

WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8269)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

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*This announcement, 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 announcement 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 announcement 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 2010 together with the unaudited comparative figures for the corresponding period in 2009 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 September 2010

		Three months ended 30 September		Six months ended 30 September	
		2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
	Note				
Turnover	3	33,752	20,139	67,486	39,453
Cost of goods sold		(23,453)	(15,623)	(47,194)	(30,427)
Gross profit		10,299	4,516	20,292	9,026
Other income		-	1	-	1
Selling expenses		(303)	(853)	(1,082)	(1,582)
Administrative expenses		(1,538)	(1,314)	(2,942)	(2,438)
Other operating expenses		(172)	(39)	(286)	(78)
Profit before tax	5	8,286	2,311	15,982	4,929
Income tax expense	6	-	-	-	-
Profit for the period attributable to: Owners of the Company		8,286	2,311	15,982	4,929
Earnings per share					
- Basic and diluted (HK cents)	8	1.85	0.52	3.57	1.10

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2010

	Three months ended 30 September		Six months ended 30 September	
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period	8,286	2,311	15,982	4,929
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	8,286	2,311	15,982	4,929
Attributable to:				
Owners of the Company	8,286	2,311	15,982	4,929

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2010

	Note	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Non-current assets			
Fixed assets	9	<u>2,602</u>	<u>2,753</u>
Current assets			
Inventories	10	1,323	740
Trade receivables	11	23,301	15,654
Prepayments, deposits and other receivables		3,068	610
Bank and cash balances		<u>15,674</u>	<u>14,826</u>
		<u>43,366</u>	<u>31,830</u>
Current liabilities			
Trade payables	12	13,325	9,388
Accruals and other payables		<u>869</u>	<u>1,401</u>
		<u>14,194</u>	<u>10,789</u>
Net current assets		<u>29,172</u>	<u>21,041</u>
Total assets less current liabilities		31,774	23,794
Non-current liabilities			
Deferred tax liabilities		<u>1</u>	<u>3</u>
NET ASSETS		<u>31,773</u>	<u>23,791</u>
Capital and reserves			
Share capital	13	4,480	234
Reserves		<u>27,293</u>	<u>23,557</u>
TOTAL EQUITY		<u>31,773</u>	<u>23,791</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2010

	Share Capital <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Legal reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2010	234	–	(979)	485	24,051	23,791
Total comprehensive income for the period	–	–	–	–	15,982	15,982
Dividends 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)	4,480	(4,246)	(979)	485	32,033	31,773
At 1 April 2009	234	–	(979)	485	16,857	16,597
Total comprehensive income for the period	–	–	–	–	4,929	4,929
Dividends declared	–	–	–	–	(10,000)	(10,000)
Changes in equity for the period	–	–	–	–	(5,071)	(5,071)
At 30 September 2009 (unaudited)	234	–	(979)	485	11,786	11,526

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2010

	Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	8,878	1,939
NET CASH USED IN INVESTING ACTIVITIES	(30)	–
NET CASH USED IN FINANCING ACTIVITIES	(8,000)	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	848	1,939
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14,826	10,837
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,674	12,776
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	15,674	12,776

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

For the six months ended 30 September 2010

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 25 June 2010 under the Companies Law of 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 were listed on GEM of the Stock Exchange on 14 October 2010.

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 2010 (the "Interim Accounts") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") 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 accountants' report included in the prospectus of the Company dated 30 September 2010 (the "Prospectus"), except for adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"). The Interim Accounts do not include all of the information required for annual financial statements and thereby they should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2010.

Pursuant to a group reorganisation (the "Reorganisation") on 24 September 2010 in preparation for the listing of shares of the Company on the GEM of the Stock Exchange and for the purpose of rationalising the Group's structure, the Company became the holding company of the subsidiaries now comprising the Group.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The Reorganisation involved business combinations of entities under common control. The Interim Accounts and the related notes thereto have been prepared on a combined basis by applying the principles of merger accounting in accordance with the Accounting Guideline No. 5, "Merger Accounting for Common Control Combination" issued by the HKICPA. On 24 September 2010, pursuant to the Reorganisation, the Company became the holding company of the Group as the entire interest of the Group's subsidiaries were transferred to the Company by way of swap of shares. There was no adjustment made to the net assets nor the net profit or loss of any companies now comprising the Group in order to achieve consistency of the Group's accounting policies. The unaudited condensed consolidated results of the Group for each of the three months and six months ended 30 September 2010 and 2009 include the results of the Group with effect from 1 April 2009 or since their respective dates of incorporation, where this is a shorter period. The condensed consolidated statement of financial position as at 31 March 2010 and 30 September 2010 have been prepared on the basis that the current group structure was in place at those dates.

All significant transactions and balances among the companies comprising the Group have been eliminated on consolidation.

In the opinion of the Board, the presentation of the Interim Accounts prepared on the above basis presents more fairly the results and state of affairs of the Group as a whole.

Adoption of new and revised HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs that are relevant to its operations and effective for accounting year beginning on 1 April 2010. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRS has had no material effect on the Interim Accounts.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

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
	2010	2009	2010	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Macao	–	–	239	304
Hong Kong	703	235	18	19
PRC except Hong Kong and Macao	2,763	2,121	2,345	2,430
Australia	15,160	11,013	–	–
Canada	10,696	4,490	–	–
Europe	4,872	5,848	–	–
South East Asia	26,832	12,601	–	–
Others	6,460	3,145	–	–
	<u>67,486</u>	<u>39,453</u>	<u>2,602</u>	<u>2,753</u>

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 2010 and 2009, 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	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Cost of inventories sold	23,453	15,623	47,194	30,427
Depreciation	82	89	181	261
Operating lease charges				
– Land and buildings	226	236	453	473
Staff costs (including directors' emoluments)				
– Salaries, bonus and allowances	841	615	1,671	1,271
– Retirement benefit scheme contributions	122	98	213	198
	<u>122</u>	<u>98</u>	<u>213</u>	<u>198</u>

6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Current income tax	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

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 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, the subsidiary, Greenfortune (Macao Commercial Offshore) Limited, operating in Macao during the periods is in compliance with the Decree-Law No. 58/99/M of Macao Special Administrative Region, and thus, the profits generated by the subsidiary is 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	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Interim dividend declared	–	10,000	–	10,000
Special dividend paid	8,000	–	8,000	–

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2010 (2009: HK\$10,000,000).

On 26 August 2010, Paraburdoo Limited, a subsidiary of the Company, paid a special dividend of HK\$8,000,000 for the three months and six months ended 30 September 2010 to its then shareholders prior to the Reorganisation of the Group on 24 September 2010.

8. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months and six months ended 30 September 2010 are based on the unaudited consolidated profit of HK\$8,286,000 and HK\$15,982,000 attributable to owners of the Company for the three months and six months ended 30 September 2010 respectively (three months and six months ended 30 September 2009: HK\$2,311,000 and HK\$4,929,000 respectively) and the pro forma weighted average number of 448,000,000 shares in issue (pro forma weighted average number of shares in issue for the three months and six months ended 30 September 2009: 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 2010 and 2009, and therefore, diluted earnings per share were the same as the basic earnings per share.

9. FIXED ASSETS

During the period under review, the Group did not acquire any property, plant and equipment in significant amount (six months ended 30 September 2009: Nil).

10. INVENTORIES

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Raw materials	868	363
Work in progress	16	96
Finished goods	439	281
	1,323	740

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.

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:

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
0 – 90 days	23,301	15,622
91 – 180 days	–	–
181 – 365 days	–	32
	23,301	15,654

12. TRADE PAYABLES

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:

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
0 – 90 days	13,302	9,250
91 – 180 days	–	97
181 – 365 days	23	2
Over 365 days	–	39
	13,325	9,388

13. SHARE CAPITAL

	As at 30 September 2010 (Unaudited) HK\$'000
Authorised:	
1,000,000,000 ordinary shares of HK\$0.01 each	10,000
Issued and fully paid:	
448,000,000 ordinary shares of HK\$0.01 each	4,480

13. SHARE CAPITAL (CONTINUED)

The following changes in the authorised and issued share capital of the Company took place during the period from 25 June 2010 (date of incorporation) to 30 September 2010:

	Number of ordinary shares of HK\$0.01 each (Unaudited)	Nominal value of ordinary shares (Unaudited) HK\$
Authorised:		
Upon incorporation	38,000,000	380,000
Increase in authorised share capital	962,000,000	9,620,000
At 30 September 2010	1,000,000,000	10,000,000
Issued and fully paid:		
Allotment and issue as nil-paid ordinary shares of HK\$0.01 each	1	0.01
Allotment and issue of 447,999,999 ordinary shares of HK\$0.01 each in the Company in exchange for the ordinary share in Paraburdoo Limited	447,999,999	4,479,999.99
At 30 September 2010	448,000,000	4,480,000

Notes:

- (a) At its incorporation date of 25 June 2010, the authorised share capital was HK\$380,000 divided into 38,000,000 shares of a par value of HK\$0.01 each, one of which was allotted and issued to the subscriber to the Memorandum of Association of the Company, and was transferred to Ms. Lee Yau Lin, Jenny on the same date at par value.
- (b) On 22 September 2010, the shareholder resolved to increase the authorised share capital from HK\$380,000 to HK\$10,000,000 by the creation of an additional 962,000,000 shares, each ranking pari passu with the shares then in issue in all respects.

13. SHARE CAPITAL (CONTINUED)

Notes: (Continued)

- (c) On 24 September 2010, pursuant to the share swap agreement entered into between the Company and Mr. Ko King Kwong, Johnny, Mr. Wong Wing Fat, Ms. Lee Yau Lin, Jenny and Ms. Poon Wai Kuen, Fiona, the Company acquired the entire issued share capital of Paraburdoo Limited from Mr. Ko King Kwong, Johnny, Mr. Wong Wing Fat, Ms. Lee Yau Lin, Jenny and Ms. Poon Wai Kuen, Fiona in consideration of the Company allotting and issuing 362,879,999 shares, 35,840,000 shares, 26,880,000 shares and 22,400,000 shares credited as fully paid up to Conrich Investments Limited, Fastray Investments Limited, Flance Investments Limited and Plannet Investments Limited respectively at the direction of Ms. Lee Yau Lin, Jenny, Mr. Wong Wing Fat, Ms. Poon Wai Kuen, Fiona and Mr. Ko King Kwong, Johnny. On the same day, Ms. Lee Yau Lin, Jenny transferred 1 share to Conrich Investments Limited at par value. Immediately following the above transfer, allotment and issue, the company became owned as to 81% by Conrich Investments Limited, 8% by Fastray Investments Limited, 6% by Flance Investments Limited and 5% by Plannet Investments Limited.

14. SEASONALITY

The Group's sales are not subject to significant seasonal fluctuations factor.

15. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2010 (31 March 2010: Nil).

16. LEASE COMMITMENTS

At 30 September 2010, 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:

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Within one year	1,095	989
In the second to fifth years inclusive	127	18
	<u>1,222</u>	<u>1,007</u>

Operating lease payments represent rentals payable by the Group for certain of its offices and factory. Leases are negotiated for terms ranged from 2 to 15 years and rental are fixed over the lease terms and do not include contingent rentals.

Save for the above commitment, as at 30 September 2010, neither the Group nor the Company had any other significant commitments.

17. SUBSEQUENT EVENT

The Company successfully listed its shares on the GEM of the Stock Exchange on 14 October 2010.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2010. On 26 August 2010, Paraburdoo Limited, a subsidiary of the Company, paid a special dividend of HK\$8,000,000 to its then shareholders prior to the Reorganisation of the Group on 24 September 2010.

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 were mainly sold to overseas customers, which are mainly food product wholesalers engaged in trading and distribution of food products in Australia, South East Asia, Canada and Europe, and the Group's fresh noodles were mainly sold to restaurants, hotels and cafes in Shanghai, the PRC which are close to the Group's production plant.

The Group's performance was fairly strong for the six months ended 30 September 2010 compared to the corresponding period in 2009 due to global economic recovery in the fourth quarter of 2009. Turnover for the principal markets which the Group sells to, i.e. Australia, South East Asia and Canada had recorded an increase of approximately HK\$4,147,000, HK\$14,231,000 and HK\$6,206,000 respectively. Overall turnover increased by approximately 71.1% to HK\$67,486,000 for the six months ended 30 September 2010 as compared to the corresponding period last year.

During the period under review, the Group's marketing team continued to visit the customers on a regular basis to bring them the latest product designs and samples, attending tradeshow and setting up booths in the tradeshow and visiting exhibitions as well as through its internet website to promote its products with a view to fostering business relationships with its customers, capturing business opportunities with potential customers and obtaining the latest market information and trends of products.

Financial Review

Results

For the six months ended 30 September 2010, the turnover of the Group increased to approximately HK\$67,486,000 compared to approximately HK\$39,453,000 for the corresponding period last year, an increase of approximately 71.1%. The increase in turnover was mainly attributed to rising demand from our existing customers and our sales to new customers. In terms of geographical segments, sales to the Group major markets, i.e. Australia, South East Asia and Canada increased by approximately 37.7%, 112.9% and 138.2% respectively.

The gross profit of the Group for the six months ended 30 September 2010 increased to approximately HK\$20,292,000 compared to approximately HK\$9,026,000 for the corresponding period last year due to an improvement in gross profit margin to 30.1% for the six months ended 30 September 2010 from 22.9% for the corresponding period last year. The improvement in gross profit margin was mainly due to new products with higher gross profit margin that have been introduced in last quarter of 2009.

The Group's selling expenses for the six months ended 30 September 2010 decreased to approximately HK\$1,082,000 compared to approximately HK\$1,582,000 for the corresponding period last year, decrease of approximately 31.6%. The decrease was mainly attributed to decrease in the commission expenses paid to agent for referred customers to the Group.

The Group's administrative expenses for the six months ended 30 September 2010 increased by approximately 20.7% to approximately HK\$2,942,000 compared to approximately HK\$2,438,000 for the corresponding period last year. The increase was mainly attributed to an increase in entertainment and traveling expenses due to arranging trips to visit overseas customers.

The Group's profit attributable to owners for the six months ended 30 September 2010 increased by approximately 224.2% to approximately HK\$15,982,000 compared to approximately HK\$4,929,000 for the corresponding period last year. The increase was the result of an increase in the level of turnover and gross profit.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2010, the Group mainly financed its operations with its own working capital.

As at 30 September 2010, the Group had net current assets of approximately HK\$29,172,000 (31 March 2010: approximately HK\$21,041,000), including cash and bank balances of approximately HK\$15,674,000 (31 March 2010: approximately HK\$14,826,000).

As at 30 September 2010, the Group's gearing ratio represented by the total liabilities as a percentage of the Group's total assets amount to approximately 30.9% (31 March 2010: 31.2%).

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in this announcement, there were no significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 September 2010 and there is no plan for material investments or capital assets as at the date of this announcement.

FOREIGN EXCHANGE EXPOSURE

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of respective group entities, such as United States dollars ("USD") and Renminbi mainly for the Group's sales and purchases. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure should the need arise.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2010, the Group had 85 (31 March 2010: 85) employees, including the Directors. Total staff costs (including Directors' emoluments) were approximately HK\$1,884,000 for the six months ended 30 September 2010 as compared to approximately HK\$1,469,000 for the six months ended 30 September 2009. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and central pension scheme to its employees in Hong Kong and PRC.

OUTLOOK

As global economy has shown signs of recovery since the fourth quarter of 2009, the Group is optimistic and sees enormous opportunities and challenges in the market. The Group believes expanding domestic sales of dried noodles in the PRC is a critical strategy to the future success of the Group and the Group will continue seeking opportunities in existing business to broaden the Group's customers base. A series of new development plans are being undergone with an aim to realising the synergy effect to the Group.

Going forward in the second half of this fiscal year, the Group will execute its development plans which cover the following aspects:

Expansion of production capacity

- the Group plans to acquire 1 additional production line and 2 additional lines in the first quarter of 2011 and 2012 respectively;
- recruit additional staff for production, sales and marketing department to cope with our expansion plan for production capacity; and
- evaluate the existing production facilities.

Expansion of overseas markets

- the Group will strengthen the current communication channels with existing customers and expand the customer base by further exploring business opportunities with potential customers in existing markets;
- decide the locations of the overseas sale offices and recruit the relevant sales and marketing staff; and
- evaluate and update the Group's website.

Marketing and brand building in the PRC

- the Group will strengthen the communication channels with existing customers and regular sending new product information of the Group and making frequent contact with customers to understand their needs and preferences;
- expand the customer base by further exploring business opportunities with potential customers in existing markets;
- negotiate with the relevant advertisement company in relation to the advertisement events;
- update the marketing materials including poster, brochure and leaflet; and
- recruit three new staff for marketing team.

Product development

- the Group will evaluate the taste, ingredient, and appearance and packaging of the Group's existing products;
- recruit three new staff for the research and development team;
- launch trial products such as improve/new taste, ingredient and appearance to customers and review customers' demand and preference;
- update the regulatory requirements of PRC regarding the quality of noodle products and improve accordingly if there is any amendment;
- introduce not less than 10 new products to the market and continuously improve the quality of existing products.

COMPARISON BETWEEN THE BUSINESS OBJECTIVES AND THE ACTUAL OPERATION PROGRESS

An analysis comparing the business objectives as stated in the Company's prospectus dated 30 September 2010 (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 2010 is set out below:

	Business objectives	Actual operation progress up to 30 September 2010
Expansion of production capacity	– Plan to purchase machinery	Capital expenditure budget have been followed
	– Obtain the price quotation from machinery suppliers	A price quotation was obtained from machinery suppliers.
	– Evaluate the existing production facilities	A review of the existing production facilities was conducted.
Expansion of overseas markets	– Evaluate the effectiveness of current communication channels with existing customers	The effectiveness of the current communication channels with existing customers was reviewed.

	Business objectives	Actual operation progress up to 30 September 2010
	– Study the market trends in the existing markets based on the information gathered from Hong Kong Trade and Development Centre, the internet and our Group’s business trip to New Zealand and Australia in June 2010 and United Kingdom and Holland in September 2010 – Conduct feasibility studies in relation to the establishment of sale offices in our existing markets such as Australia, Malaysia, Thailand, Canada and United Kingdom and potential markets such as Korea including analysis of the market demand of the selected locations and arranging trips to the aforesaid markets if necessary	Studies on the market trends and appetites were carried out. Trips to the New Zealand, Australia, United Kingdom and Holland were arranged during the period to identify locations of sales offices and analysis the market demand of the selected locations were being carried out.
Marketing and brand building in the PRC	– Evaluate the effectiveness of the current communication channels with existing customers – Study the market trend in the PRC and conduct feasibility study in relation to the dried noodle market in some first tier cities such as Shanghai, Beijing, Tianjin, Shenyang and Guangzhou	The effectiveness of the current communication channels with existing customers was reviewed. Study the market trend in the PRC and conduct feasibility study were being carried out.

	Business objectives	Actual operation progress up to 30 September 2010
	– Establish preliminary contacts with potential customers in the PRC based on the information gathered from internet and/or some trade shows in the PRC	Preliminary contacts with potential customers in the PRC based have been established.
	– Participate in some trade shows in the PRC and organise some marketing campaigns including free tasting events in supermarket and shopping malls and sport sponsorship events	Campaigns including free tasting events in supermarket and shopping malls and sport sponsorship events will be held.
	– Conduct study on the method of advertisement including newspapers, magazine, internet and public transportation system	Obtain the price quotation from relevant advertisement company.
Product development	– Evaluate the taste, ingredient, and appearance and packaging of our Group's existing products	A review of taste, ingredient, and appearance and packaging of our existing products was conducted.
	– Study the customer appetites in PRC market with assistance from the sales and marketing team	Studies on the customer appetites in PRC market were carried out.
	– Conduct study on the expansion of research and development team	Studies on the expansion of research and development team were carried out.
	– Update the regulatory requirements in PRC regarding the quality of noodle products and improve accordingly if there is any amendments	The regulatory requirements in PRC regarding the quality of noodle products were being reviewed.

Business objectives	Actual operation progress up to 30 September 2010
– Launch not less than 10 new products to the market and continuously improve the quality of existing products	Existing products and new products will be improved and developed. No new product were launched during the period.

USE OF PROCEEDS GENERATED FROM LISTING ON GEM

As set out in the Prospectus, the Company's shares were listed on 14 October 2010. Accordingly, no proceeds raised from the placing of the shares would be applied up to 30 September 2010.

SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme (the "Scheme") on 26 September 2010 under which certain selected classes of participants (including, among others, full-time employees) may be granted options to subscribe for the Company's shares. The principal terms of the Scheme are summarised in the paragraph headed "Share Option Scheme" in Appendix V to the Prospectus.

From the adoption date of the Scheme to 30 September 2010, no share option was granted, exercised or lapsed under the Scheme.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As of 30 September 2010, the Company's shares had not been listed on the Stock Exchange. As such, Divisions 7 and 8 of Part XV and section 352 of the Securities and Futures Ordinance and the Model Code were not applicable to the Company and its Directors, supervisors and chief executives.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As of 30 September 2010, the Company's shares had not been listed on the Stock Exchange. As such, Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance were not applicable to the Company and its substantial shareholders.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the reporting period were 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 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, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed shares during the six months ended 30 September 2010.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Yuanta Securities (Hong Kong) Company Limited (the "Compliance Adviser"), as at 30 September 2010, except for the agreement entered into between the Company and the Compliance Adviser dated 30 September 2010, Yuanta also acted as sponsor to the Company for its initial public offering. Neither the Compliance Adviser or its directors, employees or associates had any interests in relation to the Group.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

As at the date of this announcement, none of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition 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 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 2010.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company has complied 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.

AUDIT COMMITTEE

The Company set up an audit committee (the “Committee”) on 26 September 2010, with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive directors of the Company, namely Mr. Ho Wai Hung, Ms. Cheung Kin, Jacqueline and Ms. Mak Yun Chu. The unaudited consolidated results of the Group for the six months ended 30 September 2010 have not been audited by the Company’s auditors, but have been reviewed by the Committee, who is of the opinion that the interim financial statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board
Wealth Glory Holdings Limited
Lee Yau Lin, Jenny
Chairman

Hong Kong, 9 November 2010

As at the date of this announcement, 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.