



GLORY MARK HI-TECH (HOLDINGS) LIMITED

輝煌科技（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8159)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors of Glory Mark Hi-Tech (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“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.*

INTERIM RESULTS

The board of directors (the “Directors”) of the Company is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months (the “Second Quarterly Period”) and six months (the “Half-Yearly Period”) ended 30 June 2009 together with the comparative unaudited figures for the corresponding periods in 2008 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2009

	<i>Notes</i>	Three months ended 30 June		Six months ended 30 June	
		2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Unaudited)	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Unaudited)
Revenue	3	96,936	153,763	173,201	283,936
Cost of sales		(82,693)	(142,180)	(147,858)	(266,136)
Gross profit		14,243	11,583	25,343	17,800
Other income		551	483	849	1,056
Distribution and selling expenses		(2,838)	(2,874)	(4,637)	(5,337)
Administrative expenses		(7,580)	(7,391)	(14,347)	(15,004)
Overdraft Interest		(3)	(4)	(4)	(4)
Profit/(Loss) before taxation	5	4,373	1,797	7,204	(1,489)
Income tax expenses	6	(546)	(458)	(917)	(845)
Profit/(Loss) for the period		3,827	1,339	6,287	(2,334)
Other comprehensive income/(expense):					
Exchange differences arising from translation of foreign operations		(253)	480	(151)	1,251
Total comprehensive income/(expense) for the period		<u>3,574</u>	<u>1,819</u>	<u>6,136</u>	<u>(1,083)</u>
Profit/(Loss) for the period attributable to:					
– Owners of the Company		4,024	1,339	6,484	(2,334)
– Minority interests		(197)	–	(197)	–
		<u>3,827</u>	<u>1,339</u>	<u>6,287</u>	<u>(2,334)</u>
Total comprehensive income/(expense) attributable to:					
– Owners of the Company		3,771	1,819	6,333	(1,083)
– Minority interests		(197)	–	(197)	–
		<u>3,574</u>	<u>1,819</u>	<u>6,136</u>	<u>(1,083)</u>
Earnings/(Loss) per share	7				
Basic (HK cents)		<u>HK1.19 cents</u>	<u>HK0.42 cents</u>	<u>HK1.96 cents</u>	<u>(HK0.73 cents)</u>
Dividends	8	<u>3,200</u>	<u>3,840</u>	<u>3,200</u>	<u>3,840</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

		30 June 2009 <i>HK\$'000</i> (Unaudited)	31 December 2008 <i>HK\$'000</i> (Audited) (Restated)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	9	72,660	76,410
Prepaid lease payments		9,609	9,714
Investment properties	9	3,520	3,520
Available-for-sale investment		1,249	200
Deposit for land use right		602	602
Club debenture	10	560	560
		<u>88,200</u>	<u>91,006</u>
CURRENT ASSETS			
Inventories		23,480	33,075
Trade and other receivables	11	100,977	109,946
Bank balances and cash		91,230	51,736
		<u>215,687</u>	<u>194,757</u>
CURRENT LIABILITIES			
Trade and other payables	12	113,783	109,833
Amounts due to directors		1,186	1,371
Taxation liabilities		19,435	18,477
Bank overdraft		10,000	—
		<u>144,404</u>	<u>129,681</u>
NET CURRENT ASSETS		<u>71,283</u>	<u>65,076</u>
		<u><u>159,483</u></u>	<u><u>156,082</u></u>
CAPITAL AND RESERVES			
Share capital		32,000	32,000
Reserves		127,215	124,082
Equity attributable to owners of the Company		159,215	156,082
Minority interests		268	—
Total Equity		<u><u>159,483</u></u>	<u><u>156,082</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Share Capital <i>HK\$'000</i> (Unaudited)	Merger Reserve <i>HK\$'000</i> (Unaudited)	Translation Reserve <i>HK\$'000</i> (Unaudited)	Retained Profits <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)	Minority Interest <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
At 1 January 2008	32,000	680	5,324	112,062	150,066	–	150,066
Exchange gain arising from translation of foreign operations	–	–	1,251	–	1,251	–	1,251
Loss for the period	–	–	–	(2,334)	(2,334)	–	(2,334)
Total comprehensive income/ (expense) for the period	–	–	1,251	(2,334)	(1,083)	–	(1,083)
Final dividend for 2007	–	–	–	(3,840)	(3,840)	–	(3,840)
At 30 June 2008	<u>32,000</u>	<u>680</u>	<u>6,575</u>	<u>105,888</u>	<u>145,143</u>	<u>–</u>	<u>145,143</u>
At 1 January 2009	<u>32,000</u>	<u>680</u>	<u>7,114</u>	<u>116,288</u>	<u>156,082</u>	<u>–</u>	<u>156,082</u>
Exchange loss arising from translation of foreign operations	–	–	(151)	–	(151)	–	(151)
Profit/(Loss) for the period	–	–	–	6,484	6,484	(197)	6,287
Total comprehensive income/ (expense) for the period	–	–	(151)	6,484	6,333	(197)	6,136
Formation of a non wholly-owned subsidiary	–	–	–	–	–	465	465
Final dividend for 2008	–	–	–	(3,200)	(3,200)	–	(3,200)
At 30 June 2009	<u>32,000</u>	<u>680</u>	<u>6,963</u>	<u>119,572</u>	<u>159,215</u>	<u>268</u>	<u>159,483</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

	Six months ended 30 June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
NET CASH FROM OPERATING ACTIVITIES	35,655	12,016
NET CASH USED IN INVESTING ACTIVITIES	(2,845)	(12,550)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	6,800	(3,840)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(116)</u>	<u>112</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	39,494	(4,262)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>51,736</u>	<u>55,998</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>91,230</u>	<u>51,736</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS represented by bank balances and cash	<u>91,230</u>	<u>51,736</u>

Notes:

1. GENERAL AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands.

The Company acts as an investment holding company.

The unaudited half-yearly consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited half-yearly consolidated financial statements have been prepared under the historical cost convention except for investment properties, which are measured at fair value. The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2008 (“the 2008 Financial Statements”), except for the amendments and interpretations of HKFRSs (“New HKFRSs”) issued by HKICPA which have become effective in this period as detail in notes of the 2008 Financial Statements. The adoption of such New HKFRSs has no material impact on the accounting policies in the Group’s condensed consolidated financial statements for the period.

3. REVENUE

Revenue represents the amounts received and receivable, net of discounts and returns, from the sales of connectivity products mainly for computers, computer peripheral products, multi-media consumable electronics products, communication products, automobile electronics accessories, wire harness and medical equipments and subcontracting service rendered during the period under review.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity’s “system of internal financial reporting to key management personnel” serving only as the starting point for the identification of such segments. In the past, the Group’s primary reporting format was business segments/geographical segments by location of assets/geographical segments by location of customers. The application of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The Group is principally engaged in the design, development, manufacture and sales of connectivity products mainly for computers, computer peripheral products, multi-media consumable electronics products, communication products, automobile electronics accessories, wire harness and medical equipments. The majority of the Group’s products are sold to original equipment manufacturer (“OEM”) customers and retail distributors. These businesses with OEM customers and retail distributors are the basis on which the Group reports its primary segment information.

Business segments

	Three months ended 30 June		Six months ended 30 June	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)
Revenue				
OEM customers	78,683	125,840	138,896	229,338
Retail distributors	18,253	27,923	34,305	54,598
	<u>96,936</u>	<u>153,763</u>	<u>173,201</u>	<u>283,936</u>
Segment Profit				
OEM customers	11,963	8,872	22,428	13,289
Retail distributors	2,280	2,711	2,915	4,511
	<u>14,243</u>	<u>11,583</u>	<u>25,343</u>	<u>17,800</u>
Central income	551	483	849	1,056
Central expenses	<u>(10,421)</u>	<u>(10,269)</u>	<u>(18,988)</u>	<u>(20,345)</u>
Profit/(loss) before tax	<u>4,373</u>	<u>1,797</u>	<u>7,204</u>	<u>(1,489)</u>

Geographical segments

Sales analysis by geographical customer market:

	Three months ended 30 June				Six months ended 30 June			
	2009 HK\$'000 (Unaudited)	%	2008 HK\$'000 (Unaudited)	%	2009 HK\$'000 (Unaudited)	%	2008 HK\$'000 (Unaudited)	%
Taiwan	65,145	67.2	79,283	51.5	112,740	65.1	145,352	51.2
Japan	15,016	15.5	30,993	20.1	30,729	17.7	58,503	20.6
United States of America ("U.S.A.")	6,476	6.7	29,142	19.0	13,368	7.7	52,620	18.5
Korea	4,285	4.4	6,700	4.4	7,007	4.1	13,601	4.8
Others	6,014	6.2	7,645	5.0	9,357	5.4	13,860	4.9
	<u>96,936</u>	<u>100.0</u>	<u>153,763</u>	<u>100.0</u>	<u>173,201</u>	<u>100.0</u>	<u>283,936</u>	<u>100.0</u>

5. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation and amortisation	<u>2,810</u>	<u>2,792</u>	<u>5,732</u>	<u>5,553</u>

6. INCOME TAX EXPENSES

The amount represents current tax charge on assessable profit arising in jurisdiction other than Hong Kong and is calculated at the rates prevailing in the relevant jurisdiction.

No provision for Hong Kong profits tax has been made in the condensed consolidated financial statements, as the Group has no assessable profit arising in Hong Kong in both periods.

No provision for deferred taxation has been made in the condensed consolidated financial statements, as it is not probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

7. EARNINGS PER SHARE

The calculation of basic earnings/(loss) per share for the three months and six months ended 30 June 2009 is based on the consolidated profit attributable to shareholders of approximately HK\$3,827,000 and HK\$6,287,000 respectively (profit/(loss) attributable to shareholders for three months and six months ended 30 June 2008: HK\$1,339,000 and HK\$(2,334,000) respectively) and on the number of 320,000,000 shares (2008: 320,000,000 shares) in issue.

No dilutive earnings per share has been presented for the Second Quarterly Period and Half-Yearly Period because there is no outstanding share options in the respective periods.

8. DIVIDENDS

During the period, a dividend of HK1.0 cents per share (2008: HK1.2 cents) was paid to shareholders as the final dividend for 2008.

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2009. (six months ended 30 June 2008 – nil).

9. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

During the period, the Group acquired property, plant and equipment at a total cost of approximately HK\$1,889,000 (six months ended 30 June 2008: HK\$5,753,000).

The investment properties were valued at HK\$3,520,000 on 31 December 2008 by DTZ Debenham Tie Leung Limited, an independent registered professional surveyor, on an open market existing use basis. The Directors consider that the fair value of the investment properties at 30 June 2009 was not significantly different from their carrying value at 31 December 2008.

10. CLUB DEBENTURE

The club debenture represents entrance fee paid to a golf club held on a long-term basis. The directors of the Group are of the opinion that the underlying value of the club debenture is at least equal to its cost.

11. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period ranging from 30 days to 180 days to its trade customers.

The following is an aged analysis of trade receivables at the reporting date:

	30 June 2009 HK\$'000 (Unaudited)	31 December 2008 HK\$'000 (Audited)
Within 30 days	41,550	33,468
From 31 days to 120 days	53,575	66,111
From 121 days to 180 days	1,003	3,359
Over 180 days	262	3,678
	96,390	106,616
Other receivables	4,587	3,330
	100,977	109,946

12. TRADE AND OTHER PAYABLES

The Group has been granted an average credit period ranging from 30 days to 150 days from its trade suppliers.

The following is an aged analysis of trade payables at the reporting date:

	30 June 2009 HK\$'000 (Unaudited)	31 December 2008 HK\$'000 (Audited)
Within 30 days	25,114	14,726
From 31 days to 90 days	36,438	32,718
From 91 days to 150 days	19,454	31,666
Over 150 days	2,991	4,568
	83,997	83,678
Other payables	29,786	26,155
	113,783	109,833

13. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with related parties:

Name of related party	Nature of transactions	Three months ended		Six months ended	
		30 June		30 June	
		2009	2008	2009	2008
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Glory Mark Enterprises Limited ("GM Enterprises")	Rentals paid	168	151	336	268
Glory Mark Electronic Limited (incorporated in Republic of China) ("GM Taiwan")	Rental paid	35	38	69	76
San Chen Company ("San Chen")	Rental paid	35	38	69	76
Directors	Remuneration	<u>1,500</u>	<u>1,500</u>	<u>3,001</u>	<u>3,001</u>

Mr. Pang Kuo-Shi, Steve ("Mr. Pang"), Mr. Wong Chun and Mr. Hsia Chieh-Wen, directors and shareholders of the Company, together hold 79% interest in GM Taiwan and 100% interest in GM Enterprises. Mr. Pang holds 40% interest in San Chen.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue and profit

Seriously affected by the global economic slowdown, the revenue of the Group for the six months ended 30 June 2009 ("the period under review") was approximately HK\$173.2 million (six months ended 30 June 2008: approximately HK\$283.9 million), representing a decrease of approximately 39.0%.

Notwithstanding the significant drop in revenue, the Group achieved a net profit of HK\$6,287,000 during the period under review, as compared to a net loss of HK\$2,334,000 during the same period of the previous year. This was mainly attributable to the efforts of stringent cost controls taken by the Group.

The revenue to OEM customers and retail distributors during the period under review decreased by 43.4% and 46.8% respectively as compared to the last corresponding period.

The revenue to Taiwan, Japan, U.S.A., Korea and other regions decreased by 22.4%, 47.5%, 74.6%, 48.5% and 32.5% respectively as compared to the last corresponding period.

Liquidity and financial resources

As at 30 June 2009, the Group's net current assets, bank balances and cash and equity attributable to owners of the Company amounted to approximately HK\$71.3 million, HK\$91.2 million and HK\$159.2 million (31 December 2008: HK\$65.1 million, HK\$51.7 million and HK\$156.1 million) respectively. The current ratio, expressed as current assets over current liabilities, was maintained at the level of 1.49 (31 December 2008: 1.50). The Group had a bank overdraft of HK\$10.0 million as at 30 June 2009 (31 December 2008: nil).

Operation review

Employees

At 30 June 2009, the Group had 2,332 (2008: 3,722) employees. Employee remuneration, excluding Directors' emoluments, for the six months ended 30 June 2009 was approximately HK\$27.5 million (2008: HK\$39.6 million). The decrease in employee remuneration during the period under review was in line with the change in turnover of the Group during the two periods.

The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus systems, which is reviewed annually. The Company had granted options to its employees prior to its listing.

OUTLOOK

As the core reasons of the current global financial crisis have not yet been eliminated, the consumer confidence and business investment are believed to be weak in the coming seasons. It will inevitably affect the revenue of the Group.

The stringent cost control policy adopted by the Group is proved to be effective. The Group will continue its effort of cost controls. The Group is also taking appropriate actions to reduce its operation risks in order to deal with the current financial crisis.

Looking ahead, the Directors remain conservative on the operating results of the Group in the coming quarters.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2009, the interests of the Directors, the chief executive and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Future Ordinance, or as otherwise notified to the Company and the Exchange pursuant to the required standards of dealing by directors of listed issuer as referred to the Rules 5.46 to 5.67 of Chapter 5 of the of the GEM Listing Rules, were as follows:

(a) Ordinary shares of HK\$0.1 each of the Company

Name of Director	Capacity	Number of Issued Ordinary Shares held	Percentage of Issued share capital of the Company
Mr. Pang Kuo-Shi ("Mr. Pang")	Held by family trust (Note)	139,808,000	43.69%
Mr. Wong Chun ("Mr. Wong")	Beneficial owner	58,447,000	18.26%
Mr. Hsia Chieh-Wen ("Mr. Hsia")	Beneficial owner	34,944,000	10.92%
		<u>233,199,000</u>	<u>72.87%</u>

Note: Modern Wealth Assets Limited held the 139,808,000 shares. Modern Wealth Assets Limited is a wholly-owned subsidiary of True Profit Management Limited, which in turn is a wholly-owned subsidiary of HSBC International Trustee Limited, the trustee of a discretionary trust, the Pang's Family Trust.

Other than as disclosed above, none of the Directors and the chief executive, nor their associates had any interests or short positions in any shares or underlying shares of the Company and its associated corporations at 30 June 2009.

SHARE OPTION SCHEMES

Pursuant to the Company's share option scheme adopted on 13 December 2001 (the "Scheme") for the purpose of providing incentives to directors and eligible employees, the Company may grant options to directors and full-time employees of the Group to subscribe for shares of the Company.

The total number of shares in respect of which may be granted under the Scheme is not permitted to exceed 30% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any single year is not permitted to exceed 1% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. Options granted to

substantial shareholders, independent non-executive directors or their associates in excess of 0.1% of the Company's share capital, or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. Options may be exercised at any one time from the thirteenth month from the date of grant of the share option to the fifth anniversary of the date of grant. The exercise price is determined by the Directors, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the shares.

No share options were granted under the Scheme since its adoption.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed under the section headed "Directors' and Chief Executive Interests in Shares and Underlying Shares" above, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Future Ordinance discloses no person as having a notifiable interest or short position in the issued share capital of the Company at 30 June 2009.

COMPLIANCE WITH GEM LISTING RULES 5.48 TO 5.67

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Directors, upon specific enquiry being made, confirm that during the six months ended 30 June 2009, they have complied with the required standards of dealings and the Company's code of conduct regarding Directors' securities transactions.

INTERESTS IN COMPETITORS

During the six months ended 30 June 2009, none of the Directors or the management shareholders or their respective associates of the Company had an interest in a business, which competes or may compete with the business of the Group.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 13 above:

- (i) there were no transactions, which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules; and
- (ii) no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the period under review.

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 30 June 2009 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules, save for code provision A.4.1 which provides that non-executive Directors should be appointed for specific term, subject to re-election. The Company has deviated from this provision in that all non-executive Directors are not appointed for specific term. They are, however, subject to retirement and re-election every three years. The reason for the deviation is that the Company does not believe that arbitrary term limits on Directors' service are appropriate given that Directors ought to be committed to representing the long term interests of the Company's shareholders and the retirement and re-election requirements of non-executive Directors have given the Company's shareholders the right to approve continuation of non-executive Directors' offices

AUDIT COMMITTEE

The audit committee of the Company comprises three members, Mr. Lau Ho Kit, Ivan, Dr. Lui Ming Wah, S.B.S., JP and Mr. Wong Kwong Chi, who are independent non-executive Directors of the Company. The primary duties of the Audit Committee are to review and supervise the financial reporting and internal control procedures of the Company. The interim results presented herein have not been audited but have been reviewed by the audited committee who has provided advice and comments thereon.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2009.

On behalf of the Board

Pang Kuo-Shi

Chairman

Hong Kong Special Administrative Region of the People's Republic of China

12 August 2009

As at the date of this announcement, the board comprises Messrs. Pang Kuo-Shi also known as Steve Pang, Wong Chun, Hsia Chieh-Wen also known as Paul Hsia and Wong Ngok Chung being Executive Directors and Dr. Lui Ming Wah, S.B.S., JP, Mr. Wong Kwong Chi and Mr. Lau Ho Kit, Ivan being Independent Non-Executive Directors

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least seven days from the date of publication and on the Company's website at www.glorymark.com.tw/investors.htm.