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FORD GLORY GROUP HOLDINGS LIMITED

福源集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 1682)

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

UNAUDITED INTERIM RESULTS

The board of directors (the “Board”) of Ford Glory Group Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group” or “Ford Glory”) for the six months ended 30 September 2010 together with the comparative figures for the previous corresponding period. The interim results of the Group have been reviewed by the Company’s auditor in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The interim results of the Group have also been reviewed by the Company’s audit committee.

* *for identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

		Six months ended	
		30 September	
	<i>NOTES</i>	2010	2009
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	3	463,301	433,981
Cost of sales		(385,317)	(361,850)
Gross profit		77,984	72,131
Other income		2,012	1,665
Other gains and losses	4	(1,011)	708
Selling and distribution costs		(8,408)	(7,715)
Administrative expenses		(43,131)	(43,564)
Listing expenses		(13,096)	–
Interest on bank borrowings wholly repayable within five years		(1,011)	(1,344)
Profit before tax		13,339	21,881
Income tax expense	5	(5,895)	(2,666)
Profit for the period	6	7,444	19,215
Other comprehensive income			
Exchange differences arising on translation to presentation currency		–	(172)
Total comprehensive income for the period		7,444	19,043
Profit for the period attributable to:			
Owners of the Company		4,563	15,049
Non-controlling interests		2,881	4,166
		7,444	19,215
Total comprehensive income attributable to:			
Owners of the Company		4,563	14,877
Non-controlling interests		2,881	4,166
		7,444	19,043
Earnings per share – basic	9	HK1.4 cents	HK4.7 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2010

	<i>NOTES</i>	30 September 2010 HK\$'000 (unaudited)	31 March 2010 HK\$'000 (restated)
Non-current assets			
Property, plant and equipment	<i>10</i>	103,901	108,611
Prepaid lease payments		3,452	3,497
Goodwill		5,541	5,541
		112,894	117,649
Current assets			
Inventories		56,050	56,436
Trade and bills receivables	<i>11</i>	109,187	124,503
Deposits, prepayments and other receivables		47,318	22,633
Amounts due from related companies		4	27,866
Tax recoverable		731	–
Prepaid lease payments		90	90
Bank balances and cash		107,285	128,404
		320,665	359,932
Assets held for sale		–	28,118
		320,665	388,050
Current liabilities			
Trade payables	<i>12</i>	64,418	95,882
Accruals		22,765	26,815
Amounts due to related companies		7,750	27,960
Tax payable		14,055	8,537
Bank borrowings – amount due within one year		67,296	67,701
		176,284	226,895
Liabilities associated with assets held for sale		–	22,282
		176,284	249,177
Net current assets		144,381	138,873
Total assets less current liabilities		257,275	256,522

	30 September 2010 HK\$'000 (unaudited)	31 March 2010 HK\$'000 (restated)
Capital and reserves		
Share capital	20	–
Reserves	228,020	229,743
	<hr/>	<hr/>
Equity attributable to owners of the Company	228,040	229,743
Non-controlling interests	9,756	6,875
	<hr/>	<hr/>
Total equity	237,796	236,618
	<hr/>	<hr/>
Non-current liabilities		
Bank borrowings – amount due after one year	18,566	19,185
Deferred taxation	913	719
	<hr/>	<hr/>
	19,479	19,904
	<hr/>	<hr/>
	257,275	256,522
	<hr/> <hr/>	<hr/> <hr/>

1. BASIS OF PREPARATION AND PRESENTATION OF INTERIM FINANCIAL INFORMATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Pursuant to the group reorganisation (the “Reorganisation”) as explained in the section headed “Reorganisation” in the prospectus dated 17 September 2010 issued by the Company in connection with the global offering of its shares on the Main Board of the Stock Exchange (the “Prospectus”), which was completed on 8 September 2010 by principally interspersing the Company between Ford Glory Holdings Limited (“FG Holdings”) and its shareholders, the Company became the holding company of the Group.

The Group was controlled by Victory City International Holdings Limited (“VC”) before and after the Reorganisation. Accordingly, the interim financial information has been prepared as if the Company had always been the holding company of the Group. The condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the period ended 30 September 2009 have been prepared as if the current group structure had been in existence throughout the six months period ended 30 September 2009 or since the respective dates of incorporation/establishment of the relevant entities now comprising the Group where this is a shorter period. The condensed consolidated statements of financial position of the Group as at 31 March 2010 and 30 September 2010 have been prepared to present the assets and liabilities of the entities now comprising the Group which were in existence at those dates.

Since 2006, VC owned 60% interest in Jiangmen V-Apparel Manufacturing Ltd. (“Jiangmen Factory”) through its wholly owned subsidiary, Rocwide Limited (“Rocwide”). On 19 November 2009, the Group acquired the 40% interest in Jiangmen Factory not already controlled by VC from independent third parties. On 7 April 2010, the Group obtained ownership of the entire equity interest in Rocwide from VC. At the same time, the Group has adopted the principle of merger accounting for business combination involving entities under common control. Accordingly, Jiangmen Factory has been accounted for as a 60% subsidiary since 2006 until 18 November 2009 and as a wholly-owned subsidiary thereafter.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of combined financial information of the Group for the three years ended 31 March 2010 included in the Prospectus, except for the accounting policies described below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Right Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners

Except as described below, the application of the other new and revised HKFRSs has had no effect on the condensed consolidated financial statements of the Group for the current and prior accounting periods.

HKFRS 3 (Revised) Business Combination

The Group has applied HKFRS 3 (Revised) “Business Combinations” prospectively to business combinations for which the acquisition date is on or after 1 April 2010.

As there was no transaction during the current interim period which HKFRS 3 (Revised) is applicable, the application of HKFRS 3 (Revised) and the consequential amendments to other HKFRSs has had no effect on the condensed consolidated financial statements of the Group for the current accounting period.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised) and the consequential amendments to the other HKFRSs are applicable.

Amendment to HKAS 17 Leases

As part of “Improvements to HKFRSs” issued in 2009, HKAS 17 “Leases” has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the condensed consolidated statement of financial position. The amendment to HKAS 17 has removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 April 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payments to property, plant and equipment measured using the cost model. No profit or loss items are affected as a result of the reclassification.

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- In relation to financial liabilities, the most significant change relates to the presentation of changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that the application of these new and revised HKFRSs may have material impact on the results and the financial position of the Group. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision makers (i.e. executive directors of the Company) for the purpose of resource allocation and performance assessment, are as follows:

- Segment A – this segment includes certain subsidiaries of the Group which trade garment products to the USA, Canada, Hong Kong and other locations except the People's Republic of China (the "PRC") and provide quality inspection services
- Segment B – this segment includes the remaining subsidiaries of the Group which manufacture garment products and trade garment products in the PRC

The following is an analysis of the Group's revenue and results by operating segments for the periods under review:

Six months ended 30 September 2010

	Segment A	Segment B	Segment Total	Eliminations	Consolidated Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
SEGMENT REVENUE					
External sales	419,188	44,113	463,301	–	463,301
Inter-segment sales	733	107,862	108,595	(108,595)	–
Total	<u>419,921</u>	<u>151,975</u>	<u>571,896</u>	<u>(108,595)</u>	<u>463,301</u>
SEGMENT RESULTS	<u>28,075</u>	<u>619</u>	<u>28,694</u>		28,694
Unallocated income					1,468
Unallocated expenses					(15,812)
Interest expenses					(1,011)
Profit before tax					<u>13,339</u>

Six months ended 30 September 2009

	Segment A <i>HK\$'000</i>	Segment B <i>HK\$'000</i>	Segment Total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated Total <i>HK\$'000</i>
SEGMENT REVENUE					
External sales	396,048	37,933	433,981	–	433,981
Inter-segment sales	–	106,212	106,212	(106,212)	–
Total	396,048	144,145	540,193	(106,212)	433,981
SEGMENT RESULTS					
	21,771	693	22,464		22,464
Unallocated income					761
Interest expenses					(1,344)
Profit before tax					21,881

Segment profit represents the profit earned by each segment without allocation of net gain on disposal of property, plant and equipment and prepaid lease payments, gain on fair value changes of derivative financial instruments, investment income, listing expenses and finance cost. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

4. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gain on fair value changes of derivative financial instruments	–	183
Net gain on disposal of property, plant and equipment	498	37
Net foreign exchange (losses) gains	(1,509)	463
Reversal of bad debt provision	–	25
	(1,011)	708

5. INCOME TAX EXPENSE

	Six months ended 30 September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	4,272	2,294
Enterprise income tax in the PRC attributable to subsidiaries	1,410	197
Overseas income tax	19	149
	<u>5,701</u>	<u>2,640</u>
Deferred tax:		
Current period	194	26
	<u>5,895</u>	<u>2,666</u>

Hong Kong Profit Tax is calculated at 16.5% for both periods under review.

Taxation arising in other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

According to the Enterprise Income Tax Law of the PRC, withholding income tax is imposed on dividends declared in respect of profit carried by PRC subsidiaries from 1 January 2008 onwards. As at 31 March 2010 and 30 September 2010, deferred taxation has been provided in full in respect of the undistributed profits from these PRC subsidiaries in the condensed consolidated financial statements.

6. PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	7,684	6,408
Release of prepaid lease payment	45	–
Interest income	(15)	(25)
	<u>7,684</u>	<u>6,408</u>

7. SHARE-BASED PAYMENT

On 2 June 2010, the Company conditionally adopted a share option scheme. Upon listing of the Company's shares on 5 October 2010, the Company's share option scheme became effective. Further details of the share option scheme are set out in the Prospectus.

8. DIVIDEND

The Company did not declare nor pay any dividend during both interim periods. However, with a resolution in writing by the shareholders of FG Holdings passed on 6 September 2010, FG Holdings declared and paid a special dividend of HK\$30,000,000 (six months ended 30 September 2009: nil) to its then existing shareholders.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company for the periods under review are based on the following data:

	Six months ended	
	30 September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	4,563	15,049
Number of ordinary shares for the purpose of basic earnings per share	320,000,000	320,000,000

The number of shares for calculating basic earnings per share for each of the periods ended 30 September 2010 and 30 September 2009 has been retrospectively adjusted for the issuance of 318,000,000 shares as capitalisation issue as set out in the section headed "Share Capital" in the Prospectus.

No diluted earnings per share are presented as there were no potential ordinary shares in issue for the six months ended 30 September 2010 and 30 September 2009.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred approximately HK\$3,153,000 (six months ended 30 September 2009: approximately HK\$1,678,000) on additions to property, plant and equipment.

11. TRADE AND BILLS RECEIVABLES

The Group allows its trade customers a credit period of 30 to 120 days. Aged analysis of the Group's trade and bills receivables presented based on the invoice date at the end of each reporting period are as follows:

	30 September 2010 <i>HK\$'000</i>	31 March 2010 <i>HK\$'000</i>
Trade receivables:		
0 – 30 days	74,164	68,390
31 – 60 days	24,681	40,009
61 – 90 days	6,097	8,584
91 – 120 days	73	851
Over 120 days	950	649
	<u>105,965</u>	<u>118,483</u>
Bills receivables:		
0 – 30 days	2,791	3,617
31 – 60 days	431	1,795
61 – 90 days	–	608
	<u>3,222</u>	<u>6,020</u>
	<u><u>109,187</u></u>	<u><u>124,503</u></u>

12. TRADE PAYABLES

Aged analysis of the Group's trade payables presented based on the invoice date at the end of each reporting period are as follows:

	30 September 2010 <i>HK\$'000</i>	31 March 2010 <i>HK\$'000</i>
0 – 60 days	58,875	85,914
61 – 90 days	3,826	7,630
Over 90 days	1,717	2,338
	<u>64,418</u>	<u>95,882</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are pleased to present the interim results of the Group for the six months ended 30 September 2010 (“1H11”, same period last year: “1H10”).

Ford Glory is a one-stop garment manufacturing and sourcing management group that is currently expanding from managing every comprehensive step in the garment supply chain to tapping the PRC’s booming apparel retail market. With a view to having a separate platform for the long term development of the garment business, Ford Glory was successfully spun off from VC (stock code: 539), and was listed on the Stock Exchange on 5 October 2010.

We were excited to see our global offering receiving prominent support from investors, the 125 times over-subscription in the initial public offering, coupled with the 1.08 times surge of first day share price demonstrated the strong market support to our one-stop shop business model as well as our vision to develop a promising retail sales business. With the net fund raised from the global offering of approximately HK\$52.1 million, we are ready to sow our seeds in the apparel retail market of the PRC and are confident to see the fruitful returns coming ahead.

During the period under review, our sales from garment manufacturing and sourcing business grew steadily in line with the pace of the global economic recovery. Revenue for 1H11 increased by approximately 7% to approximately HK\$463 million compared with 1H10, while gross profit also increased by approximately 8% to approximately HK\$78 million. Profit attributable to owners of the Company was approximately HK\$18 million excluding the one-off listing expenses of approximately HK\$13 million charged to the period, representing an increase of approximately 17% compared with 1H10.

In 1H11, Ford Glory adopted a prudent approach on its garment manufacturing and sourcing business. The worldwide garment market was resuming its stable growth that gave the industry a positive sign to boost production. Nevertheless, by taking into account the fluctuating raw material price that would affect our profitability, the Group, instead of focusing on volume growth, made effort on exploring high margin customers. We are glad to see the new measures are on the right track so as to achieve our goal in maintaining the profit margin.

Persisted in our mission to penetrate the PRC’s apparel retail market, the Group, during the period, has taken two steps forwards to the goal. Apart from our “夢仕臣” (Monstons) brand underwear and homewear products that had just commenced its retail sales in August 2010 at about 200 sales points in large supermarket chains in the PRC, the Group, in September 2010 signed a business transfer agreement to acquire 70% interests of a branded T-shirt retail business – Teelocker. The Group has blueprinted the retail roadmap for Teelocker and is going to utilise the internet platform to capture the fast growing on-line sales market in the PRC and worldwide.

In 1H11, the Group maintained at an approximately 3:7 ratio on in-house production to outsourcing manufacturing. The strategy not only allows us to minimise our labour and capital commitment in order to capture higher return, but also supports us with diversified production capacities in different countries and flexibility to secure orders in different sizes and varieties. With our intention to secure “quality” and “margin” instead of “quantity” and “sales”, the Group focused on expanding sales with customers of quality brand owners during 1H11.

Prospects

In order to provide more efficient and timely services to our customers thereby further enhancing our competitiveness and profitability, we target to further enhance our own manufacturing capabilities. We may also acquire existing garment factories or enter into joint ventures or other forms of cooperation with other business partners if suitable targets could be identified.

We plan to enhance business with our existing customers and explore more potential customers in the PRC and overseas.

We currently intend to engage additional staff for our design and development team, expand our sample workshop so that more sample garment products could be developed by us for our customers to meet their requirements and better services and products can be offered to our existing customers and attract more potential customers.

With the PRC’s economic growth, the country’s apparel retail market is fast expanding. We target to diversify our business model by entering into the retail market in the PRC. We aim to sell our “夢仕臣” (Monstons) brand underwear and homewear products in large supermarket chains in the PRC, targeting at the mass market. We supply our “夢仕臣” (Monstons) brand products to these large supermarket chains on a consignment basis, as they offer us a low-risk and effective means of launching our products with only minimal capital injection.

With the rising per capita income and the increasing popularity of internet sales, on-line sales in the PRC is growing at a rapid rate. The Group is going to develop its apparel retail arm, Teelocker, via on-line sales platforms. Groundwork is getting to be done in a few months, including the revamp of Teelocker’s website so as to enhance the brand image as well as to attract worldwide designers to submit their creative ideas. Apart from the on-line channels, we are also considering to open flagship outlets in major cities in the PRC to meet the needs of all types of customers.

To expedite our pace in building up the brand, the Group intends to leverage on celebrity effect. We have signed contracts with some artistes to launch cross-over T-shirts and will carry out marketing campaigns in the PRC and Hong Kong. Together with the expansion of the “夢仕臣” (Monstons) brand underwear and homewear retail business, which we plan to add up to 300 sales points in 2011 at supermarket chains and department stores to tap the fragmented but huge underwear market in the PRC, we believe that the new retail business arms have great potential for further development and growth.

We believe our well-developed upstream garment business would be the footstone for our future downstream expansion. We will continue to strengthen the core and solid upstream arm to bring synergy to the downstream retail business. While the Group expects to maintain sustained growth on our garment manufacturing and sourcing business, the Group is also determined to develop our brand names “Teelocker” and “夢仕臣” (Monstons) in the coming years. Our mission to focus on “quality” and “margin” would be the key drivers for our core business, coupled with capturing possible joint venture opportunities arising from the industry, we are confident to keep the business generating encouraging income to boost our new growth.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continued to maintain a strong financial position for the period under review with cash and cash equivalents amounting to approximately HK\$107,285,000 as of the end of September 2010. The total bank borrowings of the Group as at 30 September 2010 was approximately HK\$85,862,000, with approximately HK\$67,296,000 repayable within one year, approximately HK\$18,566,000 repayable after one year.

Gearing ratio is defined as net debt (represented by bank borrowings net of cash and cash equivalents) divided by shareholders' equity. As at 30 September 2010, the Group's cash and cash equivalents of approximately HK\$107,285,000 exceeded its total bank borrowings of approximately HK\$85,862,000 and resulted in no gearing. The Group's current ratio was approximately 1.8 (31 March 2010: approximately 1.6).

For the period under review and as at 30 September 2010, the Group's bank borrowings were in Hong Kong dollars and US dollars, the majority of interest-bearing bank borrowings of the Group were on HIBOR and LIBOR basis.

Foreign Exchange Risk Management

Most of the Group's cash balances were deposits in Hong Kong dollars and US dollars with major global financial institutions, and most of the Group's assets, liabilities, revenues and payments were held in either Hong Kong dollars or US dollars. Therefore, we consider that the risk exposure to foreign exchange rate fluctuations is minimal.

Foreign exchange risks arising from sales and purchases transacted in different currencies are normally managed by the Group through the use of foreign exchange forward contracts. Pursuant to the Group's policy in place, foreign exchange forward or any other financial derivatives contracts are entered into by the Group for hedging purposes. The Group has not entered into any financial derivatives contracts for speculation.

Capital Expenditure

As at 30 September 2010, the Group had committed to acquire new machineries of approximately HK\$3 million, which are to be financed by the net proceeds from the global offering.

As at 30 September 2010, the Group had capital commitment of approximately HK\$1.2 million in respect of the business assets acquisition of the T-shirt brand "Teelocker". The acquisition is expected to be completed in December 2010.

Charges on Assets

As at 30 September 2010, certain properties of the Group with carrying value of approximately HK\$29,239,000 were pledged to a bank to secure banking facilities granted (31 March 2010: approximately HK\$57,865,000).

Employee

As at 30 September 2010, the Group had a total workforce of 2,802 of whom 1,578 were based in the PRC, 1,135 were in Indonesia, 72 were located in Hong Kong and 17 were in other places. The Group offers its employees competitive remuneration schemes which are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors. In addition, bonuses are normally paid to those eligible based on individual and Group performance.

The Company maintains a share option scheme, pursuant to which share options are granted to selected eligible, with a view to providing our employees with appropriate incentive to contribute to the success of the Group.

Use of proceeds from listing

The shares of the Company were listed on the Main Board of the Stock Exchange on 5 October 2010. As at 30 September 2010, the Company had not accomplished the listing. The Company currently does not have any intention to change its plan for the use of proceeds as stated in the Prospectus.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2010, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

Save for the deviation discussed below, the Company had complied with all the code provisions of the Code on Corporate Governance Practices, as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2010.

Under the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Choi Lin Hung. Since the Board meets regularly to consider major matters affecting the operations of the Company, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and believes that this structure will enable the Company to make and implement decisions promptly and efficiently.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The audit committee of the Company comprises four independent non-executive directors in compliance with the Listing Rules.

The audit committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 September 2010 and is of the opinion that such financial statements comply with the applicable accounting standards, the Listing Rules and the requirements of applicable laws, codes and regulations and that adequate disclosure pursuant thereto have been made.

INTERIM DIVIDEND

The Board did not declare for the payment of any interim dividend to shareholders of the Company for the six months ended 30 September 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of Appendix 10 of the Listing Rules. Based on specific enquiries to the Company's directors, all directors have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2010.

APPRECIATION

The Board would like to take this opportunity to express our thanks to our shareholders, business partners, customers and suppliers for their continuous support to the Group and its business. The Board would also like to extend our sincere gratitude and appreciation to our management and staff for their dedication and contribution to the Group.

By Order of the Board
Ford Glory Group Holdings Limited
Choi Lin Hung
Chairman

Hong Kong, 29 November 2010

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Choi Lin Hung, Mr. Ng Tze On and Mr. Lau Kwok Wa, Stanley and two non-executive Directors, namely Mr. Li Ming Hung and Mr. Chen Tien Tui, and four independent non-executive Directors, namely Mr. Mak Chi Yan, Mr. Wong Wai Kit, Louis, Mr. Yuen Kin Kei and Mr. Lau Chi Kit.