



WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269

First Quarterly **2011**
Report

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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 of Wealth Glory Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to Wealth Glory Holdings Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or in this report misleading.

The board of directors (the "Board") of Wealth Glory Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 30 June 2011 together with the unaudited comparative figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

		For the three months ended 30 June	
		2011	2010
		HK\$'000	HK\$'000
	<i>Notes</i>		
Turnover	3	31,742	33,734
Cost of goods sold		(22,369)	(23,741)
		<hr/>	<hr/>
Gross profit		9,373	9,993
Other income		11	–
Selling expenses		(618)	(779)
Administrative expenses		(2,446)	(1,404)
Other operating expenses		(162)	(114)
		<hr/>	<hr/>
Profit before tax	4	6,158	7,696
Income tax expense	5	–	–
		<hr/>	<hr/>
Profit for the period attributable to owners of the Company		6,158	7,696
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Earnings per share			
– Basic and diluted (<i>HK cents</i>)	7	1.01	1.72
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2011

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Foreign currency translation reserve HK\$'000	Legal reserve HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Total equity HK\$'000
At 1 April 2011 (Audited)	5,520	20,092	(4,246)	(691)	485	31,135	9,936	62,231
Total comprehensive income for the period	-	-	-	(10)	-	6,158	-	6,148
Issue of shares on placement	1,104	39,744	-	-	-	-	-	40,848
Share issue expenses	-	(453)	-	-	-	-	-	(453)
Changes in equity for the period	1,104	39,291	-	(10)	-	6,158	-	46,543
At 30 June 2011 (Unaudited)	<u>6,624</u>	<u>59,383</u>	<u>(4,246)</u>	<u>(701)</u>	<u>485</u>	<u>37,293</u>	<u>9,936</u>	<u>108,774</u>
At 1 April 2010 (Audited)	234	-	-	(979)	485	24,051	-	23,791
Total comprehensive income for the period	-	-	-	-	-	7,696	-	7,696
Changes in equity for the period	-	-	-	-	-	7,696	-	7,696
At 30 June 2010 (Unaudited)	<u>234</u>	<u>-</u>	<u>-</u>	<u>(979)</u>	<u>485</u>	<u>31,747</u>	<u>-</u>	<u>31,487</u>



NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 25 June 2010 under the Companies Law of the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit 4, 10/F., Lucky Commercial Centre, 103 Des Voeux Road West, Hong Kong. The Company's shares are listed on GEM of the Stock Exchange.

The Company is an investment holding company and the principal activities of its subsidiaries are manufacture and sales of fresh and dried noodles.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's first quarterly report for the three months ended 30 June 2011 has been prepared in accordance with the disclosure requirements of the GEM Listing Rules.

The accounting policies adopted in preparing these first quarterly results are consistent with those used in the preparation of the Group's annual audited financial statements for the year ended 31 March 2011.

3. TURNOVER

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

The following table presents turnover from external customers by geographical location for each of the periods:

	For the three months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Australia	7,333	7,384
Canada	5,475	6,142
Europe	2,174	2,557
Hong Kong	446	120
PRC (except Hong Kong and Macau)	1,553	888
South East Asia	11,378	13,691
Others	3,383	2,952
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	31,742	33,734
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In presenting the geographical information, turnover is based on the locations of the customers.

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging the following:

	For the three months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Cost of goods sold	22,369	23,741
Depreciation	57	99
Operating lease charges		
– Land and buildings	257	227
Staff costs including directors' emoluments		
– Salaries, bonus and allowances	1,123	830
– Retirement benefit scheme contributions	119	91
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	119	91
	<hr/> <hr/>	<hr/> <hr/>

5. INCOME TAX EXPENSE

**For the three months
ended 30 June**

	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Current income tax	-	-

No provision for Hong Kong profits tax has been made for the above periods as the Group did not generate any assessable profits arising in Hong Kong.

The subsidiary, Shui Ye Foods (Shanghai) Co., Ltd., operating in the People's Republic of China ("PRC"), is subject to corporate income tax rate of 25% on its taxable profit in accordance with the PRC Corporate Income Tax Law. No provision for corporate income tax has been made as it has no assessable profit for above periods.

According to the current applicable laws of the Macau Special Administrative Region, Macau Complementary Tax is calculated at a progressive rate from 9% to 12% on the estimated assessable profits for the year with first two hundred thousand patacas assessable profits being free from tax. However, Greenfortune (Macao Commercial Offshore) Limited, a subsidiary of the Company, operating in Macau during the period was in compliance with the Decree-Law No. 58/99/M of Macau Special Administrative Region, and thus, the profits generated by the subsidiary was exempted from the Macau Complementary Tax. Further, in the opinion of the Directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdictions in which the Group operates.

6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2011 (2010: Nil).

7. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months ended 30 June 2011 was based on the unaudited consolidated profit of approximately HK\$6,158,000 attributable to owners of the Company (three months ended 30 June 2010: HK\$7,696,000) and the pro forma weighted average number of 611,446,154 shares of the Company ("Share(s)") in issue (pro forma weighted average number of shares in issue for the three months ended 30 June 2010: 448,000,000 shares) on the assumption that they have been in issue throughout the periods.

There were no potential dilutive ordinary shares for each of the three months ended 30 June 2011 and 2010, and therefore, diluted earnings per share was the same as the basic earnings per share in each period.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in (i) the supply and sale of dried noodles, including bowl noodles and packed noodles; and (ii) the manufacture and sale of fresh noodles, including but not limited to, hefen, wonton noodles and yi mein. The Group's dried noodles are mainly sold to overseas food product wholesalers engaging in trading and distribution of food products in Australia, Canada and South East Asia, and our Group's fresh noodles are mainly sold to restaurants, hotels and cafes nearby our Group's production base in Shanghai, the PRC.

The Group's performance was relatively stable for the three months ended 30 June 2011. Turnover slightly decreased by approximately 5.9% to approximately HK\$31.7 million for the three months ended 30 June 2011 as compared to the corresponding period in 2010.

During the period under review, the Group's first overseas office in New Zealand has come into operation. This overseas establishment would serve for managing customer relationship and soliciting prospective customers for the Group's products and be in line with the Group's ever-expansion plan. Besides, in line with the Group's expansion plan for production capacity, one of new dried noodle production line and relevant machinery has been installed and tested and would be ready for production in the second half of 2011.

Financial Review

For the three months ended 30 June 2011, the turnover of the Group was slightly decreased to approximately HK\$31.7 million (30 June 2010: approximately HK\$33.7 million), representing a decrease by approximately 5.9% compared with the corresponding period in 2010. The decrease in turnover mainly attributed to seasonal fluctuation in orders from customers.

The gross profit margin of the Group for the three months ended 30 June 2011 had been maintained at a fairly stable level of approximately 29.5%, but the gross profit was slightly decreased to approximately HK\$9.4 million (30 June 2010: approximately HK\$10.0 million), representing a decrease by approximately 6.2% compared with the corresponding period in 2010. The decrease in gross profit was in line with the decrease in turnover.

The Group's selling expenses for the three months ended 30 June 2011 were decreased by approximately 20.7% to approximately HK\$0.6 million compared to approximately HK\$0.8 million for the corresponding period in 2010. The decrease was mainly attributed to decrease in the commission expenses paid to agents for referred customers to our Group.

The Group's administrative expenses for the three months ended 30 June 2011 were increased by approximately 74.2% to approximately HK\$2.4 million compared to approximately HK\$1.4 million for the corresponding period in 2010. The increase was mainly attributed to the increase in legal and professional fees, administrative headcounts, entertainment and traveling and certain recurrent listing expenses.

The Group's profit attributable to shareholders for the three months ended 30 June 2011 was decreased by approximately 20.0% to approximately HK\$6.2 million compared to approximately HK\$7.7 million for the corresponding period in 2010.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2011, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 of the GEM Listing Rules, were as follows:

Aggregate long positions in Shares

Name of Director	Capacity of Interests	Number of Shares in interest	Approximate percentage of interest in Shares
Ms LEE Yau Lin, Jenny ("Ms Lee") (Note 1)	Interest in controlled corporation	306,880,000	46.33%
Mr WONG Wing Fat ("Mr Wong") (Note 2)	Interest in controlled corporation	35,840,000	5.41%

Notes:

1. Ms Lee is the beneficial owner of 100% of the issued share capital of Conrich Investments Limited ("Conrich"). Ms Lee is deemed to be interested in, and duplicated the interests of, the 306,880,000 Shares held by Conrich under section 316(2) the SFO.
2. Mr Wong is the beneficial owner of 100% of the issued share capital of Fastray Investments Limited ("Fastray"). Mr Wong is deemed to be interested in, and duplicated the interests of, the 35,840,000 Shares held by Fastray under section 316(2) the SFO.

Save as disclosed above, as at 30 June 2011, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2011, the interests or short positions of every person, other than a Director or chief executive of the Company, in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Aggregate long positions in Shares

Name of shareholder	Capacity of Interests	Number of Shares in interest	Approximate percentage of interest in Shares
Conrich (Note 1)	Beneficial owner	306,880,000	46.33%
LEUNG Kai Tong, Tommy (Note 2)	Family interest	306,880,000	46.33%
Fastray (Note 3)	Beneficial owner	35,840,000	5.41%
FU Ching Man (Note 4)	Family interest	35,840,000	5.41%

Notes:

1. Conrich is an investment holding company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Ms Lee.
2. Mr LEUNG Kai Tong, Tommy is the spouse of Ms Lee and is deemed to be interested in, and duplicated the interest of, all the Shares she is interested under Section 316(1) of the SFO.
3. Fastray is an investment holding company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Mr Wong.
4. Ms FU Ching Man is the spouse of Mr Wong and is deemed to be interested in, and duplicated the interest of, all the Shares he is interested under Section 316(1) of the SFO.

Save as disclosed above, as at 30 June 2011, no other person had any interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' Interests In Shares" above, at no time during the reporting period were there rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were there any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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

Save for the top-up placing of the Company's new shares as disclosed in the announcements of the Company dated 29 April 2011, 5 May 2011 and 13 May 2011, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2011.

DIRECTOR'S AND CONTROLLING SHAREHOLDER'S INTERESTS IN COMPETING INTERESTS

As at 30 June 2011, none of the Directors, the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.



REVIEW OF QUARTERLY REPORT

This quarterly report for the three months ended 30 June 2011 was not audited by the Company's auditors, but was reviewed by the Audit Committee of the Company, which was of the opinion that the information contained therein had complied with the disclosure requirements of the GEM Listing Rules, and that adequate disclosures had been made.

By order of the Board
Wealth Glory Holdings Limited
LEE Yau Lin, Jenny
Chairman

Hong Kong, 12 August 2011

As at the date of this report, the executive Directors are Ms LEE Yau Lin, Jenny and Mr WONG Wing Fat and the independent non-executive Directors are Mr HO Wai Hung, Ms CHEUNG Kin, Jacqueline and Ms MAK Yun Chu.