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## **Fameglow Holdings Limited**

### **亮晴控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8603)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2019**

The board (the “**Board**”) of directors (the “**Directors**”) of Fameglow Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated first quarterly results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2019 together with the comparative figure. This announcement, containing the full text of the 2019 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcements of first quarterly results. This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.fameglow.com](http://www.fameglow.com)). The printed version of the Company’s 2019 first quarterly report will be despatched to the shareholders of the Company and available on the websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 12 August 2019

*As at the date of this announcement, the executive Directors are Mr. Yip Chun Kwok Danny, MH and Ms. Fu Chi Ching; and the independent non-executive Directors are Mr. Chan Sing Nun, Mr. Khoo Wun Fat William and Mr. Yu Chi Wing.*

*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 “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of publication and on the website of the Company at [www.fameglow.com](http://www.fameglow.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 small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the 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. Chan Sing Nun

Mr. Khoo Wun Fat William

Mr. Yu Chi Wing

#### Audit Committee

Mr. Chan Sing Nun (*Chairman*)

Mr. Khoo Wun Fat William

Mr. Yu Chi Wing

#### Remuneration Committee

Mr. Khoo Wun Fat William (*Chairman*)

Mr. Chan Sing Nun

Ms. Fu Chi Ching

#### Nomination Committee

Mr. Yip Chun Kwok Danny, MH (*Chairman*)

Mr. Khoo Wun Fat William

Mr. Yu Chi Wing

### AUTHORISED REPRESENTATIVES

Mr. Yip Chun Kwok Danny, MH

Ms. Fu Chi Ching

### COMPANY SECRETARY

Ms. Lee Ka Man Carmen

(resigned on 31 May 2019)

### COMPLIANCE OFFICER

Ms. Fu Chi Ching

### AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

35/F, One Pacific Place

88 Queensway

Hong Kong

### COMPLIANCE ADVISER

Innovax Capital Limited

Room 2002, 20th Floor

Chinachem Century Tower

178 Gloucester 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](http://www.fameglow.com)

### STOCK CODE

8603

## FINANCIAL HIGHLIGHTS

Revenue of the Group for the three months ended 30 June 2019 amounted to approximately HK\$28.8 million (2018: approximately HK\$22.2 million).

The Group generated net profit of approximately HK\$2.5 million for the three months ended 30 June 2019 (2018: incurred net loss of approximately HK\$5.4 million).

The board of directors (the “Board”) does not recommend a payment of dividend for the three months ended 30 June 2019 (2018: Nil).

The Board is pleased to report the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2019, together with the comparative unaudited figures for the corresponding period in 2018, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2019

		Three months ended 30 June	
	NOTES	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	4	28,788	22,201
Cost of inventories and consumables		(2,702)	(1,954)
Other income		352	323
Staff costs		(11,119)	(8,182)
Rental and related expenses		(964)	(2,667)
Depreciation of property, plant and equipment		(1,876)	(1,314)
Depreciation of right-of-use assets		(3,125)	–
Listing expenses		–	(8,850)
Other expenses		(5,145)	(3,777)
Finance costs		(802)	(250)
Profit (loss) before taxation	5	3,407	(4,470)
Taxation	6	(940)	(896)
Profit (loss) and total comprehensive income (expense) for the period		2,467	(5,366)
Earnings (loss) per share			
– Basic (HK cents)	8	0.31	(0.89)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 JUNE 2019

	Attributable to owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
As at 1 April 2019 (audited)	8,000	64,107	(21,026)	19,646	70,727
Profit and total comprehensive income for the period (unaudited)	-	-	-	2,467	2,467
As at 30 June 2019 (unaudited)	8,000	64,107	(21,026)	22,113	73,194
As at 1 April 2018 (audited)	-*	-	2,000	19,868	21,868
Loss and total comprehensive expense for the period (unaudited)	-	-	-	(5,366)	(5,366)
As at 30 June 2018 (unaudited)	-*	-	2,000	14,502	16,502

\* Amount less than HK\$1,000

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2019

## 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 registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Unit 304, Global Gateway Tower, 63 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong.

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 AND PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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”), the principles of merger accounting (under Accounting Guideline 5 – Merger Accounting for Common Control Combinations (“AG 5”) issued by the 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.

Pursuant to the group reorganisation stated in the prospectus of the Company dated 28 September 2018 (the “Prospectus”) in preparation for the Listing (the “Reorganisation”), the Company became the holding company of the subsidiaries now comprising the Group on 17 September 2018, the details of which are as set out in the Prospectus.

As the Group comprising the Company and its subsidiaries resulting from the Reorganisation are controlled by the Controlling Shareholders before and after the Reorganisation, accordingly, the condensed consolidated financial statements have been prepared on the basis as if the Company had always been the holding company of the Group throughout the three months ended 30 June 2018 under the principles of merger accounting in accordance with AG 5. The condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity for the three months ended 30 June 2018 includes the results and changes in equity of the companies now comprising the Group as if the current group structure had been in existence throughout the three months ended 30 June 2018.

### **3. SIGNIFICANT ACCOUNTING POLICES**

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 2019 for the Group, the significant accounting policies used in the preparation of these condensed consolidated financial statements for the three months ended 30 June 2019 are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 March 2019.

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are mandatorily effective for the accounting period beginning on or after 1 April 2019.

Except for the HKFRS 16 mentioned below, the adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

#### **Impacts and changes in accounting policies of application on HKFRS 16 “Leases”**

In the current period, the Group has applied HKFRS 16 “Leases”. On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate as of 1 April 2019. The difference between the present value and the total remaining lease payments represents the cost of financing. Such finance cost will be charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred using effective interest method.

The associated right-of-use assets were measured at the amount equal to the initial measurement of lease liabilities, adjusted by certain items as set out below. The right-of-use assets were recognised in the consolidated statement of financial position. Depreciation was charged on a straight-line basis over the shorter of the asset's useful life or the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### 4. REVENUE AND SEGMENT INFORMATION

##### Revenue

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

	Three months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue from the provision of treatment services	26,964	21,191
Sale of skincare products	1,474	602
Revenue from expiry of prepaid treatments	350	408
	<b>28,788</b>	<b>22,201</b>

##### 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 (LOSS) BEFORE TAXATION

	Three months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Profit (loss) before taxation has been arrived at after charging:		
Directors' remuneration	1,097	1,108
Other staff costs:		
– Salaries, wages, commission, bonuses and allowances	9,686	6,827
– Retirement benefit scheme contribution	336	247
Total staff costs	<b>11,119</b>	<b>8,182</b>
Consultancy fee for doctors (included in other expenses)	954	1,199
Lease payments under operating leases in respect of land and building		
– Short-term leases	100	–
– Minimum lease payments	–	1,949
– Contingent rent	139	213
	<b>239</b>	<b>2,162</b>

## 6. TAXATION

	Three months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Hong Kong Profits Tax:		
Current tax	1,070	502
Deferred tax (credit) charge	(130)	394
Income tax charge	940	896

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands pursuant to the rules and regulations in those jurisdictions.

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 profit tax rates regime. The Bill was gazetted on 29 March 2018.

Under the two tiered profits tax rates regime, the first HK\$2.0 million of profits of qualifying corporation (being one of the subsidiaries of the Company) will be taxed at 8.25%, and profits above HK\$2.0 million will be taxed at 16.5%. The profits of other group entities not qualified for the two-tier profit tax regime will be taxed at a flat rate of 16.5%.

## 7. DIVIDEND

The Board does not recommend a payment of dividend for the three months ended 30 June 2019 (2018: Nil).

## 8. EARNINGS (LOSS) PER SHARE

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

	Three months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Profit (loss) for the period for the purposes of basic earnings (loss) per share	2,467	(5,366)

	Three months ended 30 June	
	2019 '000 (Unaudited)	2018 '000 (Unaudited)
Weighted average number of ordinary shares in issue for the purpose of basic earnings (loss) per share	800,000	600,000

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the three months ended 30 June 2018 had been retrospectively adjusted and determined on the assumption that the Reorganisation and the capitalisation issue as described in the Prospectus had been effective on 1 April 2018.

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

## 9. RELATED PARTY TRANSACTIONS

### Compensation of key management personnel

The remuneration of key management personnel during the three months ended 30 June 2019 and 2018, respectively were as follows:

	Three months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Short-term benefits	1,604	1,653
Post-employment benefits	18	18
	1,622	1,671

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is a medical aesthetic service provider in Hong Kong and operates four medical aesthetic centres in prime locations of Causeway Bay (the “CWB Centre” and the “CWB Centre 2”), Tsim Sha Tsui (the “TST Centre”) and Central (the “Central Centre”) under our brand “per Face” providing non-surgical medical aesthetic services. We started using the brand “per Face” when we set up the CWB Centre in September 2010. 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. Our non-surgical medical aesthetic services can generally be categorised as (i) energy-based procedures; and (ii) minimally invasive procedures.

For the three months ended 30 June 2019 (the “Period under Review”), the Group’s revenue amounted to approximately HK\$28.8 million, representing an increase of 29.7% as compared with the corresponding period of 2018. Profit after tax for the Period under Review amounted to approximately HK\$2.5 million, while loss after tax amounted to approximately HK\$5.4 million during the corresponding period of 2018. The Directors are of the view that the net profit is due to (i) the sales growth; and (ii) the absence of non-recurring listing expenses incurred for the corresponding period of 2018. Such impacts were partially offset by an increase in staff costs, depreciation of right-of-use assets as well as marketing and promotion expenses for the expansion of new centres.

## PROSPECTS

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 have expanded our operation scale by opening our Central centre and CWB Centre 2 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 also sharpen its competitive advantage by extending the spectrum of our treatment services offered.

The Group's management team also attends industry expositions from time to time to keep up with the prevailing technologies and our marketing and business development department also conducts market research on the prevailing treatment technologies, treatment consumables and skincare products to meet the increasing demand of our clients.

The Group also endeavours to bolster its advantages by attracting and retaining experienced personnel. It regularly reviews and adjusts employees' salaries with reference to relevant labour market and economic situations to ensure its staff delivers consistently competitive performance. The Group also provides regular internal training sessions and industry seminars to its doctors and therapists to keep them up-to-date with the latest industry knowledge and trends.

Thus, 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\$28.8 million for the three months ended 30 June 2019 and approximately HK\$22.2 million for the three months ended 30 June 2018 which represented an increase of approximately 29.7% as compared with the corresponding period of 2018. The increase was primarily attributable to the increase in promotional campaign in different marketing channels, which raised consumer awareness of the “Per Face” brand, and secured more customers.

### Cost of inventories and consumables

Cost of inventories and consumables amounted to approximately HK\$2.7 million and HK\$2.0 million for the three months ended 30 June 2019 and 2018 respectively. The increase was mainly attributable to the sales growth.

### Staff costs

Staff costs amounted to approximately HK\$11.1 million and HK\$8.2 million for the three months ended 30 June 2019 and 2018 respectively. The increase in staff costs were attributable to the increase in headcount and commissions paid to sales consultants.

### Rental and related expenses

Property rental and related expenses amounted to approximately HK\$1.0 million and HK\$2.7 million for the three months ended 30 June 2019 and 2018 respectively, which represented rental payments and license fees for our medical aesthetic centres and retail/service outlets. The decrease was mainly due to the absence of operating leases payments for lease term more than 12 months due to the adoption of HKFRS 16 for the three months ended 30 June 2019.

## **Depreciation of property, plant and equipment**

Depreciation expenses amounted to approximately HK\$1.9 million and HK\$1.3 million for the three months ended 30 June 2019 and 2018, representing 6.5% and 5.9% of total revenue for the respective periods. The increase was mainly due to the acquisition of the property, plant and equipment.

## **Depreciation of right-of-use assets**

The adoption of HKFRS 16 resulted in an increase in depreciation of right-of-use assets of HK\$3.1 million for the three months ended 30 June 2019 (2018: Nil).

## **Other expenses**

Other expenses amounted to approximately HK\$5.1 million and HK\$3.8 million for the three months ended 30 June 2019 and 2018 respectively, which mainly represented consultancy fee for doctors, card commission expense and marketing and promotion expenses. The increase was primarily due to the increment in promotional campaigns.

## **Profit (loss) for the period**

The Group recorded a profit of approximately HK\$2.5 million for the three months ended 30 June 2019 (2018: loss of approximately HK\$5.4 million). The change to profit from loss for the period was mainly due to (i) the sales growth; and (ii) the absence of non-recurring listing expenses incurred for corresponding period of 2018. Such impacts were partially offset by an increase in staff costs, depreciation of right-of-use assets as well as marketing and promotion expenses for the expansion of new centres.

## **Dividend**

The Board does not recommend a payment of dividend for the three months ended 30 June 2019 (2018: Nil).

## **Capital commitment**

As at 30 June 2019, the Group did not have any material capital commitment (2018: 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 from the Listing Date. 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 from the Listing Date to the date of this report.

### 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. Chan Sing Nun (Chairman), Mr. Khoo Wun Fat William and Mr. Yu Chi Wing, 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 2019 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 2019 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 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **INTERESTS OF COMPLIANCE ADVISER**

As notified by the Company's compliance adviser, Innovax Capital Limited ("Innovax"), neither Innovax nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules and all Directors and Controlling Shareholders and their respective close associates as referred to in Rule 11.04 of the GEM Listing Rules (except for the compliance adviser service provided by Innovax as at the date of this report).

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

As at 30 June 2019, none of the Directors and the chief executive of the Company had any interest and short positions in the Shares, underlying shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would have to be notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have taken under such provisions of the SFO).

As at the date of this report, the interests or short positions of our Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company and our associated corporations (within the meaning of Part XV of the SFO) which will have 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 he/she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors, in each case once the Shares are listed on the Stock Exchange, will be as follows:

Name	Capacity/Nature of interest	Number of Shares held after the Share Offer (Note i)	Percentage of shareholding after the Share Offer
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 the date of this report, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was 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 taken under such provisions of the SFO), or required to be recorded in the register required to be kept 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.

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

As at 30 June 2019, there was no interest in the Shares and underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to under Section 336 of the SFO.

As at the date of this report, to the best knowledge of the Directors, the following persons/entities not being a Director or the chief executive of the Company will have an interest or a short position in the Shares or the 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 which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Name	Capacity/Nature of interest	Number of Shares held after the Share Offer (Note i)	Percentage of shareholding after the Share Offer
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 the date of this report, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position 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 would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## 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 2019 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 2019 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 Period under Review, 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 2019

*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. Chan Sing Nun, Mr. Khoo Wun Fat William and Mr. Yu Chi Wing.*