GLORY FUTURE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8071)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2006

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*This announcement, 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 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.*

HIGHLIGHTS

- The unaudited revenue of the Group for the six months ended 30 June 2006 was approximately HK$598,000, which was more than six times the amount of that for the corresponding period in 2005.
- The Group recorded an unaudited loss of approximately HK$2,769,000 for the six months ended 30 June 2006, which increased by approximately 42% as compared with the restated figure of the corresponding period in 2005.
- The unaudited loss per share for loss attributable to equity holders of the Company was approximately HK3.67 cents for the six months ended 30 June 2006.

RESULTS

The board of directors of the Company ("**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 2006 together with the restated comparative figures for the corresponding periods in 2005 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 June 2006

		(Unaudited) Three months ended 30 June		**(Unaudited) Six months ended 30 June**	
			(Restated)		(Restated)
		2006	2005	**2006**	2005
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	*3*	**168**	60	**598**	90
Cost of sales		**(256)**	(28)	**(614)**	(53)
Gross (loss)/profit		**(88)**	32	**(16)**	37
Other revenue		**10**	7	**27**	12
		(78)	39	**11**	49
Selling and distribution expenses		**(48)**	–	**(91)**	–
Administrative expenses		**(834)**	(501)	**(1,648)**	(949)
Operating loss		**(960)**	(462)	**(1,728)**	(900)
Finance costs	*5*	**(536)**	(405)	**(1,041)**	(1,053)
Loss before income tax	*6*	**(1,496)**	(867)	**(2,769)**	(1,953)
Income tax expense	*7*	**–**	–	**–**	–
Loss for the period		**(1,496)**	(867)	**(2,769)**	(1,953)
Loss per share for loss attributable to equity holders of the Company	*8*				
– Basic		**(HK1.98 cents)**	(HK1.15 cents)	**(HK3.67 cents)**	(HK2.59 cents)
– Diluted		**N/A**	N/A	**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2006

	Notes	(Unaudited) 30 June 2006 HK$'000	(Audited) 31 December 2005 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	**84**	60
Current assets			
Inventories		**65**	–
Trade receivables	10	**256**	187
Prepayments, deposits and other receivables		**101**	165
Cash and cash equivalents		**1,174**	1,854
		1,596	2,206
Current liabilities			
Trade payables	11	**213**	30
Other payables and accrued expenses		**747**	801
Convertible bonds	12	**8,623**	7,980
Loans from a shareholder	13	**13,500**	12,089
		23,083	20,900
Net current liabilities		**(21,487)**	(18,694)
Total assets less current liabilities		**(21,403)**	(18,634)
Non-current liabilities			
Due to minority shareholders of subsidiaries		**(499)**	(499)
Net liabilities		**(21,902)**	(19,133)
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	14	**754**	37,686
Reserves		**(22,656)**	(56,819)
Total equity		**(21,902)**	(19,133)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2006

	(Unaudited)					
	Share capital	**Share premium account**	**Convertible bond equity reserve**	**Translation reserve**	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2005, as previously reported	37,686	15,796	–	(10)	(70,407)	(16,935)
Effect of initial adoption of HKAS 32	–	–	4,875	–	(2,542)	2,333
At 1 January 2005, as restated	37,686	15,796	4,875	(10)	(72,949)	(14,602)
Loss for the period (Total recognised income and expense for the period)	–	–	–	–	(1,953)	(1,953)
Redemption of convertible bond	–	–	(1,656)	–	1,656	–
At 30 June 2005, as restated	37,686	15,796	3,219	(10)	(73,246)	(16,555)
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)**

* The aggregate amount of these balances of HK$22,656,000 (As at 31 December 2005: HK$56,819,000) in deficit is included as reserves in the condensed consolidated balance sheet as at 30 June 2006.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2006

	(Unaudited) Six months ended 30 June	
		(Restated)
	2006	2005
	HK$'000	*HK$'000*
Net cash used in operating activities	**(2,037)**	(2,312)
Net cash (used in)/from investing activities	**(43)**	12
Net cash from financing activities	**1,400**	1,929
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(680)**	(371)
Cash and cash equivalents at beginning of period	**1,854**	893
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,174**	522

Notes:

1) Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2006 have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRS**") 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 2006 are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2005.

The Group has adopted the following standards that have been issued and effective for periods beginning on or after 1 January 2006. The adoption of such standards did not have material effect on the unaudited condensed consolidated financial statements.

HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates-Net Investment in a Foreign Operation
HKAS 39 (Amendment)	The Fair Value Option

The Group has not early adopted the following standards that have been issued but are not yet effective. The adoption of such standards will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments-Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives

3) Revenue

Revenue, which is also the Group's turnover, represents the net invoiced value of services rendered during the six months ended 30 June 2006.

4) Segment Information

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

	Internet-based and Windows-based applications, web page design and website maintenance (Unaudited) Six months ended 30 June		System integration (Unaudited) Six months ended 30 June		Information technology consultancy services (Unaudited) Six months ended 30 June		Consolidated (Unaudited) Six months ended 30 June	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005 (Restated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**3**	–	**62**	–	**533**	90	**598**	90
Segment results:	**(5)**	(23)	**(27)**	–	**16**	60	**(16)**	37
Interest income							**27**	12
Unallocated expenses							**(1,739)**	(949)
Operating loss							**(1,728)**	(900)
Finance costs							**(1,041)**	(1,053)
Loss before income tax							**(2,769)**	(1,953)
Income tax expense							**–**	–
Loss for the period							**(2,769)**	(1,953)

5) Finance costs

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2006	2005 (Restated)	**2006**	2005 (Restated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest charges on:				
– Loans from a shareholder, wholly repayable within five years	**145**	67	**263**	70
– Convertible bonds	**391**	338	**778**	983
	536	405	**1,041**	1,053

6) Loss before income tax

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

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2006	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Crediting:				
Interest income	**10**	7	**27**	12
Charging:				
Cost of services provided	**256**	28	**614**	53
Auditors' remuneration	**45**	45	**90**	90
Depreciation	**14**	19	**36**	39
Staff costs (excluding Directors' remuneration):				
Wages and salaries	**439**	143	**836**	332
Pension scheme contributions (MPF)	**15**	4	**30**	11
Minimum lease payments paid under operating leases in respect of:				
– Land and buildings	**45**	44	**89**	88
– Computer server	**2**	17	**6**	17

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 2006 and the corresponding periods in 2005.

Provision for the 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 2006 and the corresponding periods in 2005.

The Group did not have any significant unprovided deferred tax liabilities for the three months and six months ended 30 June 2006 and the corresponding periods in 2005.

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 2006 of HK$1,496,000 and HK$2,769,000 respectively (three months and six months ended 30 June 2005 restated: HK$867,000 and HK$1,953,000, respectively) and 75,372,000 ordinary shares of the Company in issue during the aforementioned two respective periods ended 30 June 2006 (three months and six months ended 30 June 2005: 75,372,000 ordinary shares as adjusted to reflect the share consolidation on the basis of every 10 issued and unissued shares of HK$0.05 each in the capital of the Company into one ordinary share of HK$0.50 each which became effective on 17 November 2005 ("**Share Consolidation**")).

Diluted loss per share for the three months and six months ended 30 June 2006 and that for the three months and six months ended 30 June 2005 have not been disclosed as the share options and the convertible bonds outstanding during the respective periods had an anti-dilutive effect on the basic loss per share for the relevant periods.

9) Property, plant and equipment

	Total *HK$'000*
At 1 January 2005 (Audited)	
Cost	**2,559**
Accumulated depreciation	**(2,441)**
Net book amount	**118**
Year ended 31 December 2005 (Audited)	
Opening net book amount	**118**
Additions	**25**
Depreciation	**(83)**
Closing net book amount	**60**
At 31 December 2005 (Audited)	
Cost	**2,584**
Accumulated depreciation	**(2,524)**
Net book amount	**60**
Period ended 30 June 2006 (Unaudited)	
Opening net book amount	**60**
Additions*	**60**
Depreciation	**(36)**
Closing net book amount	**84**
At 30 June 2006 (Unaudited)	
Cost	**2,644**
Accumulated depreciation	**(2,560)**
Net book amount	**84**

* *Leasehold improvements incurred in May 2006 are subject to depreciation over the estimated useful life of five 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 (2005: 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)	(Audited)
	30 June	31 December
	2006	2005
	HK$'000	*HK$'000*
Current – 3 months	**225**	187
3 – 6 months	**31**	–
	256	187

11) Trade payables

The aged analysis of trade payables is as follows:

	(Unaudited)	(Audited)
	30 June	31 December
	2006	2005
	HK$'000	*HK$'000*
Current – 3 months	**200**	30
3 – 6 months	**13**	–
	213	30

12) Convertible bonds

On 27 October 2003, the Company issued convertible bonds at a nominal value of HK$9 million to Sun Wah Net Investment Limited ("**Sun Wah**"). The convertible bonds were unsecured, interest bearing at 3% per annum and the interest was repayable half yearly in arrears. Under the terms of the convertible bonds, the Company shall have the right at any time before the maturity date on 27 October 2006, to redeem or purchase the whole or part of the convertible bonds from Sun Wah. Furthermore, Sun Wah has the right to convert the whole or part of the convertible bonds into the Company's ordinary shares at a conversion price of HK$0.50 per each conversion share (as adjusted by the Share Consolidation), subject to adjustment, at any time before the maturity date on 27 October 2006. However, Sun Wah does not have any rights to request for redemption of the whole or part of the convertible bonds before the maturity date on 27 October 2006. Moreover, no assignment or transfer of the convertible bonds may be made without the prior consent of the Company.

The Company shall only redeem the whole or part of the convertible bonds, in cash, if the adequacy of working capital and liquidity of the Group are not impaired by such redemption.

The convertible bonds contain both liability and equity components. Upon the adoption of HKAS 32 Financial Instruments: Disclosure and Presentation, the convertible bonds were split between the liability and equity components, on a retrospective basis.

The fair values of the liability components of the Company's convertible bonds were estimated at the issuance dates using equivalent market interest rates for similar bonds without a conversion option. The residual amounts, after deducting the fair values of the liability components from the fair value of the convertible bonds as a whole, representing the values of the equity components, are included in equity as convertible bond equity reserve.

13) Loans from a shareholder

Pursuant to a loan agreement signed between the Company and Sun Wah dated 2 May 2006, the Company obtained a new short-term loan of HK$12.2 million ("**Shareholder's Loan to the Company**") from Sun Wah which was mainly used to repay the outstanding principal of HK$11.4 million and accrued interest of HK$0.2 million of a shareholder's loan of HK$12 million which was previously granted by Sun Wah to the Company on 18 October 2005. Thereafter, the balance of fund from the Shareholder's Loan to the Company in the amount of approximately HK$0.6 million was retained as working capital of the Group. The Shareholder's Loan to the Company is unsecured, interest bearing at 5% per annum and repayable on 2 August 2006. As at 30 June 2006, the balance of the Shareholder's Loan to the Company, at amortised cost using the effective interest method, was HK$12.3 million.

Pursuant to a loan agreement signed between a subsidiary of the Company and Sun Wah dated 12 June 2006, a new short-term loan of HK$1.2 million was advanced from Sun Wah ("**Shareholder's Loan to a Subsidiary of the Company**") for repayment of the principal and accrued interest of a shareholder's loan to a subsidiary of the Company of HK$0.6 million which was previously granted by Sun Wah on 24 November 2005 . Thereafter, the balance of fund of the Shareholder's Loan to a Subsidiary of the Company of approximately HK$0.6 million was retained as the working capital of that subsidiary of the Company. The Shareholder's Loan to a Subsidiary of the Company is unsecured, interest-bearing at 5% per annum and repayable on 12 August 2006. As at 30 June 2006, the balance of the Shareholder's Loan to a Subsidiary of the Company, at amortised cost using the effective interest method, was HK$1.2 million.

Accordingly, the balance of the consolidated shareholder's loans stated at amortised cost using the effective interest method was HK$13.5 million as at 30 June 2006 (As at 31 December 2005: HK$12.1 million).

14) Share capital

	Number of shares	*HK'000*
Authorised:		
At 31 December 2005, ordinary shares of HK$0.50 each (Audited)	200,000,000	100,000
Par value reduction *(Note)*	9,800,000,000	–
At 30 June 2006, ordinary shares of HK$0.01 each (Unaudited)	10,000,000,000	100,000
Issued and fully paid:		
At 31 December 2005, ordinary shares of HK$0.50 each (Audited)	75,372,000	37,686
Par value reduction *(Note)*	–	(36,932)
At 30 June 2006, ordinary shares of HK$0.01 each (Unaudited)	75,372,000	754

Note: Details of the par value reduction had been mentioned in the paragraph headed "Capital structure" in the first quarterly results announcement for the three months ended 31 March 2006.

15) Interim dividend

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2006 (six months ended 30 June 2005: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the three months and six months ended 30 June 2006, the Group recorded an unaudited revenue of HK$168,000 and HK$598,000, which were more than two times and six times the amounts of that for the corresponding periods in 2005 respectively. The revenue was primarily derived from the provision of Internet-based and Windows-based applications, web pages design and website maintenance, system integration and information technology consultancy services. There was a gross loss of HK$16,000 sustained for the six months ended 30 June 2006 because of the keen competition in the information technology industry.

During the six months ended 30 June 2006, selling and distribution expenses were approximately HK$91,000, while there were no such expenses for the corresponding period in 2005. Such expenses incurred were due to the recruitment of a new sales manager in January 2006 to further promote the business of the Group upon economic recovery.

Administrative expenses for the six months ended 30 June 2006 were greatly increased by approximately 74%, as compared with that for the corresponding period in 2005. Such increase was partly due to higher salary payments upon economic recovery and partly caused by the additional legal and professional expenses incurred in the capital reorganisation completed in February 2006.

Accordingly, the loss of the Company increased by approximately 42% for the six months ended 30 June 2006 as compared with that for the corresponding period in 2005.

Prospects

In the future, the management team continues to focus on diversified business segments such as information technology development outsourcing services, consultancy services and system integration services. Internally, the management contemplates to divert internal resources for launching sales support and strengthen working capital management. The Group remains continuously optimistic about its future business development in the long run. Strategically, the Group would explore new possible investment opportunities in order to generate more businesses and achieve stable growth.

FINANCIAL REVIEW

Liquidity and financial resources

The Group financed its operation primarily with internally generated cash flow together with shareholder's loans from its substantial shareholder, Sun Wah. The Group continued to adopt a prudent financial management policy.

As at 30 June 2006, the Group had total outstanding borrowings of approximately HK$22.6 million. (As at 31 December 2005: HK$20.6 million).

The outstanding borrowings comprised mainly the unsecured convertible bonds at a nominal value of HK$9 million stated at amortised cost of HK$8.6 million (As at 31 December 2005: HK$7.9 million), which will mature on 27 October 2006, and total loans of HK$13.5 million granted by Sun Wah to the Company and to a subsidiary of the Company on 2 May 2006 and 12 June 2006 respectively (As at 31 December 2005: HK$12.1 million) with maturity dates on 2 August 2006 and 12 August 2006 respectively.

Capital structure

As at 30 June 2006, the Company's total number of issued shares was 75,372,000 (As at 31 December 2005: 75,372,000). Subsequent to the par value reduction which became effective on 15 February 2006, the issued share capital was reduced to HK$753,720, divided into 75,372,000 ordinary shares of HK$0.01 each. Details of the aforesaid par value reduction had already been mentioned in the paragraph headed "Capital structure" on page 7 of the first quarterly results announcement ended 31 March 2006.

As at 30 June 2006, the Group had convertible bonds at a nominal value of HK$9 million (As stated in the condensed consolidated balance sheet at amortised cost of approximately HK$8.6 million as at 30 June 2006) outstanding (As at 31 December 2005: HK$7.9 million). Details of the convertible bonds for the six months ended 30 June 2006 are set out in note 12 to the condensed consolidated balance sheet as at 30 June 2006.

Gearing ratio

As at 30 June 2006, the Group's gearing ratio was approximately -1.03 (As at 31 December 2005: -1.08), based on the total borrowings of approximately HK$22.6 million (As at 31 December 2005: HK$20.6 million) and deficiencies in assets of approximately HK$21.9 million (As at 31 December 2005: HK$19.1 million).

Investment, material acquisitions and disposals of subsidiaries and affiliated companies

The Group had no significant investment during the period under review. There were no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 June 2006 (six months ended 30 June 2005: nil).

Segment comments

For the six months ended 30 June 2006, the segment revenue and segment results of information technology consultancy services indicated to be a profitable business segment. Hence, the Group would consolidate internal resources to focus on information technology consultancy services apart from exploring information technology outsourcing services in the future.

Employee information

As at 30 June 2006, the Group employed a total of 8 (As at 30 June 2005: 4) employees. The staff costs, excluding director's remuneration, were approximately HK$866,000 (As at 30 June 2005: HK$343,000). The staff costs increased due to the business growth and an increase in the number of staff employed during the period under review.

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 purpose of the scheme is to recognise staff outstanding performance and help the Group to retain key staff members.

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

Charges on group assets

As at 30 June 2006, none of the Group's assets was pledged (As at 31 December 2005: nil).

Exchange rate risk

For the six months ended 30 June 2006, most of the Group's transactions, including borrowings, were generally denominated in Hong Kong dollars with few transactions occasionally denominated in Renminbi. In this respect, the Group was not exposed to any significant foreign exchange risk.

Contingent liabilities

As at 30 June 2006, the Group had no significant contingent liabilities (As at 31 December 2005: Nil).

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

As at 30 June 2006, the interests and short positions of each Director 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 the 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. Ng Kam Yiu	Beneficial owner	100% (directly)	–	300,000	300,000
Mr. Chow Yeung Tuen, Richard	Beneficial owner	100% (directly)	–	300,000	300,000

Share options

The principal purpose of the share option scheme of the Company adopted on 19 February 2001 ("**Share Option 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.

Following the Share Consolidation, the total number of share options outstanding was reduced by 12,150,000 and was then adjusted to 1,350,000. The exercise price of the share options outstanding and the closing price of the Share immediately before the date of granting options had also been adjusted from HK$0.115 to HK$1.15 and from HK$0.114 to HK$1.14 accordingly.

Details of the share options granted under the Share Option Scheme to certain Directors which remained outstanding as at 30 June 2006 are as follows:

Name of directors	**Date of grant of share options**	**Number of Shares underlying the share options as at 30 June 2006**	**Exercise period of share options**	**Exercise price per share option** *HK$*
Mr. Choi Koon Ming	21 January 2003	750,000	21 January 2003 to 20 January 2008	1.148
Mr. Ng Kam Yiu	21 Janaury 2003	300,000	8 January 2004 to 7 January 2009	1.148
Mr. Chow Yeung Tuen, Richard	21 January 2003	300,000	21 January 2003 to 20 January 2008	1.148
		1,350,000		

No share options had been granted under the Share Option Scheme during the six months ended 30 June 2006 and no option previously granted under the Share Option Scheme had been exercised during the same period.

Save as disclosed above, as at 30 June 2006, none of the Directors had registered an interest or short positions in the Shares, or underlying Shares or any of its 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 2006, the following interests of 5% or more in the issued share capital, share options and convertible bonds of the Company were 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	Percentage of issued share capital of the Company as at 30 June 2006	Number of underlying Shares held	Number of Shares and underlying Shares
global.com Investments Corp. *(Note 1)*	Beneficial owner	15,557,000	20.6%	–	15,557,000
Santana Enterprises Limited *(Note 1)*	Through a controlled corporation	15,557,000	20.6%	–	15,557,000
Yuen Fat Ching *(Note 1)*	Settlor	15,557,000	20.6%	–	15,557,000
Bornwise Investments Limited *(Note 2)*	Security interest	15,557,000	20.6%	–	15,557,000
Cheung Wo Sin *(Note 2)*	Through a controlled corporation	15,557,000	20.6%	–	15,557,000
Glory Cyber Company Limited ("**Glory Cyber**") *(Note 3)*	Beneficial owner	10,000,000	13.3%	–	10,000,000
Luan Shusheng ("**Mr. Luan**") *(Note 3)*	Through a controlled corporation	10,000,000	13.3%	–	10,000,000
Sun Wah *(Note 4)*	Beneficial owner	9,547,400	12.7%	18,000,000	27,547,400
Sun Wah Hi-Tech Holdings Limited *(Note 4)*	Through a controlled corporation	9,547,400	12.7%	18,000,000	27,547,400
Choi Koon Shum *(Note 4)*	Through a controlled corporation	9,547,400	12.7%	18,000,000	27,547,400
Tai Lee Assets Limited *(Note 5)*	Beneficial owner	9,440,600	12.5%	–	9,440,600
Tsoi Siu Lan, Mazie *(Note 5)*	Through a controlled corporation	9,440,600	12.5%	–	9,440,600
Ceroilfood Finance Limited *(Note 6)*	Beneficial owner	8,302,200	11.0%	–	8,302,200
China National Cereals Oils and Foodstuffs Import and Export Corporation *(Note 6)*	Through a controlled corporation	8,302,200	11.0%	–	8,302,200

Notes:

(1) global.com Investments Corp. is a company wholly owned by Santana Enterprises Limited as the trustee of The YFC Unit Trust, 99.9% of the units of which are owned by The YFC Family Trust, a discretionary trust of which the children of Mr. Yuen Fat Ching ("**Mr. Yuen**") are the only beneficiaries. The balance of 0.1% of the units of The YFC Unit Trust is held by Mr. Yuen's mother. Mr. Yuen is the settlor of The YFC Family Trust.

(2) Bornwise Investments Limited is a company incorporated in the British Virgin Islands and beneficially owned by Mr. Cheung Wo Sin. Bornwise Investments Limited and Mr. Cheung Wo Sin are deemed to be interested in 15,557,000 Shares and such Shares have been pledged to Bornwise Investments Limited.

(3) Glory Cyber is a company incorporated in Hong Kong with limited liability, the issued share capital of which is owned as to 70% by Mr. Luan. The indirect interest of Mr. Luan in the 10,000,000 Shares is held by Glory Cyber.

(4) Sun Wah is a wholly owned subsidiary of Sun Wah Hi-Tech Holdings Limited, which is wholly and beneficially owned by Mr. Choi Koon Shum, the brother of Mr. Choi Koon Ming. As at 30 June 2006, Sun Wah is also the holder of convertible bonds at a nominal value of HK$9 million issued by the Company, upon exercise of the conversion rights attaching thereto would entitle Sun Wah to subscribe for 18,000,000 ordinary shares (as adjusted by the Share Consolidation), representing approximately 23.88% of the issued share capital of the Company.

(5) Tai Lee Assets Limited is beneficially owned by Ms. Tsoi Siu Lan, Mazie, who is the sister of Mr. Choi Koon Ming.

(6) Ceroilfood Finance Limited is a wholly owned subsidiary of China National Cereals Oils and Foodstuffs Import and Export Corporation, a state-owned enterprise, which is principally engaged in the import and export of cereals, oil and foodstuffs in the People's Republic of China.

Save as disclosed above, no person other than the Directors, whose interests are set out in the section headed "Directors' interests and short positions in the shares and the 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 the 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. The audit committee had three members comprising the three independent non-executive Directors, namely Mr. Wu Tak Lung (Chairman of the audit committee), Mr. Phillip King and Mr. Ng Cheuk Tat, Ambrose as at 30 June 2006.

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 2006 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 2006, the Company has complied with the requirements of the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2006, the Company has adopted a code of conduct for securities transactions by Directors ("**Code**") which is no less exacting than the required terms for dealing of Shares by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. In addition, 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.

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 2006.

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

Hong Kong, 9 August 2006

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

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting.