

GLORIOUS CREATION LIMITED

Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars - unaudited)

September 30, 2019

**NOTICE OF NO AUDITORS' REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Glorious Creation Limited

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian dollars

Unaudited

As at

	September 30, 2019	December 31, 2018
	\$	\$
Assets		
Current assets		
Cash	5,715	34,820
Amounts receivable (Note 6)	-	80,816
Inventory (Note 8)	-	15,895
Prepaid expenses (Note 7)	1,250	59,927
Total current assets	6,965	191,458
Investment in associate (Note 16)	-	15,029
Capital assets (Note 10)	-	112,405
Total assets	6,965	318,892
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	4,446	187,491
Due to related parties (Note 12)	119,550	72,136
Due to associate (Note 16)	-	123,974
Loans (Note 9)	200,000	288,965
Total current liabilities	323,996	672,566
Shareholders' equity (deficiency)		
Share capital (Note 11)	2,831,023	2,831,023
Reserve (Note 11)	870,102	663,909
Accumulated other comprehensive loss	-	(21,660)
Deficit	(4,018,156)	(3,654,821)
Equity (deficiency) attributable to shareholders	(317,031)	(181,549)
Non-controlling interest (Note 15)	-	(172,125)
Total shareholders' equity (deficiency)	(317,031)	(353,674)
Total liabilities and shareholders' equity (deficiency)	6,965	318,892

Nature of operations (Note 1)

Basis of preparation and going concern (Note 2)

On behalf of the Board:

<u>"Ian Mallmann"</u>	Director
<u>"Norm Yurik"</u>	Director

Glorious Creation Limited

Condensed Interim Consolidated Statements of Loss

Expressed in Canadian dollars

Unaudited

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
	\$	\$	\$	\$
Revenue				
Sales of goods	-	434	4,117	12,213
Costs of goods sold	-	(2,016)	(13,864)	(14,226)
Service income	-	3,791	2,705	15,910
Service costs	-	(3,521)	(2,679)	(13,218)
Selling expenses	-	(32,549)	(31,954)	(99,132)
Gross profit (loss)	-	(33,861)	(41,675)	(98,453)
General and administrative expenses				
Amortization	-	20,337	32,882	61,648
Accounting and auditing (Note 12)	1,701	1,192	(10,479)	7,910
Consulting	-	-	-	17,738
Director fees	6,900	9,000	18,900	27,000
Legal	13,283	24,075	24,219	43,434
Loan charges and interest	-	1,489	2,227	4,783
Management fees (Note 12)	26,700	64,674	77,700	155,909
Office and miscellaneous (Note 12)	8,263	37,194	28,232	94,139
Rent	-	28,821	31,879	73,817
Salaries and benefits	-	48,588	71,417	149,503
Share-based compensation	100,141	99,763	206,193	333,124
Travel and related	-	2,716	544	35,889
Registration and filing	5,068	5,609	21,680	15,756
Loss on sales of capital assets	-	-	27,366	-
Total general and administrative expenses	(162,056)	(343,458)	(532,760)	(1,020,650)
Gain on disposal of subsidiaries (Note 5)	187,399	-	187,399	-
Equity loss from associate (Note 16)	-	(18)	(11)	(230)
Net income (loss) for the period	25,343	(377,337)	(387,047)	(1,119,333)
Net income (loss) attributable to				
Shareholders of the Company	25,343	(357,927)	(363,335)	(1,063,450)
Non-controlling interest (Note 15)	-	(19,410)	(23,712)	(55,883)
Weighted average number of common shares outstanding	39,222,001	39,222,001	39,222,001	38,972,917
Basic and diluted income (loss) per common share	0.00	(0.01)	(0.01)	(0.03)

Glorious Creation Limited

Condensed Interim Consolidated Statements of Comprehensive Loss

Expressed in Canadian dollars

Unaudited

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
	\$	\$	\$	\$
Net income (loss) for the period	25,343	(377,337)	(387,047)	(1,119,333)
Other comprehensive income (loss)				
Foreign exchange gain (loss) on translating foreign operations	7,611	30,288	21,660	(1,493)
Comprehensive income (loss)	32,954	(347,049)	(365,387)	(1,120,826)
Comprehensive income (loss) attributable to				
Shareholders of the Company	32,954	(327,639)	(341,675)	(1,064,943)
Non-controlling interest	-	(19,410)	(23,712)	(55,883)

Glorious Creation Limited

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

Expressed in Canadian dollars

Unaudited

	Share Capital			Accumulated other comprehensive loss	Deficit	Non- controlling interest	Total
	Number of common shares	Amount	Reserve				
		\$	\$		\$	\$	\$
Balance, December 31, 2017	38,222,001	2,382,148	276,505	(9,225)	(2,169,521)	(91,767)	388,140
Private placement	1,000,000	450,000	-	-	-	-	450,000
Share issuance costs	-	(1,125)	-	-	-	-	(1,125)
Share-based compensation	-	-	333,124	-	-	-	333,124
Loss for the period	-	-	-	-	(1,063,450)	(55,883)	(1,119,333)
Foreign currency translation difference	-	-	-	(1,493)	-	-	(1,493)
Balance, September 30, 2018	39,222,001	2,831,023	609,630	(10,718)	(3,232,971)	(147,650)	49,314
Share-based compensation	-	-	54,279	-	-	-	54,279
Loss for the period	-	-	-	-	(421,850)	(24,475)	(446,325)
Foreign currency translation difference	-	-	-	(10,942)	-	-	(10,942)
Balance, December 31, 2018	39,222,001	2,831,023	663,909	(21,660)	(3,654,821)	(172,125)	(353,674)
Share-based compensation	-	-	206,193	-	-	-	206,193
Loss for the period	-	-	-	-	(363,335)	(23,712)	(387,047)
Disposal of subsidiaries	-	-	-	21,660	-	195,837	217,497
Balance, September 30, 2019	39,222,001	2,831,023	870,102	-	(4,018,156)	-	(317,031)

Glorious Creation Limited

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian dollars

Unaudited

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
	\$	\$
Operating activities		
Net loss for the period	(387,047)	(1,119,333)
Non-cash items:		
Amortization	32,882	61,648
Equity loss from associate	11	231
Share-based compensation	206,193	333,124
Loss on disposal of capital assets	27,366	-
Gain on disposal of subsidiaries	(187,399)	-
Changes in non-cash working capital items:		
Amounts receivable	4,475	(2,701)
Prepaid expenses	34,777	(8,645)
Accounts payable and accrued liabilities	(113,733)	6,639
Inventories	13,888	(87,074)
,Due to/from related parties	125,999	11,331
Total cash used in operating activities	(242,588)	(804,780)
Investing activities		
Purchase of capital assets	-	(5,677)
Proceeds from sales of capital assets	7,248	-
Cash disposed at the sales of subsidiaries	(2,260)	-
Total cash used in investing activities	4,988	(5,677)
Financing activities		
Proceeds from loan	222,767	193,634
Repayment of loan	(9,927)	(19,767)
Due to/from associate	-	118
Proceeds from share issuance	-	450,000
Share issuance costs	-	(1,125)
Total cash provided by financing activities	212,840	622,860
Change in cash	(24,760)	(187,596)
Effect of exchange rate changes on balance of cash held in foreign currencies	(4,345)	(140)
Cash, beginning of the period	34,820	269,562
Cash, end of the period	5,715	81,826

Supplement disclosure with respect to cash flows (Note 18)

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the nine months ended September 30, 2019

1. NATURE OF OPERATIONS

Glorious Creation Limited (the “Company”) was incorporated under the Canada Business Corporations Act on December 24, 2015 and was registered as an extra-provincial company in British Columbia on January 28, 2016.

On September 5, 2017, the Company completed its initial public offering (“IPO”) and trading of the Company’s common shares commenced on the Canadian Securities Exchange (“CSE”). Through its subsidiaries in Vietnam, Hong Kong and China, the Company provided necessary operating licenses and operational infrastructure to facilitate intra-ASEAN trade and trade between Vietnam and China.

On July 31, 2019, the Company disposed all its subsidiaries in Vietnam, Hong Kong and China. Currently, the Company is evaluating new potential assets or business to acquire.

The Company’s head office and principal address is 405 - 1328 West Pender Street, Vancouver, BC, Canada and the registered and records office of the Company is located at Suite 1100 – 736 Granville Street, Vancouver, BC, Canada.

2. BASIS OF PREPARATION AND GOING CONCERN

Statement of compliance

These unaudited condensed interim consolidated financial statements ("Financial Statements") have been prepared in accordance with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the IASB have been condensed or omitted and therefore, these unaudited condensed interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2018.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 25, 2019.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

The Company’s presentation currency is the Canadian dollar (“\$”). The functional currency of the Company is the Canadian dollar. The functional currency of Glorious HK is the Hong Kong Dollar (“HKD”), for Glorious SZ Chinese Yuan (“RMB”), and for its Vietnamese subsidiaries, the Vietnamese Dong (“VND”). These consolidated financial statements have been translated to the presentation currency in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items be translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). All exchange differences are reported as a separate component of other comprehensive income (loss).

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the nine months ended September 30, 2019

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

Consolidation and deconsolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. All inter-company transactions and balances between the Company and its subsidiaries have been eliminated upon consolidation.

The subsidiaries are consolidated from the date on which control is transferred to the Company and will cease to be consolidated from the date on which control is transferred out of the Company. The Company also assesses existence of control where it does not have more than 50% of voting power but is able to control the investee by virtue of de facto control. De facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders gives the group the power to govern the financial and operating policies.

On July 31, 2019, the Company disposed Glorious HK together with all its subsidiaries and ceased to consolidate the subsidiaries' financial statements.

Details of the Company's subsidiaries are as follows:

Name	Date of incorporation or acquisition	Location	Principal activities	Ownership	
				September 30, 2019	December 31, 2018
Glorious IT Creation Limited ("Glorious HK")	July 19, 2011	Hong Kong, China	Asian head office	-	100%
Shenzhen Qianhai Glorious Creation Co., Ltd. ("Glorious SZ")	January 3, 2017	Shenzhen, China	Virtual cross-border business platform	-	100%
Shenzhen Glorious Internet Co., Ltd. ("Glorious Internet")	October 23, 2017	Shenzhen, China	IT development	-	100%
Glorious (Vietnam) Company Limited ("Glorious Vietnam")	January 18, 2012	Ho Chi Minh City, Vietnam	Internet technology services	-	86%
Glorious (Vietnam) Trading Company Limited (formerly Khai Tam Tri Limited) ("KTT")	December 7, 2017	Ho Chi Minh City, Vietnam	Retail	-	86%
Glorious (Vietnam) Food and Beverage Company Limited ("F&B")	July 6, 2018	Ho Chi Minh City, Vietnam	Food and beverage import and export, wholesale and retail	-	86%
VnTrans Limited ("VnTrans")	September 29, 2014	Ho Chi Minh City, Vietnam	Transportation and logistic management	-	72%

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the nine months ended September 30, 2019

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations and commitments in the normal course of business. The Company currently is looking for new assets or business to acquire. It has no business that can generate revenue. At August 31, 2019, the Company had cash of \$5,715 (December 31, 2018 - \$34,820), a working capital deficiency of \$317,031 (December 31, 2018 - \$418,156) and a deficit of \$4,018,156 (December 31, 2018 - \$3,654,821).

In the past, operating and development capital requirements have been funded primarily from equity financing and the Company will need to arrange equity or other financing in the near future in order to continue in operation. While the Company has been successful in raising capital in the past, there can be no assurance that such financing will be available to the Company in the amount required or that it can be obtained on terms satisfactory to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) Going concern evaluation

As discussed in note 2, these financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period.

(ii) Functional currencies

Management is required to assess the functional currency of each entity of the Company. In concluding on the functional currencies of the parent and its subsidiaries, management considered the currency that mainly influences the sale prices of goods and services and the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the nine months ended September 30, 2019

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(iii) Investment in associate

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgement to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. There would be different accounting results should these judgments change.

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(iv) Inventories

The Company estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(v) Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

(vi) Valuation and useful lives of capital assets

Changes in technology or the intended use of these assets as well as changes in economic or industry factors may create indicators of impairment or cause the estimated useful lives of these assets to change. Where impairment is indicated, the Company estimates the recoverable amount of the assets and charges the difference between the recoverable amount and the carrying amount, if any, to impairment expense. The estimates of the useful lives of property and equipment are reviewed on an annual basis. Depreciation or amortization is adjusted on a prospective basis, if and when required.

(vii) Revenue recognition

The Company has service agreements with regards to some of its sales which requires management to make judgements regarding the timing and allocation of revenue. Specifically, revenue recognized on these contracts is dependent on the estimated percentage of completion at a point in time. The estimated work remaining to complete a project is judgemental in nature and are estimated by experienced staff using their knowledge of the time necessary to complete the work.

(viii) Share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss and share-based payment reserve.

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the nine months ended September 30, 2019

4. SIGNIFICANT ACCOUNTING POLICIES

These Condensed Interim Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited consolidated financial statements for the year ended December 31, 2018.

Adoption of accounting policies

The Company adopted IFRS 16, Lease, starting January 1, 2019. The adoption of the standard has no significant impact on the measurement or presentation of balances or transactions as reported in these financial statements.

5. DISPOSAL OF SUBSIDIARIES

On July 31, 2019, the Company entered into an agreement with its former CEO to sell 100% of shares of Glorious IT which includes all subsidiaries in Asia for a consideration of \$200. This Transaction was approved at the annual general and special shareholders' meeting held on September 10, 2019.

As of July 31, 2019, the net liabilities of consolidated Glorious IT and its subsidiaries, and the calculation of gain on the disposal of subsidiaries are as follows:

	\$
Cash	2,260
Receivables	76,341
Prepays	36,400
Inventory	2,007
Investment in associate	15,018
Capital assets	45,342
Accounts payable and accrued liabilities	(156,148)
Short-term loans	(293,025)
Due from associate	(118,844)
Due from Glorious Canada	(1,731,326)
Non-controlling interest	54,459
Accumulated other comprehensive loss	195,837
Net liabilities disposed	<u>(1,871,678)</u>
Consideration received:	
Cash	<u>200</u>
Gain on disposal of subsidiaries	1,871,878
Impairment of loans to the subsidiaries	<u>(1,684,479)</u>
Gain on disposal of subsidiaries - net	<u>187,399</u>

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the nine months ended September 30, 2019

6. AMOUNTS RECEIVABLE

The items comprising the Company's amounts receivable are summarized below:

	September 30 2019	December 31 2018
	\$	\$
VAT receivable	-	77,736
GST receivable	-	3,080
Total amounts receivable	-	80,816

7. PREPAID EXPENSES

The items comprising the Company's prepaid expenses are summarized below:

	September 30, 2019	December 31, 2018
	\$	\$
Rent deposit and prepaid rent	-	56,215
Prepaid directors' and officers' insurance	1,250	-
Other prepaids	-	3,712
Total prepaid expenses	1,250	59,927

8. INVENTORY

Inventory was comprised of the following:

	September 30, 2019	December 31, 2018
	\$	\$
Agricultural products and food	-	4,822
Electronic products	-	11,073
Total inventory	-	15,895

9. LOANS

The Company's significant financing transactions are as follows:

	September 30, 2019	December 31, 2018
	\$	\$
Balance, beginning of the period	288,965	14,852
Advances	222,767	286,661
Repayments	(9,927)	(33,506)
Loan charges and interest	2,227	6,700
Foreign exchange	(11,007)	14,258
Deconsolidated at the sales of subsidiaries	(293,025)	-
Balance, end of the period	200,000	288,965

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the nine months ended September 30, 2019

9. LOANS (continued)

Shareholders' loans

During the year ended December 31, 2018, Glorious HK received loans of HK\$1,070,000 from certain shareholders. The loan is non-secured, bears interest at 8% per annum, and has no fixed term of repayment. As of December 31, 2018, the loan balance was HK\$1,070,000 (\$186,180).

During the period ended July 31, 2019, Glorious HK received loans of HK\$36,000 from certain shareholders. The loan is non-secured, non-interest bearing, and have no fixed term of repayment. As of July 31, 2019, the loan balance was HK\$1,106,000 (\$185,255).

The loans from shareholders were deconsolidated as of July 31, 2019 at the disposal of the subsidiaries.

Loan from former CEO

During the year ended December 31, 2018, Glorious HK received HK\$190,000 from the former CEO. As of December 31, 2018, the loan balance was HK\$190,000 (\$33,060).

During the period ended July 31, 2019, Glorious HK received HK\$98,000 from the former CEO. As of July 31, 2019, the loan balance was HK\$288,000 (\$48,240).

The loan is non-secured, non interest-bearing and due on demand.

The loans from former CEO were deconsolidated as of July 31, 2019 at the disposal of the subsidiaries.

Bank loans

Glorious HK entered into a loan agreement with HSBC on June 4, 2018. According to the loan agreement, Glorious HK received a loan of HK\$470,000 from HSBC for a period of 36 months. The loan bears interest of 9.94% per annum and is payable at a fixed amount of HK\$14,607 per month. As of July 31, 2019, the loan balance was HK\$355,398 (\$59,529) (December 31, 2018 - HK\$400,716 (\$69,725)).

The bank loans were deconsolidated as of July 31, 2019 at the disposal of the subsidiaries.

Other loans

From April to September 2019, the Company received loans of \$200,000 from some private lenders in Canada. The loans bear no interest and mature on demand by the lenders. The Company provides all of its currently held and after-acquired assets as security for the loans.

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

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Unaudited

For the nine months ended September 30, 2019

10. CAPITAL ASSETS

	Computer equipment	Office furniture and fixtures	Computer software	Leasehold improvement	Total
	\$	\$	\$	\$	\$
Cost					
Balance, December 31, 2017	96,411	2,050	3,464	116,470	218,395
Additions	2,633	2,321	722	12,838	18,514
Disposals	-	(1,005)	-	-	(1,005)
Balance, December 31, 2018	99,044	3,366	4,186	129,308	235,904
Additions	-	-	-	-	-
Disposals	(35,407)	(1,704)	-	(12,837)	(49,949)
Deconsolidated	(63,637)	(1,602)	(4,186)	(116,471)	(185,955)
Balance, September 30, 2019	-	-	-	-	-
Accumulated amortization					
Balance, December 31, 2017	24,112	1,683	3,464	12,457	41,716
Additions	18,554	976	361	62,059	81,950
Disposals	-	(167)	-	-	(167)
Balance, December 31, 2018	42,666	2,492	3,825	74,516	123,499
Additions	6,187	91	184	26,419	32,882
Disposals	(14,848)	(922)	-	-	(15,769)
Deconsolidated	(34,005)	(1,661)	(4,009)	(100,935)	(140,612)
Balance, September 30, 2019	-	-	-	-	-
Carrying amounts					
At December 31, 2018	56,378	874	361	54,792	112,405
At September 30, 2019	-	-	-	-	-

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

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For the nine months ended September 30, 2019

11. SHAREHOLDERS' EQUITY

Share capital

Authorized:

Unlimited common shares without par value

As of September 30, 2019, the Company has 39,222,001 (December 31, 2018 – 39,222,001) common shares outstanding, of which 4,234,123 (December 31, 2018 – 8,468,246) common shares are held in escrow.

There was no share issuance during the nine months ended September 30, 2019.

During the year ended December 31, 2018, the Company closed a non-brokered private placement by issuing 1,000,000 units at a price of \$0.45 per unit for total proceeds of \$450,000. Each unit consists of one common share and one share purchase warrant. Each warrant can be exercised into one common share of the Company at the price of \$0.75 per share for a period of two years. In connection with the offering, the Company will pay total finders fees of \$1,125.

Stock options

In January 2017, the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

There were no stock option transactions during the year ended December 31, 2018 or the nine months ended September 30, 2019.

Option transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, at December 31, 2017 and 2018	3,320,000	\$ 0.31
Cancelled	<u>(2,320,000)</u>	<u>0.31</u>
Balance, at September 30, 2019	1,000,000	\$ 0.31
Exercisable, at September 30, 2019	1,000,000	\$ 0.31

Glorious Creation Limited

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For the nine months ended September 30, 2019

11. SHAREHOLDERS' EQUITY (continued)

Stock options (continued)

As at September 30, 2019, the following incentive stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
900,000	\$ 0.30	September 5, 2022
100,000	\$ 0.36	October 5, 2022

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, at December 31, 2017	209,480	\$ 0.30
Issued	<u>1,000,000</u>	<u>0.75</u>
Balance, at December 31, 2018	1,209,480	\$ 0.67
Expired	<u>(209,480)</u>	<u>0.30</u>
Balance, at September 30, 2019	<u>1,000,000</u>	<u>\$ 0.75</u>
Exercisable, at September 30, 2019	<u>1,000,000</u>	<u>\$ 0.75</u>

As at September 30, 2019, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,000,000	\$ 0.75	March 28, 2020

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12. RELATED PARTY TRANSACTIONS

- a) During the nine months ended September 30, 2019, the Company paid or accrued fees of \$Nil (2018 - \$83,909) to the former CEO of the Company. As of September 30, 2019, \$Nil (December 31, 2018 - \$10,336) was owed to the former CEO.
- b) During the nine months ended June 30, 2019, the Company paid or accrued fees of \$77,700 (2018 - \$72,000) to a company controlled by the CFO of the Company. As of September 30, 2019, \$94,350 (December 31, 2018 - \$55,500) was owed to the company controlled by the CFO.
- c) During the nine months ended September 30, 2019, the Company paid or accrued directors' fees of \$18,900 (2018 - \$27,000) to the directors. As of September 30, 2019, \$25,200 (December 31, 2018 - \$6,300) was owed to the directors.

13. CAPITAL RISK MANAGEMENT

The Company defines capital as the items included in shareholders' equity (deficiency). The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern, ensure sufficient capital and liquidity to complete its technology developments, establish commercial markets and pursue its growth strategy.

To support these objectives, the Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize the development efforts, the Company does not pay out dividends during its development stage.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the reporting period.

14. FAIR VALUE AND RISK MANAGEMENT

The Company has measured its accounts payable and accrued liabilities, due to related parties, due to association and short-term loans at amortized cost. The Company measure its financial assets, receivables, also at amortized cost. The Company's carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

Credit risk

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash is held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash and receivables on its consolidated statement of financial position.

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14. FAIR VALUE AND RISK MANAGEMENT (continued)

Currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. After the disposal of its subsidiaries on July 31, 2019, the Company currently has no significant assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at September 30, 2019, the Company had a cash balance of \$5,715 to settle current liabilities of \$323,996. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company needs further funding to meet its short-term and long-term cash requirements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no interest-bearing financial instruments other than cash and loans, so its exposure to interest rate risks is insignificant. Loans bear a fixed interest rate.

15. NON-CONTROLLING INTEREST

As of July 31, 2019, the Company disposed Glorious HK together with all its subsidiaries and ceased to consolidate the subsidiaries' financial statements.

Before July 31, 2019, non-controlling interest includes a 14% interest in Glorious Vietnam and its subsidiaries, KTT and F&B, and a 28% interest in VnTrans.

A percentage of profit on each component of other comprehensive income is attributed to the owners of the non-controlling interests.

	September 30, 2019	December 31, 2018
	\$	\$
Non-controlling interest, beginning of period	(172,125)	(91,767)
Share of loss – Glorious Vietnam and its subsidiaries	(23,506)	(78,131)
Share of loss – VnTrans	(206)	(2,227)
Deconsolidated at the sales of subsidiaries	195,837	-
Non-controlling interest, end of period	-	(172,125)

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15. NON-CONTROLLING INTEREST (cont'd...)

The table below disclose selected financial information of Glorious Vietnam and its subsidiaries, KTT and F&B on a 100% basis:

	September 30, 2019	December 31, 2018
	\$	\$
Non-controlling percentage	- %	14%
Total assets	-	232,286
Total liabilities	-	(1,445,707)
Net assets (liabilities)	-	(1,213,421)
	For the period from January 1, 2019 to July 31, 2019	For the year ended December 31, 2018
Summarized income statement		
Loss and comprehensive loss	(167,896)	(558,079)
Loss allocated to non-controlling interest	(23,505)	(78,131)
Summarized cash flow		
Cash used in operating activities	(18,761)	(467,832)
Cash used in investing activities	3,497	(5,441)
Cash from financing activities	16,271	455,599

The table below disclose selected financial information of VnTrans on a 100% basis:

	September 30, 2019	December 31, 2018
	\$	\$
Non-controlling percentage	- %	28%
Total assets	-	15,166
Total liabilities	-	(56,120)
Net assets (liabilities)	-	(40,954)
	For the period from January 1, 2019 to July 31, 2019	For the year ended December 31, 2018
Summarized income statement		
Loss and comprehensive loss	(736)	(7,954)
Loss allocated to non-controlling interest	(206)	(2,227)
Summarized cash flow		
Cash used in operating activities	(995)	(2,168)
Cash used in investing activities	-	-
Cash from financing activities	872	1,394

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16. INVESTMENT IN ASSOCIATE

The Company accounts for its investment in Transinall Limited. (“Transinall”) using the equity method of accounting.

As of July 31, 2019, the Company disposed Glorious HK together with all its subsidiaries and ceased to consolidate the subsidiaries’ financial statements.

Before July 31, 2019, the Company holds a 16.1% interest in Transinall.

Investment in associate is as follows:

	September 30, 2019	December 31, 2018
	\$	\$
Balance, beginning of the period	15,029	15,281
Equity loss for the period	(11)	(252)
Deconsolidated at the sales of subsidiaries	(15,018)	-
Balance, end of the period	-	15,029

As of July 31, 2019, the disposal date, Transinall advanced cash of \$118,844 (December 31, 2018 - \$123,974) to Glorious HK and its subsidiary VnTrans. The advances bear no interest, are unsecured and have no fixed terms of repayment. The loans from Transinall were deconsolidated at the disposal of the subsidiaries.

17. SEGMENTED INFORMATION

Before July 31, 2019, the disposal date, the Company has two reportable segments: the international trade agency and consulting business and the virtual cross-border business platform.

International trade agency and consulting

The Company provides IT consulting, internet marketing and sales support, logistics and administrative services, and access to various government licenses essential for doing business in Vietnam. This segment is operated by Glorious HK and its Vietnamese subsidiaries Glorious Vietnam and VnTrans.

Virtual cross border (“VCB”) business platform

The Company is launching an e-commerce platform that provides all the IT services and logistics management for the execution of commerce across national borders and multiple currencies. The VCB business platform also provides a business to business (“B2B”) online marketplace for linking small and medium size enterprises (“SMEs”) in southern China and southern Vietnam. This segment is operated by Glorious HK and its Chinese subsidiary Glorious SZ.

Accounting policies relating to each segment are identical to those used for the purposes of the consolidated financial statements. Inter-segment sales are made in the normal course of business and have been recorded at the exchange amount, which approximate prevailing prices in the markets serviced.

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17. SEGMENTED INFORMATION (continued)

The table below provides information regarding the Company's identified segments for the nine months ended September 30, 2019 and 2018:

Nine months ended September 30, 2019	International trade agency and consulting	VCB business platform	Totals
Revenue	\$ 5,913	\$ 909	\$ 6,822
Operating loss	\$ 322,556	\$ 89,834	\$ 412,390
Capital assets	\$ -	\$ -	\$ -

Nine months ended September 30, 2018	International trade agency and consulting	VCB business platform	Totals
Revenue	\$ 15,910	\$ 12,213	\$ 28,123
Operating loss	\$ 956,258	\$ 163,075	\$ 1,119,333
Capital assets	\$ 103,496	\$ 17,217	\$ 120,713

The table below provides geographic information of the Company for the nine months ended September 30, 2019 and 2018:

Nine months ended September 30, 2019	Canada	Hong Kong	Vietnam	China	Totals
Revenue	\$ -	\$ -	\$ 5,913	\$ 909	\$ 6,822
Operating loss	\$ 163,292	\$ 8,158	\$ 168,632	\$ 46,965	\$ 387,047
Capital assets	\$ -	\$ -	\$ -	\$ -	\$ -

Nine months ended September 30, 2018	Canada	Hong Kong	Vietnam	China	Totals
Revenue	\$ -	\$ -	\$ 28,014	\$ 109	\$ 28,123
Operating loss	\$ 514,922	\$ 145,415	\$ 392,125	\$ 66,871	\$ 1,119,333
Capital assets	\$ -	\$ -	\$ 103,496	\$ 17,217	\$ 120,713

18. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing and financing transactions during the nine months ended September 30, 2019 and 2018.