group has assessed its foreign exchange rate risk exposure and has not entered into any foreign exchange hedging arrangement during the year and as at year end date. In any event, the Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Treasury Policies and Credit Risk Management

The Group consistently employed a prudent treasury policy during its development and generally financed its operations and business development with internally generated resources and equity and/or debt financing activities. The Group also adopted flexible and prudent fiscal policies to effectively manage the Group's assets and liabilities and strengthen the Group's financial position.

To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Contingent Liabilities and Pledge of Assets

As at 31 March 2024, the Group had neither significant charges on its assets nor any significant contingent liabilities (2023: Nil).

USE OF PROCEEDS

The Company would like to provide information on the use of proceeds as follow:

		Original intended use of proceeds	Actual use of proceeds as at the date of this report	Remaining balance	Progress
	Nature	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	
Placing	General working capital	14.0	14.0	–	Used as intended
		<u>14.0</u>	<u>14.0</u>	<u>–</u>	

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had 38 (2023: 48) employees, including the Directors. Total staff cost for the year ended 31 March 2024 amounted to approximately HK\$2.1 million (2023: HK\$2.1 million). Staff remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. It comprised of monthly salaries, provident fund contributions, other allowances and discretionary share options issued based on their contribution to the Group. The Group also participates in a retirement benefit scheme for its staff in the PRC and a defined statutory mandatory provident fund scheme to its employees in Hong Kong. The Group has adopted a share option scheme of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. As at the date of this report, no share options remain unexercised.

OUTLOOK

The Group started to restructure its strategic business position and focus its resources in pursuing development opportunities of other existing businesses of the Group. On the other hand, the Group will continue to focus on the sales of consumer products and trendy fashion merchandises. Looking ahead, the Group will continue to develop its existing business either via organic growth or by acquisition of related businesses if appropriate. 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. Meanwhile, the Group will continue its existing businesses with on-going monitoring on their performances so that resources can be allocated to appropriate business segments with the view to maximize the returns to its shareholders.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed with the management of the Company the financial statements of the Group for the year ended 31 March 2024 and discussed with the management of the Company on auditing, internal control, financial reporting matters as well as risk management function.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2024 and up to the date of this announcement.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year.

MATERIAL ACQUISITION OR DISPOSAL

There was no material acquisitions or disposal of subsidiaries and affiliated companies by the Group for the year ended 31 March 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 March 2024, the Company complied with all applicable code provisions under the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules except for the following deviations.

Under code provision C.5.3 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 Reporting 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 C.5.3 of the CG Code in future. Adequate and appropriate information are circulated normally three days in advance of Board meetings to the Directors.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the standard set out in Rules 5.48 to 5.67 (the “**Model Code**”) of the GEM Listing Rules, in relation to the dealings in securities of the Company by the Directors. Having made specific enquiry of all Directors, each Director has confirmed that he/she has complied with the standards set out in the Model Code during the year ended 31 March 2024.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2024 of the Group as set out in the preliminary announcement have been agreed by the Company’s auditor, Elite Partners CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

REVIEW OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 March 2024 and the accounting principles and practices adopted by the Group during the year under review and matters of auditing, internal controls and financial reporting have been discussed with the management and reviewed by the Audit Committee.

DIVIDENDS

The Board did not declare an interim dividend and did not recommend the payment of the final dividend in respect of the year ended 31 March 2024 (2023: Nil).

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkex.com.hk and the website of the Company at www.wealthglory.com. The 2024 annual report containing all information required by the GEM Listing Rules will be published on the above websites and dispatched to the shareholders of the Company by the end of July 2024.

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

Hong Kong, 30 June 2024

As at the date of this announcement, 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.