

**QUARTERLY REPORT  
PURSUANT TO  
RULE 15C2-11(a)(5)**

As of December 31, 2011

**READEN HOLDING CORP.**  
Gijsbrecht van Amstelstraat  
423A 1216CA  
Hilversum,  
The Netherlands

Telephone: +31(0)35 6299970

Federal Employer's I.D. No. 06-1519079

CUSIP No. 755255 106

**ISSUER'S EQUITY SECURITIES AUTHORIZED AS OF DECEMBER 31, 2011:**

295,000,000 shares of common stock authorized, \$.001 par value per share

5,000,000 shares of preferred stock authorized, \$.001 par value per share

**SHARES OF CAPITAL STOCK OUTSTANDING ON APRIL 19, 2012:**

150,267,074 shares of common stock

766,667 shares of Series B Preferred Stock

**APRIL 20, 2012**

# READEN HOLDING CORP.

## QUARTERLY REPORT

AS OF DECEMBER 31, 2011

All information contained in this Quarterly Report has been compiled to fulfill the disclosure requirements of Rule 15c2-11(a)(5) promulgated by the Securities Exchange Act of 1934, as amended. The enumerated items and captions contained herein correspond to the format set forth in the Rule.

### Item 1. The exact name of the issuer and the address of its principal executive offices:

Our name is Readen Holding Corp., a Nevada corporation, and our principal executive offices are located at:

Gijsbrecht van Amstelstraat  
423A 1216CA  
Hilversum,  
The Netherlands  
Telephone: +31(0)35 6299970

URLs: [www.readeneurope.com](http://www.readeneurope.com)  
[www.D5avenue.com](http://www.D5avenue.com)

### Item 2. Shares outstanding:

The Company is authorized to issue an aggregate of 295,000,000 shares of Common Stock (\$.001 par value per share) and 5,000,000 shares of Preferred Stock (\$.001 par value per share). As of the date of this filing, there were 150,267,074 shares of Common Stock issued and outstanding and 766,667 shares of Series B Convertible Preferred Stock issued and outstanding.

The following table provides the information for each class of securities authorized (i) as of the end of the Company's most recent fiscal quarter and (ii) as of the end of the Company's last two fiscal years.

Class of Stock	Month Ended	Fiscal Year Ended	Fiscal Year Ended
	March 31, 2012	June 30, 2011	June 30, 2010
<b>Common Stock:</b>			
Number of Shares Authorized: (1)	295,000,000	45,000,000	45,000,000
Number of Shares Outstanding	150,267,074	26,653,922	26,653,922
Freely Tradable Shares (public float):	23,786,422	16,036,422	16,036,422
Total Number of Beneficial Share Holders:	Unknown	Unknown	Unknown
Total Number of Shareholders of Record:	696	673	673
<b>Series B Convertible Preferred Stock</b>			
Number of Shares Authorized:	5,000,000	5,000,000	5,000,000
Number of Shares Outstanding	766,667	766,667	766,667
Freely Tradable Shares (public float):	0	0	0
Total Number of Beneficial Share Holders:	1	1	1
Total Number of Shareholders of Record:	1	1	1

(1) As of June 30, 2011 and 2010, we had 45,000,000 shares of Common Stock authorized and 5,000,000 shares of Preferred Stock authorized. In July 2011, we amended our Articles of Incorporation to increase the total number of authorized shares of Common Stock to 295,000,000 and kept the total number of authorized shares of Preferred Stock at 5,000,000.

**Item 3. Interim financial statements of READEN HOLDINGS CORP.:**

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**READEN HOLDING CORP.**  
**CONSOLIDATED BALANCE SHEET**  
**AT DECEMBER 31, 2011**  
(unaudited)

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 50,620
Accounts receivable	177,389
Inventory	566,873
Note receivable - related party	165,000
Other current assets	<u>171,812</u>

**Total current assets** 1,131,694

**Other assets**

Property and equipment, net	94,226
Goodwill	5,000,000
Deferred compensation	29,750
Intangible assets	<u>5,451</u>

**Total other assets** 5,129,427

**Total assets** \$ 6,261,121

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Current liabilities**

Accounts payable	\$ 266,307
Interest payable	5,241
Director fees payable	112,032
Other current liabilities	<u>142,925</u>

**Total current liabilities** 526,505

**Other liabilities**

Loans payable, net of current portion	<u>360,578</u>
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**Total liabilities** 887,083

**Stockholders' Equity**

Series B Convertible Preferred Stock: \$.001 par value, 5,000,000 shares authorized, 766,667 shares issued and outstanding as of December 31, 2011	767
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Common Stock: \$.001 par value, 295,000,000 shares authorized, 150,267,074 shares issued and outstanding as of December 31, 2011	150,267
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Additional paid-in capital	6,514,559
Accumulated deficit	<u>(1,291,555)</u>

**Total stockholders' equity** 5,374,038

**Total liabilities and stockholders' equity** \$ 6,261,121

**READEN HOLDING CORP.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2011**  
**(unaudited)**

<b>Revenue</b>	\$ 642,744
<b>Cost of goods sold</b>	<u>478,381</u>
<b>Gross profit</b>	<u>164,363</u>
<b>Operating expenses</b>	
General and administrative expenses	<u>138,121</u>
<b>Total operating expenses</b>	<u>138,121</u>
<b>Income from operations</b>	<u>26,242</u>
<b>Other income / (expense)</b>	
Interest income / (expense)	(244)
Income tax	(9,078)
Foreign exchange loss	<u>(73)</u>
<b>Total other expense</b>	<u>(9,395)</u>
<b>Net income</b>	<u><u>\$ 16,847</u></u>
<b>Basic and diluted income per share</b>	<u><u>\$ 0.00</u></u>
<b>Weighted average shares</b>	
used in per share calculation	<u><u>150,237,074</u></u>

**READEN HOLDING CORP.**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2011**  
(unaudited)

	Preferred Stock Series D		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value	Shares	Par Value			
<b>Balance September 30, 2011</b>	766,667	\$ 767	150,267,074	\$ 150,267	\$ 6,514,559	\$ (1,308,402)	\$ 5,357,191
Net Income For The Three Months Ended December 31, 2011	-	-	-	-	-	16,847	16,847
<b>Balance December 31, 2011</b>	766,667	\$ 767	150,267,074	\$ 150,267	\$ 6,514,559	\$ (1,291,555)	\$ 5,374,038

**READEN HOLDING CORP.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the 3 Month Period Ended December 31, 2011  
(unaudited)

<b>Cash flows from operating activities</b>	
Net income	\$ 16,847
Adjustments to reconcile net income to net cash used by operating	
Depreciation	8,255
Changes in operating assets and liabilities:	
Increase in accounts receivable	(46,344)
Increase in note receivable - related party	(1,875)
Increase in inventory	(310,671)
Increase in other current assets	(118,785)
Decrease in other assets	142,096
Decrease in deferred compensation	(5,250)
Increase in accounts payable	199,835
Increase in interest payable - related party	2,444
Decrease in director fees payable	(12,715)
Increase in other current liabilities	50,916
<b>Net cash used in operating activities</b>	<u>(75,247)</u>
 <b>Cash flows from investing activities</b>	
Acquisition of property and equipment	<u>(26,152)</u>
<b>Net cash used in investing activities</b>	<u>(26,152)</u>
 <b>Cash flows from financing activities</b>	
Decrease in advances payable	(2,780)
Increase in loans payable	54,550
<b>Net cash provided by financing activities</b>	<u>51,770</u>
 Net change in cash and cash equivalent	 (49,629)
 Cash and cash equivalent at beginning of period	 <u>100,249</u>
 Cash and cash equivalent at end of period	 <u>\$ 50,620</u>
 <b>Supplemental disclosure of cash flow information</b>	
Cash paid for interest	<u>\$ -</u>
 Cash paid for income taxes	 <u>\$ -</u>

See accompanying notes to financial statements

READEN HOLDING CORP.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2011  
(unaudited)

1. Background:

Readen Holding Corp., a Nevada corporation, was originally incorporated in the state of Idaho under the name of "Beacon Light Mining Company" in 1953. In 1997, we created a wholly-owned subsidiary with the same name in the state of Nevada. We then merged into the Nevada subsidiary and became a Nevada corporation. We were reincorporated in Nevada on November 19, 1997, under the name "Beacon Light Mining Company." On February 18, 1998, we changed our name to "Beacon Light Holding Corporation." On August 3, 2001, we changed our name to Wellux International, Inc. and operated under that name until May 5, 2005, when we changed our name to Readen Holding Corp.

The Company is engaged in the business of identifying and acquiring privately held equity holdings in various entities worldwide.

On June 1, 2011, the Company underwent a change of control when it elected its new officers.

On July 25, 2011, the Company entered into a Share Exchange Agreement with Readen Industries Ltd. pursuant to which we acquired 100% of the outstanding shares of common stock of Readen Industries Ltd. in exchange for 100,000,000 shares of our Common Stock. Readen Industries and our subsidiaries are engaged in the retail sale of mobile phones, prepaid phone cards and Sim cards.

Readen Holding Corp. is the parent company of Readen Industries Ltd., a company organized under the laws of Hong Kong, PRC. Readen Holding Corp. is the management unit. Readen Industries Ltd. has the following subsidiary: Moho Telecom Ltd., which owns or controls the following subsidiaries: D5 Mobile BV, D5 Mobile Sarl and D5 Avenue Ltd.

The following narrative offers an overview about our various companies:

Three companies, D5 Mobile BV, D5 Mobile Sarl and D5 Avenue Ltd, have been incorporated for the sales and distribution of different main lines of telecom products in Europe. Various agreements have been signed covering development, marketing and distribution of specific telecom and telecom related product. These exclusive agreements secure continuity in supply, innovation and factory support. The vision of the Group is to make mobile communication services affordable for everybody. The services contain communication and entertainment, which are available any time, everywhere and personally. In order to reach their vision of a full service telecom organization the following tasks have been defined for the following companies:

- D5 Mobile BV and D5 Mobile Sarl are responsible for providing mobile phones from China, which must fulfill the wishes and needs of EU users. One of the key values of D5 Mobile is to insure high standards for design, quality and functionalities of mobile phones. Product specifications will be 100% suitable for the market needs of target customers such as teenagers, business professionals, elderly, non-native and fashion/gadget buyers within the EU markets. In the 4th quarter of 2011, D5 Mobile will start with a B2B market approach offering devices in combination with postpaid subscriptions.
- D5 Avenue is responsible for website sales to consumers and retailers. Readen Industries acts as the buying office and looks after supply and innovation. Cost effectiveness is a key success factor of the Group. Expertise and management are the unique skills within the Group. The production technologies in China will be applied in the business. The Group will not invest in the production of mobile phones; D5 Mobile will manage the suppliers and optimize the

READEN HOLDING CORP.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2011  
(unaudited)

1. Background: (continued)

- production process and capabilities of its partners in China. Customization in mobile phones on requests of corporate partners is possible, which insures the sustainable competitiveness of D5 Mobile in the business market without large investment. D5 Mobile already has exclusive development and distribution agreements with suppliers in China.

2. Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Readen Industries Ltd and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and in management's opinion, reflect all adjustments, including normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the three months presented. The results of operations for the three months ended December 31, 2011 are not necessarily indicative of the results that the Company will have for any subsequent fiscal quarter.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Liquidity and Operations:

The Company had net income of \$16,847 for the three month period ended December 31, 2011.

As of December 31, 2011, the Company had cash and cash equivalents of \$50,620, accounts receivable of \$177,389 inventory of \$566,873, a note receivable – related party of \$165,000 and other current assets of \$171,812. In order to satisfy any of the Company's short term working capital needs for operating expenses, the Company's President and a shareholder have agreed to advance any required funding.

4. Summary of Significant Accounting Policies:

Cash and Cash Equivalents - The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

READEN HOLDING CORP.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2011  
(unaudited)

4. Summary of Significant Accounting Policies: (continued)

**Revenue Recognition** - The Company recognizes revenue from product sales when persuasive evidence of an arrangement exists, shipment has occurred, the seller's price to the buyer is fixed or determinable and collectability is reasonably assured. The revenue consists of the sales of commodities and the sale of plastics material.

**Research and Development Expenses** - Research and development expenses are charged to operations in the period incurred

**Selling and Marketing Expenses** - Selling and marketing expenses are expensed as incurred.

**General and Administrative Expenses** - General and administrative expenses are expensed as incurred. These expenses were \$138,121 for the three month period ended December 31, 2011.

**Concentrations of Credit Risk** - Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted. Concentrations of credit risk (whether on or off balance sheet) that arise from financial instruments exist for groups of customers or counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenue and expenses during the reporting period. Significant estimates include the Company's debt discount, and share-based compensation expense. Actual results could differ from these estimates.

**Stock-Based Compensation** - The Company accounts for stock-based compensation under the provisions of FASB ASC 718 (Statement of Financial Accounting Standards No. 123 (revised 2004), "SHARE-BASED PAYMENT"), which requires the Company to measure the stock-base compensation costs of share-based compensation arrangements based on the grant date fair value and generally recognizes the costs in the financial statements over the employee's requisite service period. Stock-based compensation expense for all stock-based compensation awards granted was based on the grant date fair value estimated in accordance with the provisions of FASB ASC 718.

The Company measures compensation expense for its non-employee stock-based compensation under FASB ASC 505-10 and 50, "Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services". The fair value of the option issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counter party's performance is complete. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital.

READEN HOLDING CORP.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2011  
(unaudited)

4. Summary of Significant Accounting Policies: (continued)

By recording employee stock-based compensation using the fair value recognition provisions of Accounting Standards Codification ("ASC") Topic 718 ("ASC 718") using the modified prospective transition method, and recording non-employee stock-based compensation expense in accordance with ASC Topic 505, the Company did not recognize any stock compensation expenses for the three month period ended December 31, 2011.

Income Taxes - The Company accounts for its income taxes under the provisions of FASB-ASC-10 "Accounting for Income Taxes." This statement requires the use of the asset and liability method of accounting for deferred income taxes. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes, at the applicable enacted tax rates. The Company provides a valuation allowance against its deferred tax assets when the future realization of the assets is no longer considered to be more likely than not.

Convertible Notes Payable - The Company accounts for any convertible notes payable under the provisions of FASB ASC 470 (Staff Position No. APB 14-1"Accounting for Convertible Debt Instruments that may be Settled in Cash upon Conversion (including partial cash settlement)"). FASB ASC 470 clarifies that convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) are not addressed by FASB ASC 470-20-65-1 (paragraph 12 of APB Opinion No. 14, "Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants"). Additionally, FASB ASC 470 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods.

The Company accounts for uncertain tax positions in accordance with FASB ASC 740-10, 30 and 270, "Accounting for Uncertainty in Income Taxes." The application of income tax law is inherently complex. As such, the Company is required to make certain assumptions and judgments regarding its income tax positions and the likelihood whether such tax positions would be sustained if challenged. Interest and penalties related to uncertain tax provisions are recorded as a component of the provision for income taxes. Interpretations and guidance surrounding income tax laws and regulations change over time. As such, changes in the Company's assumptions and judgments can materially affect amounts recognized in the Company's consolidated balance sheets and statement of operations.

5. Balance Sheet Information:

Note receivable - related party - As of December 31, 2011, the Company held a note receivable from the former President of the Company, Jerry Gruenbaum, with an original balance of \$75,000. This note accrued interest at an annual rate of 10% from the effective date of January 2, 2000.

The balance of the note at June 30, 2011 was \$165,000, which includes accrued interest of \$90,000.

Property and equipment - As of December 31, 2011, the Company owned office equipment with a net value of \$94,226.

READEN HOLDING CORP.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2011  
(unaudited)

5. Balance Sheet Information: (continued)

Property and equipment are stated at cost, net of accumulated depreciation. Expenditures for maintenance and repairs are expensed as incurred; additions, renewals and betterments are capitalized. Depreciation of property and equipment is provided using the straight-line method with estimated lives ranging from 3 to 5 years as follows:

Furniture, plant and equipment	\$ 109,009
	-----
Less Accumulated depreciation	(14,783)
	-----
Total Property and equipment, net	\$ 94,226
	=====

Depreciation expense for the three month period ended December 31, 2011 was \$8,255 and was recorded as general and administrative expenses.

Goodwill - As of December 31, 2011, goodwill in the amount of \$5,000,000 was recorded in relation to the acquisition of Readen Industries Ltd.

Other assets at December 31, 2011 consist of deferred compensation of \$29,750 and other various assets. In July 2011, the Company issued a total of 1,400,000 shares of its common stock, with an aggregate value of \$45,000, to four officers and directors, as base compensation for their services for the two year period from June 1, 2011, until May 31, 2013. The deferred compensation of \$29,750 represents the period for their services subsequent to December 31, 2011.

Advances Payable - related parties - During the years ended June 30, 2012, 2011 and 2010, Ronald Steenbergen and Philip Lam advanced the Company a total of \$32,585 to pay operating expenses. The advances are short term and non-interest bearing. The advances total \$32,585 as of December 31, 2011.

Interest Payable - The 766,667 Series B Preferred Shares bear dividends at a rate of 8.5% of their stated value of \$0.15 per share. The \$5,241 interest payable at December 31, 2011, represents the interest for the period from June 18 to December 31, 2011. On June 17, 2011, the Company resolved to convert interest payable in the amount of \$113,200 into 12,703,152 common stock shares at the request of the current preferred stock shareholder, Ronald Steenbergen.

Director fees payable - As of December 31, 2011, \$112,032 are owed by the Company to Mr. Lam Kwok Kwong, a director of the Company.

Other current liabilities - As of December 31, 2011, the Company owes \$176,307 to various companies.

READEN HOLDING CORP.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2011  
(unaudited)

6. Stockholders' Equity:

DESCRIPTION OF SECURITIES:

The Company is authorized to issue up to 295,000,000 shares of common stock, par value \$.001 per share, of which 150,267,074 shares were issued and outstanding as of December 31, 2011. The Company is also authorized to issue up to 5,000,000 shares of preferred convertible stock, par value \$.001 per share, of which 766,667 shares were issued and outstanding as of December 31, 2011.

Common stock:

The Company is authorized to issue up to 295,000,000 shares of common stock with a par value of \$.001, under terms and conditions established by the Board of Directors. The Company had 150,267,074 issued and outstanding common stock shares as of December 31, 2011.

Each shareholder is entitled to one vote for each share of common stock owned of record. The holders of shares of common stock do not possess cumulative voting rights, which means that the holders of more than 50% of the outstanding shares voting for the election of directors can elect all of the directors, and in such event the holders of the remaining shares will be unable to elect any of our directors. Holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at such times and in such amounts as our Board of Directors may determine. Upon our liquidation, dissolution, or winding, the assets legally available for distribution to our shareholders will be distributable ratably among the holders of the shares outstanding at the time. Holders of our shares of common stock have no preemptive, conversion, or subscription rights, and our shares of common stock are not subject to redemption. All our shares of common stock are fully paid and non-assessable.

Preferred stock:

The Company is authorized to issue 5,000,000 shares of Series B Preferred Stock at a par value of \$.001 per share. The Company had 766,667 issued and outstanding Series B Preferred Stock shares as of December 31, 2011.

The Series B Preferred Shares have no voting rights, may each be converted into one share of common stock and bear dividends at a rate of 8.5% of their stated value per annum, which are cumulative and accrue daily from the date they are issued at an interest rate of 1.5% per month.

7. Stock Options and Warrants:

As of December 31, 2011, the Company had not issued any options or warrants.

8. Commitments and Contingencies:

Employment agreements - The Company has recorded all commitments as of December 31, 2011.

Offices:

Our new office and showroom in The Netherlands are located in a modern office premises at Gijsbrecht van Amstelstraat, 423A 1216A, Hilversum, The Netherlands. We are leasing this office from a

READEN HOLDING CORP.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2011  
(unaudited)

8. Commitments and Contingencies: (continued)

non-affiliated party through January 2, 2013. We are paying 1,500 Euros per month as base rent for this 160 square meter facility. In addition, we pay additional fees for T-1 access, phone, copies, fax service, conference room use and postage.

Our office and showroom in Hong Kong is located in the South Seas Centre, 75 Mody Road, room 302, Tower 1, Tsim Sha Tsui, Kowloon, Hong Kong. This is a 120 square meter facility that we lease for 17,000 Hong Kong dollars per month.

We also have an office and showroom in France located at 8385 Avenue Victor Hugo 93300, Aubervilliers, Paris, France. This is a 120 square meter office and showroom facility and a 60 square meter warehouse facility for which we pay 1,500 Euros per month.

The Company, as of December 31, 2011 has no additional financial commitments that would represent long term commitments on behalf of the Company.

9. Related Party Transactions:

As described in Note 5, above, the Company has a note receivable – related party, advances payable – related parties, director fees payable and interest payment commitments with certain related individuals.

10. Share Based Compensation:

The Company compensates its officers, directors and management with common stock shares pursuant to the terms of their employment agreements.

11. Legal Matters:

The Company is not aware of any legal matters that would have a financial impact on the Company's present financial condition.

12. Subsequent Events:

The Company is not aware of any subsequent matters requiring disclosure except as noted below. On April 17, 2012, the Company announced that Readen Holding Corp expanded points of sales of YohoMobile subsidiary's vending machines by securing exclusive distribution rights to multi-function vending machines via terminals placed in retail stores, starting in The Netherlands.

#### **Item 4. Management's Discussion and Analysis of Plan of Operations**

##### **CAUTIONARY FORWARD – LOOKING STATEMENT**

The following discussion should be read in conjunction with our financial statements and related notes.

Certain matters discussed herein may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties include, but are not limited to, the following:

- the volatile and competitive nature of our industry,
- the uncertainties surrounding the rapidly evolving markets in which we compete,
- our dependence on its intellectual property rights,
- the success of marketing efforts by third parties,
- the changing demands of customers and
- the arrangements with present and future customers and third parties.

Should one or more of these risks or uncertainties materialize or should any of the underlying assumptions prove incorrect, actual results of current and future operations may vary materially from those anticipated.

##### **OVERVIEW**

Readen Holding Corp., a Nevada corporation, was originally incorporated in the state of Idaho under the name of "Beacon Light Mining Company" in 1953. In 1997, we created a wholly-owned subsidiary with the same name in the state of Nevada. We then merged into the Nevada subsidiary and became a Nevada corporation. We were reincorporated in Nevada on November 19, 1997, under the name "Beacon Light Mining Company." On February 18, 1998, we changed our name to "Beacon Light Holding Corporation." On August 3, 2001, we changed our name to Wellux International, Inc. and operated under that name until May 5, 2005, when we changed our name to Readen Holding Corp.

The Company is engaged in the business of identifying and acquiring privately held equity holdings in various entities worldwide.

On June 1, 2011, the Company underwent a change of control when it elected its new officers.

On July 25, 2011, the Company entered into a Share Exchange Agreement with Readen Industries Ltd. pursuant to which we acquired 100% of the outstanding shares of common stock of Readen Industries Ltd. in exchange for 100,000,000 shares of our Common Stock. Readen Industries and our subsidiaries are engaged in the retail sale of mobile phones, prepaid phone cards and Sim cards.

Readen Holding Corp. is the parent company of Readen Industries Ltd., a company organized under the laws of Hong Kong, PRC. Readen Holding Corp. is the management unit. Readen Industries Ltd. has the following subsidiary: Moho Telecom Ltd., which owns or controls the following subsidiaries: D5 Mobile BV, D5 Mobile Sarl and D5 Avenue Ltd.

The following narrative offers an overview about our various companies:

Three companies, D5 Mobile BV, D5 Mobile Sarl and D5 Avenue Ltd, have been incorporated for the sales and distribution of different main lines of telecom products in Europe. Various agreements have been signed covering development, marketing and distribution of specific telecom and telecom related product. These exclusive agreements secure continuity in supply, innovation and factory support. The vision of the Group is to make mobile communication services affordable for everybody. The services contain communication and entertainment, which are available any time, everywhere and personally. In

order to reach their vision of a full service telecom organization the following tasks have been defined for the following companies:

- D5 Mobile BV and D5 Mobile Sarl are responsible for providing mobile phones from China, which must fulfill the wishes and needs of EU users. One of the key values of D5 Mobile is to insure high standards for design, quality and functionalities of mobile phones. Product specifications will be 100% suitable for the market needs of target customers such as teenagers, business professionals, elderly, non-native and fashion/gadget buyers within the EU markets. In the 4th quarter of 2011, D5 Mobile commenced with a B2B market approach offering devices in combination with postpaid subscriptions.
- D5 Avenue is responsible for website sales to consumers and retailers. Readen Industries acts as the buying office and looks after supply and innovation. Cost effectiveness is a key success factor of the Group. Expertise and management are the unique skills within the Group. The production technologies in China will be applied in the business. The Group will not invest in the production of mobile phones; D5 Mobile will manage the suppliers and optimize the production process and capabilities of its partners in China. Customization in mobile phones on requests of corporate partners is possible, which insures the sustainable competitiveness of D5 Mobile in the business market without large investment. D5 Mobile already has exclusive development and distribution agreements with suppliers in China.

#### Group Mission Statement

Becoming a valuable partner for corporate customers in terms of technical flexibility, prices and complete value chain (Sim cards, mobile phones and applications).

#### RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In April 2009, the FASB issued FASB ASC 825-10-50 and FASB ASC 270 ("FSP 107-1 AND APB 28-1 INTERIM DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS"), which increases the frequency of fair value disclosures to a quarterly basis instead of on an annual basis. The guidance relates to fair value disclosures for any financial instruments that are not currently reflected on an entity's balance sheet at fair value. FASB ASC 825-10-50 and FASB ASC 270 are effective for interim and annual periods ending after June 15, 2009. The adoption of FASB ASC 825-10-50 and FASB ASC 270 did not have a material impact on results of operations, cash flows, or financial position

In May 2009, the FASB issued FASB ASC 470 (Staff Position No. APB 14-1 "ACCOUNTING FOR CONVERTIBLE DEBT INSTRUMENTS THAT MAY BE SETTLED IN CASH UPON CONVERSION (INCLUDING PARTIAL CASH SETTLEMENT)"). FASB ASC 470 clarifies that convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) are not addressed by FASB ASC 470-20-65-1 (paragraph 12 of APB Opinion No. 14, "ACCOUNTING FOR CONVERTIBLE DEBT AND DEBT ISSUED WITH STOCK PURCHASE WARRANTS"). Additionally, FASB ASC 470 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FASB ASC 470 is effective for financial statements issued for fiscal years beginning after December 15, 2008 and interim periods within those fiscal years. The adoption of FASB ASC 470 did not have an effect on our consolidated financial statements.

In May 2009, the FASB issued FASB ASC 855 (SFAS No. 165, "SUBSEQUENT EVENTS"), which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, FASB ASC 855 sets forth (a) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (b) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and (c) the disclosures that an entity should make about events or transactions that occurred after the balance

sheet date. FASB ASC 855 is effective for interim or annual financial reporting periods ending after June 15, 2009. The adoption of FASB ASC 855 did not have an impact on results of operations, cash flows, or financial position.

In June 2009, the FASB issued FASB ASC 810 (SFAS No. 167, "AMENDMENTS TO FASB INTERPRETATION NO. 46(R)"). FASB ASC 810 applies to FASB ASC 105 entities and is effective for annual financial periods beginning after November 15, 2009 and for interim periods within those years. Earlier application is prohibited. A calendar year-end company must adopt this statement as of January 1, 2010. The Company does not anticipate the adoption of FASB ASC 810 to have a material impact on results of operations, cash flows, or financial position.

In June 2009, the FASB issued FASB ASC 860 (SFAS No. 166, "ACCOUNTING FOR TRANSFERS OF FINANCIAL ASSETS-AN AMENDMENT OF FASB STATEMENT NO. 140"). FASB ASC 860 applies to all entities and is effective for annual financial periods beginning after November 15, 2009 and for interim periods within those years. Earlier application is prohibited. A calendar year-end company must adopt this statement as of January 1, 2010. This statement retains many of the criteria of FASB ASC 860 (FASB 140, "ACCOUNTING FOR TRANSFERS AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES") to determine whether a transfer of financial assets qualifies for sale accounting, but there are some significant changes as discussed in the statement. Its disclosure and measurement requirements apply to all transfers of financial assets occurring on or after the effective date. Its disclosure requirements, however, apply to transfers that occurred BOTH before and after the effective date. In addition, because FASB ASC 860 eliminates the consolidation exemption for Qualifying Special Purpose Entities, a company will have to analyze all existing QSPEs to determine whether they must be consolidated under FASB ASC 810. The Company does not anticipate the adoption of FASB ASC 860 to have a material impact on results of operations, cash flows, or financial position.

In August 2009, the FASB issued ASU 2009-05, "MEASURING LIABILITIES AT FAIR VALUE." ASU 2009-05 applies to all entities that measure liabilities at fair value within the scope of FASB ASC 820, "FAIR VALUE MEASUREMENTS AND DISCLOSURES." ASU 2009-05 is effective for the first reporting period (including interim periods) beginning after issuance, October 1, 2009, for the Company. The Company does not anticipate the adoption of ASU 2009-05 to have a material impact on results of operations, cash flows, or financial position.

In October 2009, the FASB ratified FASB ASC 605-25 (the EITF's final consensus on Issue 08-1, "REVENUE ARRANGEMENTS WITH MULTIPLE DELIVERABLES"). FASB ASC 605-25 is effective for fiscal years beginning on or after June 15, 2010. Earlier adoption is permitted on a prospective or retrospective basis. The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements.

## RESULTS OF OPERATIONS OF THE COMPANY

### FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2011

**REVENUE.** Net sales for the three months ended December 31, 2011 was \$642,744. The revenue consisted of sales of commodities and plastics material.

**COST OF SALES.** Cost of sales for the three months ended December 31, 2011 was \$478,381 on net revenue of \$642,744, providing a gross profit of \$164,363.

**GROSS PROFIT.** Gross profit for the three months ended December 31, 2011 was \$164,363.

**OPERATING EXPENSES.** Our operating expenses consist of salaries, office rent, travel, transportation, depreciation, bank charges, selling and marketing expenses and general and administrative expenses. For the three months ended December 31, 2011, total operating expenses were \$138,121.

OTHER INCOME / EXPENSE. . For the three months ended December 31, 2011, other income and expenses consisted of net interest expense of \$244, corporate tax expense of \$9,078 and foreign currency exchange loss of \$73 for an aggregate amount of \$9,395.

## LIQUIDITY AND CAPITAL RESOURCES

### CASH FLOWS - FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2011.

Net cash used in operating activities was \$75,247 for the three month period ended December 31, 2011 and was attributable primarily to increases in our inventory and accounts payable.

Net cash used in investing activities was \$26,152 for the three month period ended December 31, 2011 and was attributable to the acquisition of plant and equipment.

Net cash provided by financing activities was \$51,770 for the three month period ended December 31, 2011 and was attributable to an increase in loans payable.

### MATERIAL IMPACT OF KNOWN EVENTS ON LIQUIDITY

The disruption in the credit markets has had a significant adverse impact on a number of financial institutions. As of December 31, 2011, however, our liquidity and capital investments have not been materially adversely impacted, and we believe that they will not be materially adversely impacted in the near future. We will continue to closely monitor our liquidity and the credit markets. We cannot, however, predict with any certainty the impact to us of any further disruption in the credit environment.

There are no other known events that are expected to have a material impact on our short-term or long-term liquidity.

### CAPITAL RESOURCES

We have financed our operations primarily through cash flows from operations and debt and equity financings.

We believe that our current cash and cash equivalents and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next six months.

While we would like to grow our business with our cash flow, a robust increase in orders for our products, delays in collection of our accounts receivable and/or the incurrence of unforeseen expenses would likely necessitate our engaging in a capital raising transaction during 2012.

We may also seek to raise additional cash to fund future investments or acquisitions we may decide to pursue. To the extent it becomes necessary to raise additional cash in the future, we may seek to raise it through the sale of debt or equity securities, funding from joint-venture or strategic partners, debt financing or loans, issuance of common stock, or a combination of the foregoing. We currently do not have any binding commitments for, or readily available sources of, additional financing. Nor do we have any current plans to raise additional capital. However we reserve the right to raise additional capital in the future in which case the percentage ownership of our shareholders would be diluted. We cannot provide any assurances that we will be able to secure the additional cash or working capital we may require to continue our operations.

### Item 5. Legal proceedings

None

**Item 6. Defaults upon senior securities**

None

**Item 7. Other information**

None

**Item 8. Exhibits**

None

**Item 9. Certifications**

None