光彩未來集團
Glory Future Group

Interim Report

2007

Glory Future Group Limited

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8071)

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*This report, for which the directors ("**Directors**") of Glory Future Group Limited ("**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM ("**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: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

HIGHLIGHTS

- The unaudited revenue of the Group for the six months ended 30 June 2007 was approximately HK$183,000 with a significant decrease of approximately 69% as compared with that for the corresponding period in 2006.

- The Group recorded an unaudited loss attributable to equity holders of the Company of approximately HK$4,906,000 for the six months ended 30 June 2007, which increased by approximately 77% as compared with that for the corresponding period in 2006.

- The unaudited loss per share for loss attributable to equity holders of the Company was approximately HK6.11 cents for the six months ended 30 June 2007.

RESULTS

The board of Directors ("**Board**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the three months and six months ended 30 June 2007 together with the comparative figures for the corresponding periods in 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 June 2007

	Notes	(Unaudited) Three months ended 30 June 2007 HK$'000	(Unaudited) Three months ended 30 June 2006 HK$'000	(Unaudited) Six months ended 30 June 2007 HK$'000	(Unaudited) Six months ended 30 June 2006 HK$'000
Revenue	3	**76**	168	**183**	598
Cost of sales		**(49)**	(256)	**(167)**	(614)
Gross profit / (loss)		**27**	(88)	**16**	(16)
Other revenue		**61**	10	**72**	27
		88	(78)	**88**	11
Selling and distribution expenses		**(79)**	(48)	**(126)**	(91)
Administrative expenses		**(3,324)**	(834)	**(3,914)**	(1,648)
Operating loss		**(3,315)**	(960)	**(3,952)**	(1,728)
Finance costs	5	**(556)**	(536)	**(954)**	(1,041)
Loss before income tax	6	**(3,871)**	(1,496)	**(4,906)**	(2,769)
Income tax expense	7	–	–	–	–
Loss for the period		**(3,871)**	(1,496)	**(4,906)**	(2,769)
Attributable to:					
Equity holders of the Company		**(3,871)**	(1,496)	**(4,906)**	(2,769)
Minority interests		–	–	–	–
		(3,871)	(1,496)	**(4,906)**	(2,769)
Loss per share for loss attributable to equity holders of the Company					
– Basic	8	**(HK4.54 cents)**	(HK1.98 cents)	**(HK6.11 cents)**	(HK3.67 cents)
– Diluted		**N/A**	N/A	**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2007

	Notes	(Unaudited) 30 June 2007 HK$'000	(Audited) 31 December 2006 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*9*	**31**	38
Current assets			
Inventories		**65**	65
Trade receivables	*10*	**45**	14
Prepayments, deposits and other receivables		**94**	115
Cash and cash equivalents		**9,017**	675
		9,221	869
Current liabilities			
Other payables and accrued expenses		**(805)**	(739)
Loans	*11*	**(28,016)**	(23,982)
		(28,821)	(24,721)
Net current liabilities		**(19,600)**	(23,852)
Total assets less current liabilities		**(19,569)**	(23,814)
Non-current liabilities			
Due to minority shareholders of subsidiaries		**(474)**	(474)
Net liabilities		**(20,043)**	(24,288)
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	*12*	**896**	754
Reserves		**(20,939)**	(25,042)
Total equity		**(20,043)**	(24,288)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2007

	(Unaudited)						
	Share capital	**Share premium account**	**Convertible bond equity reserve**	**Translation reserve**	**Option reserve**	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2006	37,686	–	3,219	(15)	–	(60,023)	(19,133)
Loss for the period (Total recognised income and expense for the period)	–	–	–	–	–	(2,769)	(2,769)
Par value reduction	(36,932)	–	–	–	–	36,932	–
At 30 June 2006	754	–	3,219	(15)	–	(25,860)	(21,902)
At 1 January 2007	**754**	**–**	**–**	**(21)**	**–**	**(25,021)**	**(24,288)**
Loss for the period (Total recognised income and expense for the period)	**–**	**–**	**–**	**–**	**–**	**(4,906)**	**(4,906)**
Top-up placing and subscription	**136**	**6,511**	**–**	**–**	**–**	**–**	**6,647**
Recognition of Share based payment	**–**	**–**	**–**	**–**	**1,846**	**–**	**1,846**
Exercise of share options	**6**	**775**	**–**	**–**	**(123)**	**–**	**658**
At 30 June 2007	**896**	**7,286***	**–***	**(21)***	**1,723***	**(29,927)***	**(20,043)**

* The aggregate amount of these balances of HK$20,939,000 (As at 31 December 2006: HK$25,042,000) in deficit is included as reserves in the condensed consolidated balance sheet as at 30 June 2007.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2007

	(Unaudited) Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Net cash used in operating activities	**(3,526)**	(2,037)
Net cash from/(used in) investing activities	**62**	(43)
Net cash from financing activities	**11,806**	1,400
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**8,342**	(680)
Cash and cash equivalents at beginning of period	**675**	1,854
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**9,017**	1,174

Notes :

1) Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2007 have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and comply with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the applicable disclosure requirements of Chapter 18 of GEM Listing Rules. They have been prepared under historical cost convention.

2) Significant accounting policies

The significant accounting policies used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2007 are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2006.

From 1 January 2007, the Group has adopted all the new and amended HKFRSs, which are first effective on 1 January 2007 and relevant to the Group. The adoption of the new and amended HKFRSs did not result in any significant changes to Group's accounting policies and to the amounts and disclosures in the unaudited condensed consolidated financial statements.

The Group has not yet early adopted the following HKFRSs that have been issued but are not yet effective. The Directors anticipate that the adoption of such HKFRs will not result in material impact on the Group's unaudited condensed consolidated financial statements.

HKFRS 8	Operating Segments[1]
HK(IFRIC) – Interpretation11	Group and Treasure Share Transactions[2]
HK(IFRIC) – Interpretation12	Service Concession Arrangements[3]
HKAS 23 (revised)	Borrowing costs[1]

Notes:

1 Effective for annual periods beginning on or after 1 January 2009

2 Effective for annual periods beginning on or after 1 March 2007

3 Effective for annual periods beginning on or after 1 January 2008

3) Revenue and turnover

Revenue, which is also the Group's turnover, represents the net invoiced value of services rendered during the six months ended 30 June 2007.

4) Segment information

The following table presents the revenue and results for the Group's business segments.

	Web page design and website maintenance (Unaudited) Six months ended 30 June		System integration (Unaudited) Six months ended 30 June		Information technology consultancy services, staff recruitment agency and secondment (Unaudited) Six months ended 30 June		Consolidated (Unaudited) Six months ended 30 June	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue :								
Sales to external customers	**4**	3	**–**	62	**179**	533	**183**	598
Segment results :	**4**	(5)	**–**	(27)	**12**	16	**16**	(16)
Interest and other income							**72**	27
Unallocated expenses							**(4,040)**	(1,739)
Operating loss							**(3,952)**	(1,728)
Finance costs							**(954)**	(1,041)
Loss before income tax							**(4,906)**	(2,769)
Income tax expense							**–**	–
Loss for the period							**(4,906)**	(2,769)

5) Finance costs

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest charges on :				
– Loans from Sun Wah Net Investment Limited ("**Sun Wah**"), wholly repayable within five years	**556**	145	**954**	263
– Convertible bonds	**–**	391	**–**	778
	556	536	**954**	1,041

6) Loss before income tax

The Group's loss before income tax is arrived at after crediting and charging the following items :

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Crediting :				
Interest and other income	**61**	10	**72**	27
Charging :				
Cost of services provided	**49**	256	**167**	614
Auditors' remuneration	**52**	45	**105**	90
Depreciation	**8**	14	**16**	36
Staff costs : (excluding Directors' emoluments)				
– Wages and salaries	**466**	439	**755**	836
– Pension scheme contributions (MPF)	**15**	15	**28**	30
– Employee share options benefits	**1,846**	–	**1,846**	–
Directors' emoluments	**125**	15	**230**	27
Minimum lease payments paid under operating leases in respect of:				
– Land and buildings	**15**	45	**30**	89
– Computer server	**3**	2	**6**	6

7) Income tax expense

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the three months and six months ended 30 June 2007 and the corresponding periods in 2006.

Profits tax of subsidiaries operating outside Hong Kong has not been provided as the subsidiaries did not generate any assessable profits in the respective jurisdictions during the three months and six months ended 30 June 2007 and the corresponding periods in 2006.

The Group did not have any significant unprovided deferred tax liabilities for the three months and six months ended 30 June 2007 and the corresponding periods in 2006.

8) Loss per share

The calculation of basic loss per share is based on the unaudited consolidated loss attributable to equity holders of the Company during the three months and six months ended 30 June 2007 of approximately HK$3,871,000 and HK$4,906,000 respectively (three months and six months ended 30 June 2006: approximately HK$1,496,000 and HK$2,769,000, respectively) and weighted average number of approximately 85,196,000 ordinary shares of the Company during the three months ended 30 June 2007 and approximately 80,311,000 ordinary shares of the Company in issue during the six months ended 30 June 2007 (three months and six months ended 30 June 2006: 75,372,000).

Diluted loss per share for the three months and six months ended 30 June 2007 and that for the corresponding periods in 2006 have not been disclosed as the share options and convertible bonds outstanding, if any, during the respective periods had an anti–dilutive effect on the basic loss per share for the relevant periods. The Company had redeemed the convertible bonds, including the accrued interest, due on 27 October 2006 in full.

9) Property, plant and equipment

	At 30 June 2007 (Unaudited) ***HK$'000***	At 31 December 2006 (Audited) *HK$'000*
Net book value, beginning of period/year	**38**	60
Addition*	**9**	35
Disposal	**–**	(7)
Depreciation	**(16)**	(50)
Net book value, end of period/year	**31**	38
Cost	**371**	362
Accumulated depreciation	**(340)**	(324)
Net book value, end of period/year	**31**	38

* *The expenses of computers and office equipment were incurred in May 2007 and are subject to depreciation over the estimated useful life of three years on a straight-line basis.*

10) Trade receivables

A defined credit policy is maintained within the Group. The general credit terms range from 30 days to 45 days (2006: 30 days to 90 days). The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by the senior management.

The aged analysis of trade receivables is as follows:

	(Unaudited) 30 June 2007	(Audited) 31 December 2006
	HK$'000	*HK$'000*
Current – 3 months	**45**	13
4 – 6 months	**–**	1
	45	14

11) Loans

On 27 October 2006, Sun Wah granted a new loan of HK$10 million to the Company which was mainly used to repay the convertible bonds with a nominal value of HK$9 million issued to Sun Wah on 27 October 2003 together with the accrued interest incurred thereof. This loan from Sun Wah is unsecured, interest–bearing at 8% per annum and will become due and repayable on 26 October 2007. Sun Wah has confirmed it would not demand repayment of this loan of HK$10 million upon its maturity on 26 October 2007 unless the Group has sufficient financial ability to repay it. Sun Wah could extend this loan, if necessary, beyond 31 March 2008. On 1 August 2007, the Company made a partial repayment of HK$4 million to Sun Wah by utilising part of the proceeds of the subscription of 13,566,960 shares of the Company in April 2007 as announced by the Company on 16 April 2007. Accordingly, the outstanding principal of this loan was reduced to HK$6 million. (As at 31 December 2006, the balance of such loan from Sun Wah at amortised cost using the effective interest method, was HK$10.1 million.)

Pursuant to a new loan agreement signed between the Company and Sun Wah dated 13 March 2007, the Company obtained another loan of HK$18.5 million from Sun Wah which was mainly used to repay the outstanding principal and accrued interest of the loan previously granted by Sun Wah to the Company of HK$12.2 million in May 2006. The first part of such loan of HK$15.5 million was drawn on 16 March 2007 and the second part of such loan of HK$3 million shall only be drawn by the Company on 16 September 2007. Such loan is unsecured, interest–bearing at 8% per annum and repayable on 15 May 2008.

Pursuant to a new loan agreement signed between a subsidiary of the Company and Sun Wah dated 13 March 2007, a loan of HK$3.2 million was advanced from Sun Wah for repayment of the principal and accrued interest of the loan previously granted from Sun Wah of HK$1.2 million in June 2006. The first part of such loan of HK$2.4 million was drawn on 16 March 2007 and the second part of such loan of HK$0.8 million shall only be drawn by that subsidiary on 16 September 2007. This loan is unsecured, interest–bearing at 8% per annum and repayable on 15 May 2008.

Accordingly, the balance of consolidated loans from Sun Wah stated at amortised cost using the effective interest method was HK$28.0 million as at 30 June 2007 (31 December 2006: HK$23.9 million).

12) Share capital

	Number of shares	*HK$'000*
Authorised:		
At 31 December 2006, ordinary shares of HK$0.01 each (Audited)	10,000,000,000	100,000
At 30 June 2007, ordinary shares of HK$0.01 each (Unaudited)	10,000,000,000	100,000
Issued and fully paid:		
At 31 December 2006, ordinary shares of HK$0.01 each (Audited)	75,372,000	754
Top-up placing and subscription *(Note 1)*	13,566,960	136
Exercise of share options *(Note 2)*	630,000	6
At 30 June 2007, ordinary shares of HK$0.01 each	89,568,960	896

Notes:

1. Details of the top-up placing and subscription of shares of the Company are set out in the announcement of the Company dated 16 April 2007

2. Details of the exercise of the share options of the Company are set out under the paragraph headed "Share options" in this report

13) Interim dividend

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2007 (six months ended 30 June 2006: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

For the three months and six months ended 30 June 2007, the Group recorded an unaudited revenue of HK$76,000 and HK$ 183,000 with a significant decrease approximately 55% and 69% as compared with those figures in the corresponding periods in 2006 respectively. The revenue was primarily derived from the provision of web page design and website maintenance and information technology consultancy services, staff recruitment agency and secondment. There was a gross profit of approximately HK$16,000 sustained for the six months ended 30 June 2007. Such gross profit was increased by the amount of approximately HK$32,000, as compared with the gross loss for the six months ended 30 June 2006.

For the six months ended 30 June 2007, the unaudited loss of the Company increased by approximately 77% as compared with that for the corresponding period in 2006 because of the increase in administrative expenses mainly caused by the additional legal and professional expenses incurred and the increase in staff cost as a result of the grant of share options to the employees of the Group during the six months ended 30 June 2007.

Outlook

The Group is considering to concentrate on the business segments with more stable profit margins such as information technology consultancy services, staff recruitment agency and secondment.

On 19 April 2007, E-silkroad.net Online Commerce Limited ("**E-silkroad.net**"), a company incorporated in Hong Kong and a wholly–owned subsidiary of the Company, entered into a memorandum of understanding ("**MOU**") with 北京合眾盈彩投資顧問有限公司 ("**Beijing Yingcai**"), a company established in the People's Republic of China ("**PRC**"), for the proposed acquisition by E-silkroad.net of the controlling stake in Beijing Yingcai. (Details of the MOU are set out in the announcement of the Company dated 20 April 2007.) The Company had engaged a law firm in Beijing to carry out a due diligence review on Beijing Yingcai and such exercise is still in progress.

Looking ahead, in view of the rapid opening of the PRC market and the continued growth of the PRC economy, the Group actively keeps on exploring its new investment opportunities in the PRC to serve the best interest of the shareholders of the Company.

FINANCIAL REVIEW

Liquidity and financial resources

The Group financed its operation primarily with internally generated cash flow together with loans from Sun Wah and the proceeds from the issue of new shares. The Group continued to adopt a prudent financial management policy.

As at 30 June 2007, the Group had total outstanding borrowing of approximately HK$28.5 million (As at 31 December 2006: HK$24.5 million).

The outstanding borrowings comprised mainly the two loans of HK$10 million and HK$15.5 million granted by Sun Wah to the Company with maturity dates on 26 October 2007 and 15 May 2008 respectively, and a loan to a subsidiary of the Company from Sun Wah of HK$2.4 million with maturity date on 15 May 2008.

Capital structure

As at 30 June 2007, the Company's total number of issued shares was 89,568,960 (As at 31 December 2006: 75,372,000). As at the date of this report, the issued shares of the Company increased to 91,923,960 following the exercises of 1,455,000 share options and unlisted warrants for 900,000 shares in the capital of the Company (as mentioned below) in July 2007 and August 2007 respectively.

On 3 July 2007, the Company entered into two subscription agreements with two investors for the issue of warrants to them. Such warrants confer the holders thereof the rights to subscribe up to HK$40,275,000 in aggregate for shares at an initial subscription price of HK$2.25 per share. The issue of those unlisted warrants was completed on 20 July 2007. (Details of the issue of unlisted warrants are set out in the announcement of the Company dated 4 July 2007.) On 9 August 2007, one of the warrantholders exercised the subscription rights attached to the warrants to subscribe for 900,000 shares at an aggregate subscription price of HK$2,025,000.

The Board has proposed that each of the existing issued and unissued shares of HK$0.01 in the share capital of the Company be subdivided into 20 subdivided shares of HK$0.0005 each. The share subdivision will be subject to approval of the shareholders of the Company at the extraordinary general meeting of the Company to be held on 22 August 2007. (Details of the proposed subdivision of shares of the Company and other related matters are set out in the announcement and the circular of the Company dated 13 July 2007 and 3 August 2007 respectively.)

Gearing ratio

As at 30 June 2007, the Group defines its gearing ratio as a percentage of total borrowings over deficiencies in assets. Accordingly, the gearing ratio was approximately -1.42 (31 December 2006: -1.01), based on the total borrowings of approximately HK$28.5 million (31 December 2006: HK$24.5 million) and deficiencies in assets of approximately HK$20.0 million (31 December 2006: HK$24.3 million).

Investment, material acquisitions and disposal of subsidiaries and affiliated companies

The Group had no significant investment during the period under review. There were no material acquisitions or disposal of subsidiaries and affiliated companies during the six months ended 30 June 2007 (six months ended 30 June 2006: nil).

Segment comments

For the six months ended 30 June 2007, as compared among the three business segments, i) web page design and website maintenance; ii) system integration; and iii) information technology consultancy services, staff recruitment agency and secondment, the segment revenue and segment results of segment (iii) indicated to be a relatively profitable business segment. Hence, the Group would consolidate its resources to focus on this segment and at the same time explore new investment opportunities in the PRC.

Employee information

As at 30 June 2007, the Group employed a total of 18 (30 June 2006: 8) employees. The staff costs, excluding directors' emoluments and employee share options benefits, were approximately HK$783,000 (30 June 2006: HK$866,000). The decrease in staff costs is mainly due to the streamline of the management team of the Group.

The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance–related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme where options to subscribe for shares of the Company may be granted to the executive directors and full–time employees of the Group. The aim of the scheme is to encourage staff contribution to the Group and retain key staff members.

Full time employees of the Group are remunerated with basic salary, performance bonus, employee insurance and mandatory provident funds.

Charges on group assets

As at 30 June 2007, none of the Group's assets was pledged (31 December 2006: nil).

Exchange rate risk

For the six months ended 30 June 2007, most of Group's transactions, including borrowings, were generally conducted in Hong Kong dollars and with few transactions occasionally conducted in Renminbi. In this respect, the Group was not exposed to any significant foreign exchange risk.

Contingent liabilities

As at 30 June 2007, the Group had no significant contingent liabilities (31 December 2006: nil).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2007, the interests and short positions of the Directors and chief executive in the share capital of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap.571 of the Laws of the Hong Kong ("**SFO**")), as recorded in the register required to be kept by the Company pursuant to Section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules were as follows :

Long positions in the ordinary shares of HK$0.01 each in the Company ("Shares") and underlying Shares of the Company

Name of Director	Capacity	Attributable interest to the Director	Number of Shares held	Number of share options	Number of Shares and underlying Shares
Mr. Choi Koon Ming	Beneficial owner	100% (directly)	–	750,000	750,000
Mr. Chow Yeung Tuen, Richard	Beneficial owner	100% (directly)	–	300,000	300,000
Mr. Leung Ngai Man ("Mr. Leung") *(Note)*	Through a controlled corporation	100%	19,164,400	–	19,164,400

Note: Mr. Leung, an executive Director, is the beneficial owner of Speedy Well Investments Limited ("**Speedy Well**"), a company incorporated in the British Virgin Islands and a substantial shareholder of the Company which held 19,164,400 Shares as at the date of this report.

Share options

The principal purpose of the share option scheme of the Company adopted on 19 February 2001 ("**Old Scheme**") is to recognise the significant contributions of the directors and employees of the Group to the growth of the Group, by rewarding them with opportunities to obtain an ownership interest in the Company and to further motivate and give incentives to these persons to continue to contribute to the Group's long term success and prosperity.

Details of the share options granted under the Old Scheme which remained outstanding as at 30 June 2007 are as follows:

Name or category of participant	Date of grant of share options	Number of Shares underlying the share options as at 1 January 2007	Granted during the period	Exercised during the period	Number of Shares underlying the share options as at 30 June 2007	Exercise period of share options	Exercise price per share option
							HK$
Mr. Choi Koon Ming (Director)	21 January 2003	750,000	–	–	750,000	21 January 2003 to 20 January 2008	1.148
Mr. Ng Kam Yiu (Director) *(Note 1)*	21 January 2003	300,000	–	(300,000)	–	8 January 2004 to 7 January 2009	1.148
Mr. Chow Yeung Tuen, Richard (Director)	21 January 2003	300,000	–	–	300,000	21 January 2003 to 20 January 2008	1.148
Other employees	11 April 2007	–	4,950,000 *(Note 2)*	(330,000)	4,620,000	11 April 2007 to 18 February 2011	0.95
		1,350,000	4,950,000	(630,000)	5,670,000		

Notes: (1) Mr. Ng Kam Yiu retired as a Director on 29 June 2007.

(2) The fair value of these share options granted was estimated as at the date of grant, using the Black-Scholes-Merton option pricing model, at HK$1,846,000, which was fully recognised by the Company as a share option expense during the six months ended 30 June 2007.

On 11 April 2007, 495,000 share options had been granted to each of ten other grantees (all are the employees of the Group) under the Old Scheme at an exercise price of HK$0.95 per Share with an exercise period from 11 April 2007 to 18 February 2011. The closing price of the shares of the Company as at 2 April 2007, being the day immediately before the date on which the options were granted, was HK$0.465 per Share.

On 28 May 2007, 330,000 share options were exercised by one of the ten grantees as aforementioned at an exercise price of HK$0.95 and the weighted average closing price of the shares of the Company as at 25 May 2007, being the day immediately before the date on such options were exercised, was HK$2.241. Furthermore, on 28 June 2007, 300,000 share options were exercised by Mr. Ng Kam Yiu, an ex–director of the Company, at an exercise price of HK$1.148 and the weighted average closing price of the shares of the Company as at 27 June 2007, being the day immediately before the date on such options were exercised, was HK$2.133.

As at 1 January 2007 and 30 June 2007, the Company had options granted and outstanding under the Old Scheme entitling the holders thereof to subscribe for 1,350,000 and 5,670,000 Shares respectively.

Ordinary resolutions approving the termination of the Old Scheme and the adoption of the new share option scheme of the Company ("**New Scheme**") were duly passed at the annual general meeting of the Company held on 29 June 2007. The terms under the New Scheme comply with Chapter 23 of the GEM Listing Rules. No further share options would be granted under the Old Scheme but the Old Scheme would in all other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options granted under it prior to its termination.

The Company had granted 4,800,000 options under the New Scheme to subscribe for 4,800,000 Shares at an exercise price of HK$2.85 per Share on 9 July 2007. None of options was granted to the Directors or senior management of the Company under the New Scheme. As at the date of this report, no option granted under New Scheme was exercised.

The fair value of share options granted is recognised in the profit and loss account taking into account the probability that the options will vest over the vesting period. Upon the exercise of the options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapsed, if any, prior to their exercise dated are deleted from the outstanding options.

Save as disclosed above, as at 30 June 2007, none of the Directors had registered an interest or short positions in the Shares, or underlying Shares or any associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2007, the following interests of 5% or more in the issued share capital and share options of the Company was recorded in the register of interests required to be kept by the Company pursuant to Section 336 of SFO:

Long positions in the Shares and underlying Shares

Name of substantial shareholder of the Company	Capacity and nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company as at 30 June 2007	Number of Shares and underlying Shares
Speedy Well *(Note)*	Beneficial owner	19,164,400	21.4%	19,164,400

Note: Speedy Well is a company incorporated in the British Virgin Islands and beneficially owned by Mr. Leung who was appointed as an executive Director on 2 April 2007.

Save as disclosed above, no person other than the Directors, whose interests are set out in the paragraph headed "Directors' interests and short positions in the shares and underlying shares of the Company or any associated corporations" and shareholders, whose interests are set out in the paragraph headed "Interests and short positions of shareholders discloseable under the SFO" above, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to Section 336 of the SFO.

OTHER INTERESTS DISCLOSEABLE UNDER THE SFO

Save as disclosed in the paragraphs headed "Directors' interests and short positions in the shares and underlying shares of the Company or any associated corporations" and "Interests and short positions of shareholders discloseable under the SFO" above, so far as is known to the Directors, there is no other person who has an interest or short position in the Shares and underlying Shares that is discloseable under the Section 336 of SFO.

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with the GEM Listing Rules. As at the date of this report, the audit committee has four members comprising the four independent non-executive Directors, Mr. Wu Tak Lung (Chairman of the audit committee), Mr. Phillip King, Mr. Ng Cheuk Tat, Ambrose and Mr. Chan Sing Fai.

The primary duties of the audit committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group. The Group's interim results for the six months ended 30 June 2007 have been reviewed by the members of the audit committee, who are of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange listing requirements and other legal requirements and that adequate disclosures have been made.

CODE ON CORPORATE GOVERNANCE PRACTICES

For the six months ended 30 June 2007, the Company has complied with the requirements of the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct for securities transactions by Directors ("**Code**") which is no less exacting than the required terms for dealings of shares by directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific inquiry with all the Directors, and has not been notified of any non-compliance with the standard for dealings of securities by Directors and the Code during the six months ended 30 June 2007.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has an interest in a business, which causes or may cause any significant competition with the business of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2007.

By Order of the Board
Glory Future Group Limited
Choi Koon Ming
Chairman

Hong Kong, 14 August 2007

As at the date hereof, the executive Directors are Messrs. Choi Koon Ming, Chow Yeung Tuen, Richard and Leung Ngai Man; and the independent non-executive Directors are Messrs. Wu Tak Lung, Phillip King, Ng Cheuk Tat, Ambrose and Chan Sing Fai.