

GLORIOUS CREATION LIMITED

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

June 30, 2020

**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

	June 30, 2020	December 31, 2019
	\$	\$
Assets		
Current assets		
Cash	3,971	12,096
Total assets	3,971	12,096
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	61,917	62,865
Due to related parties (Note 8)	142,650	132,150
Loans (Note 6)	231,000	210,000
Total liabilities	435,567	405,015
Shareholders' deficiency		
Share capital (Note 7)	2,831,023	2,831,023
Reserve (Note 7)	531,027	518,161
Deficit	(3,793,646)	(3,742,103)
Total shareholders' deficiency	(431,597)	(392,919)
Total liabilities and shareholders' deficiency	3,971	12,096

Nature of operations (Note 1)

Basis of preparation and going concern (Note 2)

Events subsequent to the reporting period (Note 12)

On behalf of the Board:

<u>"Liam Corcoran"</u>	Director
<u>"Norm Yurik"</u>	Director

Glorious Creation Limited

Condensed Interim Consolidated Statements of Loss

Expressed in Canadian dollars

Unaudited

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
	\$	\$	\$	\$
Revenue				
Sales of goods	-	-	-	4,117
Costs of goods sold	-	-	-	(13,864)
Service income	-	-	-	2,075
Service costs	-	-	-	(2,679)
Selling expenses	-	-	-	(31,954)
Gross profit (loss)	-	-	-	(41,675)
General and administrative expenses				
Amortization	-	14,278	-	32,882
Accounting and auditing (Note 11)	1,260	(13,538)	1,260	(12,180)
Consulting	-	-	-	-
Director fees	6,300	6,000	12,600	12,000
Legal	-	10,520	1,985	10,936
Loan charges and interest	-	1,070	-	2,227
Management fees (Note 11)	6,300	21,000	12,600	51,000
Office and miscellaneous (Note 11)	207	9,563	428	19,969
Rent	-	27,162	-	31,879
Salaries and benefits	-	31,443	-	71,417
Share-based compensation	6,433	53,319	12,866	106,052
Travel and related	-	-	-	544
Registration and filing	5,822	12,494	9,804	14,444
Loss on sales of capital assets	-	13,978	-	27,366
Total general and administrative expenses	(26,322)	(188,557)	(51,543)	(370,704)
Equity loss from associate (Note 15)	-	-	-	(11)
Net loss for the period	(26,322)	(188,557)	(51,543)	(412,390)
Net loss attributable to				
Shareholders of the Company	(26,322)	(178,290)	(51,543)	(388,678)
Non-controlling interest (Note 14)	-	(10,267)	-	(23,712)
Weighted average number of common shares outstanding	2,801,571	2,801,571	2,801,571	2,801,571
Basic and diluted loss per common share	(0.01)	(0.07)	(0.02)	(0.15)

Glorious Creation Limited

Condensed Interim Consolidated Statements of Comprehensive Loss

Expressed in Canadian dollars

Unaudited

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
	\$	\$	\$	\$
Net loss for the period	(26,322)	(188,557)	(51,543)	(412,390)
Other comprehensive income (loss)				
Foreign exchange gain (loss) on translating foreign operations	-	10,099	-	14,049
Comprehensive loss	(26,322)	(178,458)	(51,543)	(398,341)
Comprehensive loss attributable to				
Shareholders of the Company	(26,322)	(168,191)	(51,543)	(374,629)
Non-controlling interest	-	(10,267)	-	(23,712)

Glorious Creation Limited

Condensed Interim Consolidated Statements of Changes in Shareholders' 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, 2018	2,801,571	2,831,023	663,909	(21,660)	(3,654,821)	(172,125)	(353,674)
Share-based compensation	-	-	106,025	-	-	-	52,733
Loss for the period	-	-	-	-	(388,678)	(23,712)	(412,390)
Foreign currency translation difference	-	-	-	14,049	-	-	14,049
Balance, June 30, 2019	2,801,571	2,831,023	769,961	(7,611)	(4,043,499)	(195,837)	(645,963)
Share-based compensation	-	-	(251,800)	-	-	-	(251,800)
Loss for the period	-	-	-	-	301,396	8,408	309,804
Disposal of subsidiaries	-	-	-	7,611	-	187,429	195,040
Balance, December 31, 2019	2,801,571	2,831,023	518,161	-	(3,742,103)	-	(392,919)
Share-based compensation	-	-	12,866	-	-	-	12,866
Loss for the period	-	-	-	-	(51,543)	-	(51,543)
Balance, June 30, 2020	2,801,571	2,831,023	531,027	-	(3,793,646)	-	(431,596)

Glorious Creation Limited

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian dollars

Unaudited

	Six months ended June 30, 2020	Six months ended June 30, 2019
	\$	\$
Operating activities		
Net loss for the period	(51,543)	(412,390)
Non-cash items:		
Amortization	-	32,882
Equity loss from associate	-	11
Accretion of loan interest	-	2,227
Share-based compensation	12,866	106,052
Loss on sales of capital assets	-	27,366
Changes in non-cash working capital items:		
Amounts receivable	-	(4,976)
Prepaid expenses	-	31,027
Accounts payable and accrued liabilities	(948)	(40,833)
Inventories	-	13,888
,Due to/from related parties	10,500	50,349
Total cash used in operating activities	(29,125)	(194,397)
Investing activities		
Proceeds from sales of capital assets	-	7,248
Total cash used in investing activities	-	7,248
Financing activities		
Proceeds from loan	21,000	172,767
Repayment of loan	-	(9,927)
Total cash provided by financing activities	21,000	162,840
Change in cash	(8,125)	(24,309)
Effect of exchange rate changes on balance of cash held in foreign currencies	-	(2,522)
Cash, beginning of the period	12,096	34,820
Cash, end of the period	3,971	7,989

Supplement disclosure with respect to cash flows (Note 11)

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the six months ended June 30, 2020

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 of 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, 2019.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 17, 2020.

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 six months ended June 30, 2020

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:

						Ownership	
Name			Date of incorporation or acquisition	Location	Principal activities	December 31, 2019 and June 30, 2020	June 30, 2019
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 six months ended June 30, 2020

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 June 30, 2020, the Company had cash of \$3,971 (December 31, 2019 - \$12,096), a working capital deficiency of \$431,596 (December 31, 2019 - \$392,919) and a deficit of \$3,793,646 (December 31, 2019 - \$3,742,103).

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.

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the six months ended June 30, 2020

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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.

(iii) 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.

(iv) 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.

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, 2019.

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the six months ended June 30, 2020

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 HK 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. The sales of Glorious HK resulted in a gain of \$136,039.

Details of the disposal are as follows:

	\$
Carrying amounts of net liabilities over which control was lost:	
<i>Current assets</i>	
Cash, inventory, other receivables and prepaids	120,844
<i>Non-current assets</i>	
Property, plant and equipment, investment in associates	<u>60,360</u>
Total assets	<u>181,204</u>
 Current liabilities	
Accounts payable and accrued liabilities	(101,265)
Short-term loans	(293,025)
Due from associate	(118,844)
Due from Glorious Canada	(1,731,325)
Non-controlling interest	187,429
Accumulated other comprehensive loss	<u>55,508</u>
Total liabilities	<u>(2,001,522)</u>
 Consideration received:	
Cash	<u>200</u>
 Gain on disposal of subsidiaries	
Net liabilities derecognized	1,820,318
Cash consideration received	200
Impairment of loans to the subsidiaries	<u>(1,684,479)</u>
Gain on disposal of subsidiaries - net	<u>136,039</u>

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the six months ended June 30, 2020

6. LOANS

The Company's significant debt financing transactions are as follows:

	June 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of the period	210,000	288,965
Advances	21,000	232,767
Repayments	-	(9,927)
Loan charges and interest	-	2,227
Foreign exchange	-	(11,008)
Deconsolidation of subsidiaries	-	(293,024)
Balance, end of the period	231,000	210,000

Shareholders' loans

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 derecognized as of July 31, 2019 upon disposal of Glorious HK.

Loan from former CEO

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 derecognized as of July 31, 2019 upon disposal of Glorious HK.

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 3.96% 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 derecognized as of July 31, 2019 upon disposal of Glorious HK.

Other loans

During the six months ended June 30, 2020, the Company received loans of \$21,000 (year ended December 31, 2019 - \$210,000) 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

Expressed in Canadian dollars

Unaudited

For the six months ended June 30, 2020

7. SHAREHOLDERS' EQUITY

Share capital

Authorized:

Unlimited common shares without par value

As of June 30, 2020, the Company has 2,801,571 (December 31, 2019 – 2,801,571) common shares outstanding, of which 151,218 (December 31, 2019 – 302,436) common shares are held in escrow.

There was no share issuance during the six months ended June 30, 2020 or the year ended December 31, 2019.

Share consolidation

Subsequent to the period ended June 30, 2020, on July 24, 2020, the Company consolidated its shares on a basis of one (1) post consolidated share for fourteen (14) pre consolidated shares. After share consolidation, the Company has 2,801,571 common shares issued and outstanding. In these consolidated financial statements, reference to common shares and per share amounts has been retroactively restated.

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 six months ended June 30, 2020 or the year ended December 31, 2019.

Option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, at December 31, 2018	237,143	\$ 4.34
Cancelled	<u>(165,714)</u>	<u>4.20</u>
Balance, at December 31, 2019 and June 30, 2020	71,429	\$ 4.28
Exercisable, at June 30, 2020	50,000	\$ 4.28

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

Expressed in Canadian dollars

Unaudited

For the six months ended June 30, 2020

7. SHAREHOLDERS' EQUITY (continued)

Stock options (continued)

As at June 30, 2020, the following incentive stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
64,286	\$ 4.20	September 5, 2022
7,143	\$ 5.04	October 5, 2022

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, at December 31, 2018	86,391	\$ 10.50
Expired	(14,962)	10.50
Balance, at December 31, 2019	71,429	\$ 10.50
Expired	(71,429)	10.50
Balance, at June 30, 2020	-	\$ -

8. RELATED PARTY TRANSACTIONS

- During the six months ended June 30, 2020, the Company paid or accrued fees of \$12,600 (2019 - \$51,000) to a company controlled by the CFO of the Company. As of June 30, 2020, \$98,550 (December 31, 2019 - \$100,650) was owed to the company controlled by the CFO.
- During the six months ended June 30, 2020, the Company paid or accrued directors' fees of \$12,600 (2019 - \$12,000) to the directors. As of June 30, 2020, \$44,100 (December 31, 2019 - \$31,500) was owed to the directors.

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

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Unaudited

For the six months ended June 30, 2020

9. 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.

10. FAIR VALUE AND RISK MANAGEMENT

The Company has measured its accounts payable and accrued liabilities, due to related parties, due to associate and short-term loans at amortized cost. The Company measure its receivables at amortized cost. The 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.

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; accordingly 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 June 30, 2020, the Company had a cash balance of \$3,971 (December 31, 2019 - \$12,096) to settle current liabilities of \$435,567 (December 31, 2019 - \$405,015). 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, so its exposure to interest rate risk is insignificant.

Glorious Creation Limited

Notes to the Condensed Interim Consolidated Financial Statements

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For the six months ended June 30, 2020

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing and financing transactions during the six months ended June 30, 2020 and 2019.

12. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

1) On July 23, 2020, the Company completed a consolidation of its common shares on the basis of one new post-consolidated share for every 14 outstanding shares. After the consolidation, the Company has 2,801,571 shares outstanding.

2) On July 24, 2020, the Company closed a private placement by raising \$1,000,000 through the issuance of 18,181,818 units at \$0.055 per unit. Each unit is comprised of one post-consolidated common share and one share purchase warrant entitling the holder to acquire one post-consolidated common share at a price of \$0.07 per post-consolidated share for a period of 48 months.