



**WEALTH GLORY HOLDINGS LIMITED**

**富譽控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269

Interim **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 of the Stock Exchange 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 and six months ended 30 September 2011 together with the unaudited comparative figures for the corresponding period in 2010 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2011

		Three months ended 30 September		Six months ended 30 September	
	Note	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
<b>Turnover</b>	3	<b>34,448</b>	33,752	<b>66,190</b>	67,486
Cost of goods sold		<b>(24,966)</b>	(23,453)	<b>(47,335)</b>	(47,194)
<b>Gross profit</b>		<b>9,482</b>	10,299	<b>18,855</b>	20,292
Other income		<b>55</b>	-	<b>66</b>	-
Selling expenses		<b>(1,252)</b>	(303)	<b>(1,870)</b>	(1,082)
Administrative expenses		<b>(3,988)</b>	(1,538)	<b>(6,434)</b>	(2,942)
Other operating expenses		<b>(236)</b>	(172)	<b>(398)</b>	(286)
<b>Profit before tax</b>	5	<b>4,061</b>	8,286	<b>10,219</b>	15,982
Income tax expense	6	-	-	-	-
<b>Profit for the period attributable to owners of the Company</b>		<b>4,061</b>	8,286	<b>10,219</b>	15,982
<b>Other comprehensive income</b>					
- Exchange difference on translating foreign operations		<b>95</b>	-	<b>95</b>	-
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>4,156</b>	8,286	<b>10,314</b>	15,982
<b>Earnings per share</b>					
- Basic and diluted (HK cents)	8	<b>0.61</b>	1.85	<b>1.61</b>	3.57

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	Note	As at 30 September 2011 (Unaudited) HK\$'000	As at 31 March 2011 (Audited) HK\$'000
<b>Non-current assets</b>			
Fixed assets	9	6,201	2,395
<b>Current assets</b>			
Inventories	10	1,455	1,607
Trade receivables	11	23,172	20,826
Prepayments, deposits and other receivables		1,875	1,065
Bank and cash balances		85,307	46,799
		<b>111,809</b>	70,297
<b>Current liabilities</b>			
Trade payables	12	10,497	9,172
Accruals and other payables		1,264	1,286
		<b>11,761</b>	10,458
<b>Net current assets</b>		<b>100,048</b>	59,839
<b>Total assets less current liabilities</b>		<b>106,249</b>	62,234
<b>Non-current liabilities</b>			
Deferred tax liabilities		3	3
<b>NET ASSETS</b>		<b>106,246</b>	62,231
<b>Capital and reserves</b>			
Share capital	13	6,624	5,520
Reserves		99,622	56,711
<b>TOTAL EQUITY</b>		<b>106,246</b>	62,231

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2011

	Share capital	Share premium	Merger reserve	Foreign currency translation reserve	Share-based payment reserve	Legal reserve	Retained profits	Proposed final dividend	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	-	-	-	95	-	-	10,219	-	10,314
Issue of shares on placement	1,104	39,744	-	-	-	-	-	-	40,848
Share issue expenses	-	(453)	-	-	-	-	-	-	(453)
Dividend paid	-	-	-	-	-	-	-	(9,936)	(9,936)
Recognition of equity-settled share-based payments	-	-	-	-	3,242	-	-	-	3,242
Changes in equity for the period	1,104	39,291	-	95	3,242	-	10,219	(9,936)	44,015
At 30 September 2011 (Unaudited)	<u>6,624</u>	<u>59,383</u>	<u>(4,246)</u>	<u>(596)</u>	<u>3,242</u>	<u>485</u>	<u>41,354</u>	<u>-</u>	<u>106,246</u>
At 1 April 2010 (Audited)	234	-	-	(979)	-	485	24,051	-	23,791
Total comprehensive income for the period	-	-	-	-	-	-	15,982	-	15,982
Dividend paid	-	-	-	-	-	-	(8,000)	-	(8,000)
Share swap pursuant to group reorganisation	4,246	-	(4,246)	-	-	-	-	-	-
Changes in equity for the period	4,246	-	(4,246)	-	-	-	7,982	-	7,982
At 30 September 2010 (Unaudited)	<u>4,480</u>	<u>-</u>	<u>(4,246)</u>	<u>(979)</u>	<u>-</u>	<u>485</u>	<u>32,033</u>	<u>-</u>	<u>31,773</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2011

	Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	12,023	8,878
NET CASH USED IN INVESTING ACTIVITIES	(3,974)	(30)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	30,459	(8,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	38,508	848
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	46,799	14,826
CASH AND CASH EQUIVALENTS AT END OF PERIOD	85,307	15,674
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	85,307	15,674

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

*For the six months ended 30 September 2011*

## 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 in Hong Kong is Unit 4, 10/F., Lucky Commercial Centre, 103 Des Voeux Road West, Hong Kong. The Company's shares were listed on GEM of the Stock Exchange.

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

## 2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2011 (the "Interim Accounts") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Interim Accounts are consistent with those used in the audited financial statements included in the annual report of the Company for the year ended 31 March 2011 (the "Annual Report"), except for adoption of the new and revised Hong Kong Financial Reporting Standards. The Interim Accounts do not include all of the information required for the financial statements and thereby they should be read in conjunction with the Annual Report.

## 3. TURNOVER

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

#### 4. SEGMENT INFORMATION

The Group has one single reportable segment which was managed as a single strategic business unit that engaged in the manufacturing and sale of fresh and dried noodles with similar marketing strategy. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and assessment performance is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis is presented.

##### Geographical information:

The following tables present revenue from external customers by geographical locations for each of the periods:

	Revenue		Non-current assets	
	Six months ended		As at	
	30 September		30 September	31 March
	<b>2011</b>	2010	<b>2011</b>	2011
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Hong Kong	<b>889</b>	703	<b>17</b>	21
Macau	<b>-</b>	-	<b>112</b>	175
The People's Republic of China ("PRC") except Hong Kong and Macau	<b>3,507</b>	2,763	<b>6,072</b>	2,199
Australia	<b>11,115</b>	15,160	-	-
Canada	<b>10,687</b>	10,696	-	-
Europe	<b>4,272</b>	4,872	-	-
South East Asia	<b>25,657</b>	26,832	-	-
Others	<b>10,063</b>	6,460	-	-
	<b>66,190</b>	67,486	<b>6,201</b>	2,395

In presenting the geographical information, revenue is based on the locations of the customers.

##### Revenue from major customers:

For the six months ended 30 September 2011 and 2010, there was no customer who accounted for 10% or more of the Group's revenue.



## 5. PROFIT BEFORE TAX

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

	Three months ended 30 September		Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Cost of goods sold	24,966	23,453	47,335	47,194
Depreciation	111	82	168	181
Operating lease charges				
– Land and buildings	264	226	521	453
Staff costs (including directors' emoluments)				
– Salaries, bonus and allowances	1,044	841	2,167	1,671
– Retirement benefit scheme contributions	205	122	324	213
Equity-settled share-based payments	3,242	–	3,242	–
	<b>3,242</b>	<b>–</b>	<b>3,242</b>	<b>–</b>

## 6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Current income tax	–	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

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 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 the above periods.

## 6. INCOME TAX EXPENSE (CONTINUED)

According to the current applicable laws of the Macao Special Administrative Region, Macao 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 is in compliance with the Decree-Law No. 58/99/M of Macao Special Administrative Region, and thus, the profits generated by the subsidiary was exempted from the Macao 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.

## 7. DIVIDENDS

	Three months ended 30 September		Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Final dividend paid	9,936	–	9,936	–
Special dividend paid	–	8,000	–	8,000

The Board does not declare the payment of an interim dividend for the six months ended 30 September 2011 (2010: Nil).

## 8. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months and six months ended 30 September 2011 are based on the unaudited consolidated profit of approximately HK\$4,061,000 and approximately HK\$10,219,000 attributable to owners of the Company for the three months and six months ended 30 September 2011 respectively (three months and six months ended 30 September 2010: approximately HK\$8,286,000 and approximately HK\$15,982,000 respectively) and the weighted average number of 662,400,000 and 637,062,295 shares respectively in issue (pro forma weighted average number of shares in issue for the three months and six months ended 30 September 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 and six months ended 30 September 2011 and 2010, and therefore, diluted earnings per share were the same as the basic earnings per share.

## 9. FIXED ASSETS

During the six months ended 30 September 2011, the Group acquired certain plant and machinery with a cost of approximately HK\$4.0 million (2010: Nil).

## 10. INVENTORIES

	<b>As at 30 September 2011 (Unaudited) HK\$'000</b>	As at 31 March 2011 (Audited) HK\$'000
Raw materials	923	914
Work in progress	51	108
Finished goods	481	585
	<hr/>	<hr/>
	<b>1,455</b>	1,607
	<hr/> <hr/>	<hr/> <hr/>

## 11. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of the Group's trade receivables as at the balance sheet dates based on the date of recognition of sales, and net of allowances, is as follows:

	<b>As at 30 September 2011 (Unaudited) HK\$'000</b>	As at 31 March 2011 (Audited) HK\$'000
0 – 90 days	22,783	20,602
91 – 180 days	389	89
181 – 365 days	–	135
	<hr/>	<hr/>
	<b>23,172</b>	20,826
	<hr/> <hr/>	<hr/> <hr/>

## 12. TRADE PAYABLES

The ageing analysis of the Group's trade payables as at the balance sheet dates based on the date of receipt of goods is as follows:

	<b>As at 30 September 2011 (Unaudited) HK\$'000</b>	As at 31 March 2011 (Audited) HK\$'000
0 – 90 days	<b>10,125</b>	9,025
91 – 180 days	<b>372</b>	147
	<hr/> <b>10,497</b> <hr/>	<hr/> 9,172 <hr/>

## 13. SHARE CAPITAL

	<b>As at 30 September 2011 (Unaudited) HK\$'000</b>	As at 31 March 2011 (Audited) HK\$'000
Authorised: 1,000,000,000 ordinary shares of HK\$0.01 each	<hr/> <b>10,000</b> <hr/>	<hr/> 10,000 <hr/>
Issued and fully paid: 662,400,000 (31 March 2011: 552,000,000) ordinary shares of HK\$0.01 each	<hr/> <b>6,624</b> <hr/>	<hr/> 5,520 <hr/>

### 13. SHARE CAPITAL (CONTINUED)

	<i>Note</i>	<b>Number of ordinary shares of HK\$0.01 each (Unaudited)</b>	<b>Nominal value of ordinary shares (Unaudited) <i>HK\$'000</i></b>
<b>Authorised:</b>			
Upon incorporation	(a)	38,000,000	380
Increase in authorised share capital	(b)	962,000,000	9,620
		<hr/>	<hr/>
At 30 September 2011		<u>1,000,000,000</u>	<u>10,000</u>
<b>Issued and fully paid:</b>			
Ordinary share of HK\$0.01 each			
At 1 April 2010		–	–
Upon incorporation	(a)	1	–
Share swap	(c)	447,999,999	4,480
Issue of shares on placement	(d)	104,000,000	1,040
Top-up placing	(e)	110,400,000	1,104
		<hr/>	<hr/>
At 30 September 2011		<u>662,400,000</u>	<u>6,624</u>

*Notes:*

- (a) The Company was incorporated in the Cayman Islands on 25 June 2010 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares at par of HK\$0.01 each. Upon incorporation, 1 share was allotted at issued at fully paid to the initial subscriber on 25 June 2010.
- (b) Pursuant to the written resolution of shareholders of the Company passed on 22 September 2010, the Company's authorised share capital was increased from HK\$380,000 to HK\$10,000,000 by the creation of an additional 962,000,000 shares of HK\$0.01 each.
- (c) On 24 September 2010, pursuant to the share swap agreement entered into among the Company and all of the then shareholders of Paraburdoo Limited, the Company acquired the entire issued share capital of Paraburdoo Limited from the then shareholders of Paraburdoo Limited comprising the same persons as the shareholders of the Company immediately prior to the placing of shares, in consideration of the abovementioned share swap, 447,999,999 shares of HK\$0.01 each were allotted and issued by the Company at par to the then shareholders of Paraburdoo Limited, credited as fully paid.

### 13. SHARE CAPITAL (CONTINUED)

Notes: (Continued)

(d) In connection with placing of shares of the Company, an aggregate of 104,000,000 new ordinary shares of HK\$0.01 each were issued at a price of HK\$0.25 per share for a total cash consideration, before issuance costs, of HK\$26,000,000.

(e) On 29 April 2011, the Company has conducted a top-up placing of 110,400,000 shares at a placing price of HK\$0.37 per share. Net proceeds of approximately HK\$40.4 million has been raised and the top-up placing was completed on 13 May 2011.

### 14. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2011 (31 March 2011: Nil).

### 15. CAPITAL COMMITMENTS

	<b>As at 30 September 2011 (Unaudited) HK\$'000</b>	As at 31 March 2011 (Audited) HK\$'000
Contracted but not provided for – Plant and machinery	<b>3,960</b>	–

### 16. LEASE COMMITMENTS

At 30 September 2011, the total future minimum lease payments of the Group under non-cancelable operating leases in respect of rented premises payable to independent third parties are as follows:

	<b>As at 30 September 2011 (Unaudited) HK\$'000</b>	As at 31 March 2011 (Audited) HK\$'000
Within one year	<b>1,047</b>	1,062
In the second to fifth years inclusive	<b>45</b>	–
	<b>1,092</b>	1,062

### 17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the Interim Accounts were approved by the Board on 10 November 2011.

## INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend for the six months ended 30 September 2011 (2010: Nil).

## 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 engaged in trading and distribution of food products in Australia, Canada, Europe and South East Asia and the Group's fresh noodles are mainly sold to restaurants, hotels and cafes nearby our Group's production base in Shanghai, the PRC.

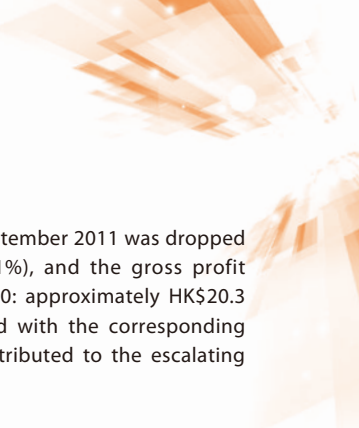
The downturn in the global economy and instability in the financial market in recent months have hindered the growth momentum to the Group's business. The turnover, gross profit margin and profit attributable to shareholders for the six months ended 30 September 2011 were dropped by approximately 1.9%, 1.6% and 36.1% respectively when compared with the corresponding period in 2010. The slightly decrease in turnover was principally attributed to decrease in orders from our overseas customers due to unpredictable global economic conditions and the weakening of the customer confidence.

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. Facing the volatile market and ever-shifting needs of customers, the Group's marketing team continued to trying hard to expand its customer portfolio and bring them the latest products with a view to fostering possible business relationships with them and capturing business opportunities.

Besides, in line with the Group's expansion plan in production capacity, one of the new production lines has been installed and it is anticipated the remaining two production lines shall be fully installed and operated as planned.

### Financial Review

For the six months ended 30 September 2011, the turnover of the Group was slightly decreased to approximately HK\$66.2 million (30 September 2010: approximately HK\$67.5 million), representing a decrease by approximately 1.9% compared with the corresponding period in 2010. The decrease in turnover was mainly attributed to the decrease in orders from our overseas customers. In term of geographical segments, South East Asia, Australia and Canada were still our major markets, which represented approximately 38.8%, 16.8% and 16.1% of the Group's turnover.



The gross profit margin of the Group for the six months ended 30 September 2011 was dropped to approximately 28.5% (30 September 2010: approximately 30.1%), and the gross profit was dropped to approximately HK\$18.9 million (30 September 2010: approximately HK\$20.3 million), representing a decrease by approximately 7.1% compared with the corresponding period in 2010. The decrease in gross profit margin was mainly attributed to the escalating costs in raw materials which could not be fully shifted to customers.

The Group's selling expenses for the six months ended 30 September 2011 was increased by approximately 72.8% to approximately HK\$1.9 million compared to approximately HK\$1.1 million for the corresponding period in 2010. The increase was mainly attributable to the equity-settled share-based payments of approximately HK\$0.8 million charged to the income statement for grant of share options during the period under review.

The Group's administrative expenses for the six months ended 30 September 2011 was increased by approximately 118.7% to approximately HK\$6.4 million compared to approximately HK\$2.9 million for the corresponding period in 2010. The increase was mainly attributed to the increase in outlays in entertainment and traveling for customer visits, staff headcounts, share-based payments, legal and professional fees and certain recurrent listing expenses. During the period under review, the Group had granted certain share options to directors and senior administrative staff to reward for their contribution and performance in the past year. The grant of share options, though did not have a cashflow effect, had charged to the income statement for approximately HK\$2.4 million as equity-settled share-based payments in accordance with accounting standards under the administrative expenses.

The Group's net profit attributable to shareholders for the six months ended 30 September 2011 was decreased by approximately 36.1% to approximately HK\$10.2 million compared to approximately HK\$16.0 million for the corresponding period in 2010. The decrease in the Group's net profit can be summarised as mainly attributable to approximately 1.9% decrease in turnover, approximately 1.6% decrease in the Group's overall gross profit margin, approximately 72.8% increase in selling expenses and approximately 118.7% increase in administrative expenses.

As explained above, the decrease in the Group's net profit is predominantly affected by the substantial increase in the selling and administrative expenses, in which approximately HK\$3.2 million all together was due to the shares options granted in July 2011. This HK\$3.2 million is a non-recurring expenses and solely an accounting treatment and has no effect on the Group's underlying business and financial position. If this amount is excluded, the turnover and net profit for the six months ended 30 September 2011 is more or less comparable to figures of the previous period.





### **Liquidity, financial resources and capital structure**

During the six months ended 30 September 2011, the Group mainly financed its operations with its own working capital and equity funding.

On 29 April 2011, the Company conducted a top-up placing of 110,400,000 shares at placing price of HK\$0.37 per share. Net proceeds of approximately HK\$40.4 million had been raised in this exercise. The top-up placing was completed on 13 May 2011.

As at 30 September 2011, the Group had net current assets of approximately HK\$100.0 million (31 March 2011: approximately HK\$59.8 million), including cash and bank balances of approximately HK\$85.3 million (31 March 2011: approximately HK\$46.8 million).

As at 30 September 2011, the Group's gearing ratio represented by the total liabilities as a percentage of the Group's total assets was amounted to approximately 10.0% (31 March 2011: 14.4%).


### **OUTLOOK**

Despite the uncertainty of the global economy during the past six months, the Group is still optimistic and believes it is well prepared to grasp the opportunities and face the challenges in the coming months. The Group has been implementing the business objectives and future plans as scheduled with necessary fine tuning and adjustments in response to the global unstable financial and business environments on the one hand and the tightening of the PRC food regulations and increase in raw material costs on the other hand. Going forward, the Group will continue implementing the scheduled business objectives and future plans, and will also consider any possible business expansion and/or diversification should such opportunities arise.

## COMPARISON OF THE BUSINESS OBJECTIVES WITH THE ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as stated in the Prospectus with the Group's actual business progress for the period from the latest practicable date (as defined in the Prospectus) to 30 September 2011 is set out below:

	<b>Business objectives</b>	<b>Actual operation progress up to 30 September 2011</b>
Expansion of production capacity	Purchase of related computer software	Various quotations from software companies have been obtained
	The new production line commences production	One of the new dried noodle production line has been installed and ready for production
Expansion of the overseas markets	Strengthen the communication channels with existing customers	Regular email contacts and visits were arranged to strengthen the communication channels with existing customers
	Expand the customer base by further exploring business opportunities with potential customers in existing markets and new markets based on the information gathered from Hong Kong Trade and Development Centre, the internet and business trip if necessary	Several business trips to visit customers in existing markets were arranged throughout the period
	Enhance our Group's corporate profile and participate in tradeshows if necessary	Group's corporate profile have been updated regularly
	Set up and start operation of new overseas sales offices in Australia, Malaysia, Thailand, Canada, United Kingdom and Korea	Analysis on the market demand of targeted location were carried out and locations of new sales offices is being considered
	Recruit two new staff for each of the new overseas sales offices	Slight rescheduling as the locations of new sales offices have not yet confirmed
	Training of new sales and marketing staff	Slight rescheduling as staff have not yet recruited



Marketing and brand building in the PRC

**Business objectives**

Strengthen the communication channels with existing customers

Expand the customer base by further exploring business opportunities with potential customers in existing markets

Evaluate and update our Group's website

Enhance our Group's corporate profile, participate in more tradeshows and organize some marketing campaigns including free tasting events in supermarkets and shopping malls and sport sponsorship events

Advertising in multi media, newspapers, magazines and some public transportation

Update the marketing material including poster, brochure and leaflet

Recruit two new staff for marketing team

**Actual operation progress up to 30 September 2011**

Regular email, telephone contacts and visits were arranged to strengthen the communication channels with existing customers

Telephone contacts and visits were arranged by sales team to explore business opportunities with potential customer in existing markets

The Group's website was updated regularly with the latest product information and latest news regarding the Group's business development

Campaigns including free tasting events in supermarket and shopping malls have been held

Various quotation have received from advertisement companies comparison has been carried out to decide the appropriate advertising medium

The Group's marketing material were updated regularly with latest product information

Recruitment was being carried out

Product development

**Business objectives**

Evaluate the taste, ingredient, and appearance and packaging of our Group's existing products

Study the customer appetites in PRC and overseas markets with assistance from the sales and marketing team

Launch trial products such as improved/new taste, ingredient and appearance to customers and review the customers' demand and preference

Introduce not less than 10 new products to the market and continuous improve the quality of existing products

Update the regulatory requirements in PRC regarding the quality of noodle products and improve accordingly if there is any amendments

Purchase relevant equipments for product development

**Actual operation progress up to 30 September 2011**

The taste, ingredient, and appearance and packaging of our existing products were regularly evaluated and amended

Studies on the customer appetites in PRC market were carried out

New taste and ingredient products have been sent to existing customers and the Group will fine-tune the taste of new products based on customers' feedback

9 new products were developed and introduced to the market and the Group continuously improves the quality and taste of existing products

The regulatory requirements in PRC regarding the quality of noodle products were being reviewed regularly

Various quotations for product development equipments have been obtained and evaluated

## USE OF PROCEEDS

The business objectives and planned use of proceeds as stated in the Prospectus were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied in accordance with the actual development of the market. The actual application of the use of proceeds as indicated in the Prospectus as at 30 September 2011 were as follows:

Event	Net proceeds	Intended use of proceeds	Actual use of proceeds and the intended use of any amount not yet utilized
Initial public offering by way of placing	Approximately HK\$19.8 million	(i) approximately 48.0% of the net proceeds, or approximately HK\$9.5 million, for the expansion of the Group's production capacity of dried noodles;	(i) approximately HK\$7.9 million will be used for the expansion of production capacity, details of which are set out in the announcement of the Company dated 13 April 2011 and the remaining will be utilized as intended
		(ii) approximately 15.2% of the net proceeds, or approximately HK\$3.0 million, for the expansion of the overseas markets;	(ii) partially used as intended, approximately HK\$0.6 million has used for the expansion of the overseas markets and the remaining will be utilized as intended
		(iii) approximately 20.2% of the net proceeds, or approximately HK\$4.0 million, for marketing and brand building in the PRC;	(iii) partially used as intended, approximately HK\$1.0 million has been used for the marketing and promotion activities, and the remaining will be utilized as intended
		(iv) approximately 10.1% of the net proceeds, or approximately HK\$2.0 million, for product development; and	(iv) partially used as intended, approximately HK\$0.6 million has been used for the development of new products, and the remaining will be utilized as intended
		(v) approximately 6.5% of the net proceeds, or approximately HK\$1.3 million for working capital of the Group.	(v) used as intended

Actual application of the net proceeds was lower as compared to the planned application due to the reasons as explained under "Comparison of the Business Objectives with the Actual Business Progress" section above.

## SHARE OPTION SCHEME

At 30 September 2011, the Directors, employees and service providers of the Company had the following interests in options to subscribe for shares of the Company granted under the share option scheme of the Company:

Details of grantees	No. of options outstanding of the period end	Date granted	Period during which options are exercisable	Exercise price per share option
Ms LEE Yau Lin, Jenny ("Ms Lee") <i>(Executive Director)</i>	4,000,000	11 July 2011	11 July 2011 to 10 July 2016	HK\$0.355
Mr WONG Wing Fat ("Mr Wong") <i>(Executive Director)</i>	4,000,000	11 July 2011	11 July 2011 to 10 July 2016	HK\$0.355
Mr HO Wai Hung <i>(Independent non-Executive Director)</i>	400,000	11 July 2011	11 July 2011 to 10 July 2016	HK\$0.355
Ms CHEUNG Kin, Jacqueline <i>(Independent non-Executive Director)</i>	400,000	11 July 2011	11 July 2011 to 10 July 2016	HK\$0.355
Ms MAK Yun Chu <i>(Independent non-Executive Director)</i>	400,000	11 July 2011	11 July 2011 to 10 July 2016	HK\$0.355
Employees (In aggregate)	22,000,000	11 July 2011	11 July 2011 to 10 July 2016	HK\$0.355
Service providers (In aggregate)	12,000,000	11 July 2011	11 July 2011 to 10 July 2016	HK\$0.355
	<u>43,200,000</u>			

The options granted to the Directors are registered under the names of the Directors whom are also the beneficial owners.

All the above options granted had no vesting period imposed. There were no options outstanding at the beginning of the period under review or options exercised, cancelled or lapsed during the period under review.

## DIRECTORS' INTERESTS IN SECURITIES

As at 30 September 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 ( <i>Note 1</i> )	Interest in controlled corporation/Beneficial owner	310,880,000	46.93%
Mr Wong ( <i>Note 2</i> )	Interest in controlled corporation/Beneficial owner	39,840,000	6.01%
Mr Ho Wai Hung ( <i>Note 3</i> )	Beneficial owner	400,000	0.06%
Ms Cheung Kin, Jacqueline ( <i>Note 3</i> )	Beneficial owner	400,000	0.06%
Ms Mak Yun Chu ( <i>Note 3</i> )	Beneficial owner	400,000	0.06%

#### Notes:

- 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. The remaining interests in 4,000,000 shares of the Company are share options granted by the Company to Ms Lee on 11 July 2011.
- 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. The remaining interests in 4,000,000 shares of the Company are share options granted by the Company to Mr Wong on 11 July 2011.
- These shares in interests are share options granted by the Company to respective Directors on 11 July 2011.

Save as disclosed above, as at 30 September 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 SECURITIES

As at 30 September 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 ( <i>Note 1</i> )	Beneficial owner	306,880,000	46.33%
LEUNG Kai Tong, Tommy ( <i>Note 2</i> )	Family interest	310,880,000	46.93%
Fastray ( <i>Note 3</i> )	Beneficial owner	35,840,000	5.41%
FU Ching Man ( <i>Note 4</i> )	Family interest	39,840,000	6.01%

#### 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. These shares in interests are in duplicate the interests held by Ms Lee and Mr LEUNG Kai Tong, Tommy.
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 Ms Lee 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. These shares in interests are in duplicate the interests held by Mr Wong and Ms Fu Ching Man.
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 Mr Wong is interested under Section 316(1) of the SFO.

Save as disclosed above, as at 30 September 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 Securities" 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 six month ended 30 September 2011.

## **DIRECTOR'S INTERESTS IN COMPETING INTERESTS**

As at 30 September 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.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the six months ended 30 September 2011.

## **CODE OF CORPORATE GOVERNANCE PRACTICES**

The Company has met with the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the period under review.

## **REVIEW OF INTERIM REPORT**

This interim report for the six months ended 30 September 2011 was not audited by the Company's independent auditor, 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, 10 November 2011

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