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WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8269)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL IN AND THE SHAREHOLDER'S LOAN DUE BY PARABURDOO LIMITED

Financial Adviser



Euto Capital Partners Limited

THE DISPOSAL

The Board is pleased to announce that on 24 March 2016 (after trading hours of the Stock Exchange), the Company and the Purchaser entered into the Agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loan at the Consideration of HK\$2,000,000.

Upon Completion, the Paraburdoo Group will cease to be subsidiaries of the Company.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratio (as defined in the GEM Listing Rules) for the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements.

The Company will seek approval for the Agreement and the transactions contemplated thereunder from Shareholders at the EGM

GENERAL

A circular containing, among other things, (i) further details of the Disposal; and (ii) the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder will be despatched to the Shareholders on or before 30 April 2016 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and potential investors should note that completion of the Disposal is subject to fulfillment of the conditions precedent in the Agreement. As the Disposal may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

On 24 March 2016 (after trading hours of the Stock Exchange), the Company and the Purchaser entered into the Agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loan at the Consideration.

THE DISPOSAL

The Agreement

Date: 24 March 2016

Parties: (i) the Company, being the vendor; and
(ii) Wong Ka Chun, being the Purchaser.

The Purchaser is a Hong Kong citizen. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase:

- (i) the Sale Shares, being 30,000 ordinary shares of US\$1.00 in the capital of Paraburdoo, representing the entire issued share capital of Paraburdoo; and;
- (ii) the Sale Loan, being all obligations, liabilities and debts owing or incurred by Paraburdoo Group to the Company on or at any time prior to the completion of the Agreement whether actual, contingent or deferred and irrespective of whether or not the same is due or payable on completion of the Agreement.

Consideration

The Consideration for the Sale Shares and Sale Loan is HK\$2,000,000, which will be satisfied by the Purchaser to the Company upon Completion by cash.

The Consideration was determined after arm's length negotiation between the parties with reference to (i) the performance in the past years of the Paraburdoo Group; and (ii) the net liabilities of the Paraburdoo Group.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon the satisfaction (or waiver, if applicable) of, inter alia, the following conditions precedent:

- (i) the passing by the Shareholders at the EGM to be convened and held of the necessary resolution(s) to approve the Agreement and the transactions contemplated thereunder;
- (ii) all necessary consents, licences and approvals required to be obtained on the part of the Company and the Group in respect of the Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect; and
- (iii) the representation and warranties given by the Company remaining true and accurate in all respects.

The Purchaser may at his absolute discretion at any time waive in writing the condition set out in (iii) above. For the avoidance of doubt, the conditions (i) and (ii) are not waivable. If the above conditions have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Agreement shall cease and determine and neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

Completion

Subject to fulfillment (or waiver, as the case may be) of the conditions precedent as stated above on or before the Long Stop Date, the Completion shall take place within five Business Days after the fulfilment (or waiver, as the case may be) of the last of the conditions precedent as stated above.

INFORMATION ON THE PARABURDOO GROUP

Paraburdoo is an investment holding company, which holds four wholly-owned subsidiaries, namely, Pacific Asset International Limited (incorporated with limited liability in Hong Kong), Greenfortune (Macao Commercial Offshore) Limited (incorporated in Macau with limited liability), Success Link Trading Limited (incorporated in Hong Kong with limited liability) and Shui Ye (Shanghai) Foods Co., Limited (incorporated in the PRC with limited liability). The Paraburdoo Group is principally engaged in manufacture and sale of fresh and dried noodles.

Financial information of the Paraburdoo Group

Set out below is the unaudited financial information of Paraburdoo Group for each of the two financial years ended 31 March 2014 and 31 March 2015 (for illustration purposes only):

	For the year ended 31 March 2015 (unaudited) HK\$	For the year ended 31 March 2014 (unaudited) HK\$
Loss before and after taxation	(2,514,000)	(4,851,000)

The Paraburdoo Group recorded unaudited net liabilities of approximately HK\$9,526,000 as at 29 February 2016.

Upon Completion, the Paraburdoo Group will cease to be subsidiaries of the Company. The financial results of the Paraburdoo Group will no longer be consolidated into the Group's financial statements.

APPLICATION OF THE CONSIDERATION

The net proceeds (after deducting other expenses in relation thereto) arising from the Disposal of approximately HK\$1.6 million will be used for general working capital of the Group.

FINANCIAL IMPACT ON THE GROUP

Based on, inter alia, the Consideration and the related expenses relating to the Disposal, the Group currently expects to record a gain arising from Disposal of approximately HK\$18,000. The amount is subject to review and confirmation by the Company's auditors.

The aforesaid estimation is for illustrative purpose only and does not purport to represent how the financial position of the Group will be after Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company and the Group is principally engaged in the manufacture and sale of fresh and dried noodles; investment in coal trading business; trading of natural resources and commodities; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; investment in securities; and money lending and secured financing business.

The Directors have been continuously evaluating the current business strategies of the Group with an aim to achieve the best use of its resources and improve its overall performance.

As disclosed in the annual report of the Company for the year ended 31 March 2015, the Group did not expect the manufacturing and sale of fresh and dried noodles business segment ("**Packaged Food Segment**") to achieve any significant growth in the near future and the Packaged Food Segment under Paraburdoo Group has been recording losses in the past two years ended 31 March 2015. As disclosed in the third quarterly report of the Company for the nine months ended 31 December 2015, the Packaged Food Segment recorded a further loss of HK\$1.5 million.

The Directors consider the Disposal allows the Group to exit from subsidizing the non-performing business of the Paraburdoo Group and create a good opportunity for the Group to restructure its strategic business position and focus its resources in pursuing development opportunities of other existing businesses of the Group.

Having considered the above, the Directors consider the terms of the Disposal are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and its Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

As the applicable percentage ratio (as defined in the GEM Listing Rules) for the Disposal is more than 25% but less than 75%, the Disposal constitutes major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements.

The Company will seek approval for, among other things, the Agreement and the transactions contemplated thereunder from the Shareholders at the EGM.

GENERAL

A circular containing, among other things, (i) further details of the Disposal; and (ii) the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving, among others, the Agreement and the transactions contemplated thereunder will be despatched to the Shareholders on or before 30 April 2016 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and potential investors should note that completion of the Disposal is subject to fulfillment of the conditions precedent in the Agreement. As the Disposal may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings when used in this announcement, unless the context otherwise requires:

“Agreement”	the conditional sale and purchase agreement dated 24 March 2016 entered into between the Company and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or public holiday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licenced banks are generally open for general banking business in Hong Kong throughout their normal business hours;
“BVI”	the British Virgin Islands

“Company”	Wealth Glory Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8269)
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Agreement
“Completion Date”	the date on which Completion take place in accordance with the Agreement, which is within five Business Days after the date of fulfillment (or waiver, as the case may be) of the last of the conditions precedent under the Agreement (or such other date as the Company and the Vendor shall agree)
“connected person”	has the meanings as ascribed under the GEM Listing Rules
“Consideration”	HK\$2,000,000, being the total consideration for the Disposal
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Share and Sale Loan by the Company to the Purchaser as contemplated under the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, among other things, to approve, the Disposal and the transactions contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Long Stop Date”	on or before 4:00 p.m. on 30 September 2016 or such other date as the parties to the Agreement may agree
“Paraburdoo”	Paraburdoo Limited, a company incorporated in the BVI with limited liability
“Paraburdoo Group”	Paraburdoo and its subsidiaries
“PRC”	the People’s Republic of China, and for the purpose of this Agreement, excluding Taiwan, Hong Kong and Macau Special Administrative Region
“Purchaser”	Wong Ka Chun, being the Purchaser under the Agreement
“Sale Shares”	30,000 ordinary shares of US\$1.00 in the capital of Paraburdoo, representing the entire equity interest in Paraburdoo
“Sale Loan”	all obligations, liabilities and debts owing or incurred by Paraburdoo Group to the Company on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion, which as at the date of this announcement, amounted to approximately HK\$11,147,000
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Wealth Glory Holdings Limited
Wong Ka Wah, Albert
Chairman

Hong Kong, 24 March 2016

As at the date of this announcement, the Board comprises nine Directors, including three executive Directors, namely Mr. Wong Ka Wah, Albert, Mr. Hong Sze Lung and Mr. Kwong Yuk Lap; three non-executive Directors namely, Mr. Lau Wan Pui, Joseph, Mr. Law Chung Lam, Nelson and Mr. Lu Xianglong and three independent non-executive Directors, namely Mr. Leung Ka Tin, Mr. Tam Chak Chi and Mr. Chow Chi Fai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for seven days from the date of its publication and on the website of the Company at www.wealthglory.com.