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GLORY FUTURE GROUP LIMITED

光彩未來集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8071)

PROPOSED SUBDIVISION OF SHARES, CHANGE IN BOARD LOT SIZE AND PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

PROPOSED SUBDIVISION OF SHARES

The Board proposes 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 by the Shareholders at the EGM and the granting by the GEM Listing Committee of the listing of, and permission to deal in, the Subdivided Shares.

CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 1,500 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 15,000 Subdivided Shares.

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 29 June 2007, the Directors were granted a general mandate to allot, issue and deal with shares in the capital of the Company. As at the date of this announcement, such mandate was utilised by the Board up to 19.98% in relation to the issue of the Warrants. In contemplation of the Share Subdivision and to facilitate future allotment and issue of shares by the Directors on behalf of the Company, the Board will seek the approval of the Shareholders for the grant of the Refreshed Issue Mandate, the Repurchase Mandate and the Extension Mandate at the EGM.

GENERAL

A circular containing, among other things, details of the proposed Share Subdivision, the change in board lot size, the trading arrangements in respect of the Subdivided Shares, the procedures for free exchange of existing share certificates, the proposed grant of the Refreshed Issue Mandate, the Repurchase Mandate and the Extension Mandate, the opinion of the independent financial adviser on the Refreshed Issue Mandate and the related recommendation of the independent board committee and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

PROPOSED SUBDIVISION OF SHARES AND CHANGE IN BOARD LOT SIZE

The Board proposes 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 by the Shareholders at the EGM and the granting by the GEM Listing Committee of the listing of, and permission to deal in, the Subdivided Shares.

The Shares are currently traded in board lots of 1,500 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 15,000 Subdivided Shares.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders for approving the Share Subdivision to be proposed at the EGM; and
- (b) the GEM Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares.

Reasons for the Share Subdivision and change in board lot size

On 18 May 2007, the Board announced that the board lot size for trading in the Shares would be changed from 15,000 Shares to 1,500 Shares mainly due to then high monetary value of each board lot of 15,000 Shares. The Board believed that such change in board lot size was necessary and could improve the liquidity in trading of the Shares and enable the Company to attract more investors and widen its investors' base. Such change in board lot size completed on 3 July 2007, details of which were set out in the announcement of the Company dated 18 May 2007.

The Board now proposes the Share Subdivision to increase the number of issued shares of the Company with a view to further broadening the Shareholders' base in the long run. Based on the closing price of the Shares of HK\$3.77 as quoted from the Stock Exchange on 12 July 2007, the monetary value of each board lot of 1,500 Shares is HK\$5,655. Upon the Share Subdivision and the change in board lot size becoming effective, the monetary value of each board lot of 15,000 Subdivided Shares would be HK\$2,827.50 (based on the closing price of the Shares on 12 July 2007). Accordingly, the Board considers that the Share Subdivision and the change in board lot size will improve the liquidity in trading of its shares and are in the best interests of the Company and the Shareholders as a whole.

Other than the expenses to be incurred in relation thereto, the implementation of the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders. The Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the relative rights of the Shareholders.

Share capital of the Company

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10 billion Shares with par value of HK\$0.01 each, of which 89,868,960 Shares were issued and fully paid. Immediately upon the Share Subdivision becoming effective and on the basis that no further Shares will be issued or repurchased prior thereto, the authorised share capital of the Company will be HK\$100,000,000 divided into 200 billion Subdivided Shares with par value of HK\$0.0005 each, of which 1,797,379,200 Subdivided Shares will be issued and fully paid.

Adjustments to share options and the Warrants

As at the date of this announcement,

- (a) the Company had options granted and outstanding under the Old Scheme entitling the holders thereof to subscribe for an aggregate of 5,370,000 Shares, comprising options entitling the holder thereof to subscribe for 750,000 Shares at an exercise price of HK\$1.148 per Share and options entitling the holders thereof to subscribe for 4,620,000 Shares at an exercise price of HK\$0.95 per Share. The Share Subdivision will constitute an event which will give rise to adjustments to, among others, the exercise price of, and/or the number or nominal amount of Shares to be issued pursuant to the exercise of the options granted under the Old Scheme;

- (b) the Company had options granted and outstanding under the Existing Scheme entitling the holders thereof to subscribe for 4,800,000 Shares at an exercise price of HK\$2.85 per Share. The Share Subdivision will constitute an event which will give rise to adjustments to, among others, the exercise price of, and/or the number or nominal amount of Shares to be issued pursuant to the exercise of the options granted under the Existing Scheme;
- (c) the Company has conditionally agreed to issue warrants conferring the right to subscribe up to HK\$40,275,000 in aggregate for Shares at an initial subscription price, subject to adjustment, of HK\$2.25 per Share to two investors on 3 July 2007. Details of the issue of the Warrants were set out in the announcement of the Company dated 4 July 2007. The Share Subdivision will constitute an event which will give rise to adjustments to, among others, the subscription price of the Warrants.

Details of the above anticipated adjustments upon the Share Subdivision becoming effective will be disclosed by way of an announcement upon the Share Subdivision becoming effective.

EXPECTED TIMETABLE

The expected timetable for the Share Subdivision and the relevant trading arrangements for the change in board lot size are set out below:

2007

Circular to be despatched on or before Friday, 3 August

Latest time for lodging forms of proxy for the EGM 11:00 a.m. on Monday, 20 August

EGM 11:00 a.m. on Wednesday, 22 August

The following events are conditional upon the fulfillment of the conditions as set out in the subparagraph headed "Conditions of the Share Subdivision" under the paragraph headed "Proposed subdivision of Shares and change in board lot size" above:

Effective date for the Share Subdivision Thursday, 23 August

Dealings in the Subdivided Shares commence 9:30 a.m. on Thursday, 23 August

Original counter for trading in the Shares in board lot of 1,500 Shares
 each closes and temporary counter for trading in the Subdivided
 Shares in board lot of 30,000 Subdivided Shares each
 (in the form of existing share certificates) opens 9:30 a.m. on Thursday, 23 August

- First day of free exchange of existing share certificates
in board lot of 1,500 Shares each for new share certificates
in board lot of 15,000 Subdivided Shares each. Thursday, 23 August
- Original counter for trading in the Subdivided Shares in
board lot of 15,000 Subdivided Shares each (in
the form of new share certificates) reopens 9:30 a.m. on Thursday, 6 September
- Parallel trading in the Subdivided Shares (in the form of
existing share certificates and new share certificates)
commences 9:30 a.m. on Thursday, 6 September
- Temporary counter for trading in the Subdivided Shares in
board lot of 30,000 Subdivided Shares (in the form of
existing share certificates) closes 4:00 p.m. on Friday, 28 September
- Parallel trading in the Subdivided Shares (in the form of
existing share certificates and new share certificates)
ends. 4:00 p.m. on Friday, 28 September
- Last day for free exchange of existing share certificates
in board lot of 1,500 Shares each for new share
certificates in board lot of 15,000 Subdivided Shares each Wednesday, 3 October

If the Share Subdivision becomes effective, the existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 28 September 2007 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for 20 Subdivided Shares and may be exchanged free of charge for new share certificates for Subdivided Shares at any time between 9:30 a.m. to 4:00 p.m. on 23 August 2007 and 3 October 2007 (both days inclusive), or on payment at a fee of HK\$2.50 per share certificate at any time after 4:00 p.m. on 3 October 2007. Shareholders are requested to submit their existing share certificates to the Company's branch share registrar in Hong Kong, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. It is expected that the new share certificates will be available for collection on the 10th business day after submission of the existing share certificates.

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 29 June 2007, the Directors were granted a general mandate to allot, issue and deal with shares in the capital of the Company. As at the date of this announcement, such mandate was utilised by the Board up to 19.98% in relation to the issue of the Warrants. In contemplation of the Share Subdivision and to facilitate future allotment and issue of shares by the Directors on behalf of the Company, the Board will seek the approval of the Shareholders for the grant of the Refreshed Issue Mandate at the EGM.

At the EGM, an ordinary resolution will also be proposed to grant the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on GEM, or on any other stock exchange on which the Shares may be listed, shares of the Company up to a maximum of 10% of the nominal share capital of the Company in issue as at the date of passing the resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the EGM providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued shares as at the date of passing the resolution) will be added to the total number of Shares which may be allotted and issued under the Refreshed Issue Mandate.

Each of the Refreshed Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the end of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; and (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the GEM Listing Rules, the Company is required to give to all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the EGM. An explanatory statement for such purpose will be set out in the Circular.

According to Rule 17.42A of the GEM Listing Rules, any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates (as defined in the GEM Listing Rules) shall abstain from voting in favour of the resolution to approve the grant of the Refreshed Issue Mandate.

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DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Circular”	the circular containing, among other things, details of the proposed Share Subdivision, the change in board lot size, the trading arrangements in respect of the Subdivided Shares, the procedures for free exchange of existing share certificates, the proposed grant of the Refreshed Issue Mandate, the Repurchase Mandate and the Extension Mandate, the opinion of the independent financial adviser on the Refreshed Issue Mandate and the related recommendation of the independent board committee and the notice of the EGM to be despatched to the Shareholders
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Glory Future Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM
“Director(s)”	the director(s) of the Company

“EGM”	an extraordinary general meeting of the Company to be held for approving, among other matters (if any), the Share Subdivision and the proposed grant of the Refreshed Issue Mandate, the Repurchase Mandate and the Extension Mandate
“Existing Scheme”	the share option scheme of the Company adopted on 29 June 2007
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Refreshed Issue Mandate
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Old Scheme”	the share option scheme of the Company adopted on 19 February 2001
“PRC”	the People’s Republic of China
“Refreshed Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase the shares of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Subdivision”	the proposed subdivision of each Share into 20 Subdivided Shares
“Subdivided Share(s)”	share(s) of HK\$0.0005 each in the share capital of the Company upon the Share Subdivision becoming effective
“Warrants”	unlisted warrants to be issued by the Company at an issue price of HK\$0.02, each entitles the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$2.25, subject to adjustment, at any time for a period of three years commencing from the date of allotment and issue of the Warrants, details of which were set out in the announcement of the Company dated 4 July 2007
“%”	per cent.

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

Hong Kong, 13 July 2007

As at the date of this announcement, 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.

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: (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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