



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 2012

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 higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be 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 the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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 2012 together with the comparative unaudited figures for the corresponding periods in 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

For the six months ended 30 June 2012

	<i>Notes</i>	Three months ended 30 June		Six months ended 30 June	
		2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Revenue	3	76,229	93,586	155,045	182,608
Cost of sales		(62,230)	(87,668)	(136,136)	(168,659)
Gross profit		13,999	5,918	18,909	13,949
Other income		791	767	1,908	1,400
Selling and distribution expenses		(2,775)	(3,203)	(5,569)	(6,012)
Administrative expenses		(6,550)	(6,869)	(13,613)	(13,934)
Profit/(Loss) before taxation	5	5,465	(3,387)	1,635	(4,597)
Income tax expenses	6	(447)	(368)	(879)	(739)
Profit/(Loss) for the period		5,018	(3,755)	756	(5,336)
Other comprehensive (expense)/income for the period:					
Exchange differences arising from translation of foreign operations		(557)	618	(553)	1,023
Total comprehensive income/(expense) for the period		<u>4,461</u>	<u>(3,137)</u>	<u>203</u>	<u>(4,313)</u>
Profit/(Loss) for the period attributable to:					
– Equity holders of the Company		4,947	(3,772)	618	(5,355)
– Non-controlling interests		71	17	138	19
		<u>5,018</u>	<u>(3,755)</u>	<u>756</u>	<u>(5,336)</u>
Total comprehensive income/(expense) attributable to:					
– Equity holders of the Company		4,390	(3,154)	65	(4,332)
– Non-controlling interests		71	17	138	19
		<u>4,461</u>	<u>(3,137)</u>	<u>203</u>	<u>(4,313)</u>
Earnings/(Loss) per share					
Basic	7	<u>HK0.77 cents</u>	<u>HK(0.59) cents</u>	<u>HK0.10 cents</u>	<u>HK(0.84) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

		30 June 2012	31 December 2011
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	65,056	69,064
Prepaid lease payments		9,583	9,797
Investment properties	9	6,750	6,750
Available-for-sale investment		2,120	1,189
Deposit for land use right		648	655
Club debenture	10	560	560
Deposits paid for acquisition of property, plant and equipment		1,671	1,764
Other receivable		4,104	2,644
		90,492	92,423
CURRENT ASSETS			
Inventories		27,637	34,828
Trade and other receivables	11	86,160	102,786
Bank balances and cash		132,099	131,704
		245,896	269,318
CURRENT LIABILITIES			
Trade and other payables	12	141,456	167,006
Amounts due to directors		1,686	1,371
Taxation payable		24,716	24,077
		167,858	192,454
NET CURRENT ASSETS			
		78,038	76,864
		168,530	169,287
CAPITAL AND RESERVES			
Share capital		64,000	64,000
Reserves		103,695	104,590
Equity attributable to owners of the Company		167,695	168,590
Non-controlling interest		835	697
Total Equity		168,530	169,287

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	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)	Sub-total <i>HK\$'000</i> (Unaudited)	Non- Controlling Interest <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
As at 1 January 2011	64,000	680	9,276	107,496	181,452	591	182,043
Loss for the period	–	–	–	(5,356)	(5,356)	19	(5,337)
Other comprehensive income	–	–	1,023	–	1,023	–	1,023
Total comprehensive (expense)/income for the period	–	–	1,023	(5,356)	(4,333)	19	(4,314)
Dividend recognized as distribution	–	–	–	(1,920)	(1,920)	–	(1,920)
As at 30 June 2011	<u>64,000</u>	<u>680</u>	<u>10,299</u>	<u>100,220</u>	<u>175,199</u>	<u>610</u>	<u>175,809</u>
As at 1 January 2012	<u>64,000</u>	<u>680</u>	<u>11,622</u>	<u>92,288</u>	<u>168,590</u>	<u>697</u>	<u>169,287</u>
Profit for the period	–	–	–	618	618	138	756
Other comprehensive expense	–	–	(553)	–	(553)	–	(553)
Total comprehensive (expense)/income for the period	–	–	(553)	618	65	138	203
Dividend recognized as distribution	–	–	–	(960)	(960)	–	(960)
As at 30 June 2012	<u>64,000</u>	<u>680</u>	<u>11,069</u>	<u>91,946</u>	<u>167,695</u>	<u>835</u>	<u>168,530</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	5,311	(15,163)
NET CASH (USED IN) INVESTING ACTIVITIES	(3,709)	(3,652)
NET CASH (USED IN) FINANCING ACTIVITIES	(960)	(1,920)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(247)</u>	<u>326</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	395	(20,409)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>131,704</u>	<u>94,176</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>132,099</u></u>	<u><u>73,767</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS represented by bank balances and cash	<u><u>132,099</u></u>	<u><u>73,767</u></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 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 2011 (“the 2011 Financial Statements”), except for the amendments and interpretations of HKFRSs (“New HKFRSs”) issued by HKICPA, which have become effective in this period as detailed in notes of the 2011 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”. HKFRS 8 is a disclosure standard that 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, the Group’s executive directors, for the purpose of allocating resources to the segment and assessing 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 rewards approach. Before the adoption of HKFRS 8, the Group’s primary reporting format was business segments. 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	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue				
OEM customers	62,266	71,880	127,787	139,427
Retail distributors	13,963	21,706	27,258	43,181
	<u>76,229</u>	<u>93,586</u>	<u>155,045</u>	<u>182,608</u>
Segment Profit				
OEM customers	11,828	4,988	15,109	11,818
Retail distributors	2,171	930	3,800	2,131
	<u>13,999</u>	<u>5,918</u>	<u>18,909</u>	<u>13,949</u>
Other income	791	767	1,908	1,400
Unallocated expenses	(9,325)	(10,072)	(19,182)	(19,946)
Profit/(Loss) before taxation	<u>5,465</u>	<u>(3,387)</u>	<u>1,635</u>	<u>(4,597)</u>

Geographical segments

Sales analysis by geographical customer market:

	Three months ended 30 June				Six months ended 30 June			
	2012		2011		2012		2011	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Taiwan	26,874	35.3%	34,034	36.4	56,506	36.4%	70,245	38.5
Japan	16,334	21.4%	27,362	29.2	33,809	21.8%	52,665	28.8
United States of America ("U.S.A.")	11,045	14.5%	14,078	15.1	18,929	12.2%	23,298	12.8
Korea	20,463	26.8%	16,502	17.6	43,529	28.1%	32,896	18.0
Others	1,513	2.0%	1,610	1.7	2,272	1.5%	3,504	1.9
	<u>76,229</u>	<u>100.0%</u>	<u>93,586</u>	<u>100.0</u>	<u>155,045</u>	<u>100.0%</u>	<u>182,608</u>	<u>100.0</u>

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation has been arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation and amortisation	<u>2,368</u>	<u>3,318</u>	<u>5,094</u>	<u>6,587</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/(LOSS) PER SHARE

The calculation of basic earnings per share for the three months and six months ended 30 June 2012 is based on the consolidated profit attributable to shareholders of approximately HK\$4,947,000 and HK\$618,000 respectively (consolidated (loss) attributable to shareholders for three months and six months ended 30 June 2011: HK\$3,772,000 and HK\$5,355,000 respectively) and on the number of 640,000,000 shares (2011: 640,000,000 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. DIVIDEND

During the period, a dividend of HK0.15 cents per share (2011: HK0.30 cents) was paid to shareholders as the final dividend for 2011.

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: 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\$1,567,000 (six months ended 30 June 2011: HK\$3,095,000).

The investment properties were valued at HK\$6,750,000 on 31 December 2011 by Jointgoal Surveyors Limited, an independent qualified professional valuer not connected with the Group. Jointgoal Surveyors Limited is a member of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The Directors consider that the fair value of the investment properties as at 30 June 2012 was not significantly different from their carrying value as at 31 December 2011.

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 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
Within 30 days	25,539	36,456
From 31 days to 120 days	51,624	57,356
From 121 days to 180 days	1,103	2,754
Over 180 days	49	52
	78,315	96,618
Other receivables	7,845	6,168
	86,160	102,786

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 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
Within 30 days	12,699	20,391
From 31 days to 90 days	25,545	35,869
From 91 days to 150 days	20,115	25,812
Over 150 days	3,333	3,144
	61,692	85,216
Other payables	79,764	81,790
	141,456	167,006

As at 30 June 2012, included in other payable are advances of HK\$56,327,000 received from third parties and a director of the Company. The Group intends to cooperate with these parties to procure potential investments.

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 30 June		Six months ended 30 June	
		2012	2011	2012	2011
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Glory Mark Electronic Limited (incorporated in Republic of China) ("GM Taiwan")	Rental paid	40	44	79	80
Billion Mass Limited ("Billion Mass")	Rentals paid	201	204	402	408

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% controlling interest in Billion Mass. All the above related parties are also connected persons as defined under Chapter 20 of the GEM Listing Rules that constitutes connected transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue and profit

The Group recorded a revenue of approximately HKD155,045,000 for the six months ended 30 June 2012 (“the period under review”), representing a decrease of approximately 15.1% as compared to the last corresponding period (the six months ended 30 June 2011: approximately HKD76,229,000).

The profit attributable to Shareholders during the period under review was approximately HKD618,000 as compared to a loss of approximately HKD5,355,000 in the last corresponding period. During the period under review, the Group fine-tuned its business strategy to focusing on the higher value-added products. Although the revenue during the period under review decreased as a result of this strategy, profit position was improved.

The revenue from OEM customers and retail distributors during the period under review were approximately HKD127.8 million and HKD27.3 million respectively, decreased by approximately 8.3% and 36.9% respectively.

The revenue from Korea increased by approximately 32.3% whereas the revenue from Taiwan, Japan, USA and the other regions decreased by approximately 19.6%, 35.8%, 18.8% and 35.2% respectively as compared to the last corresponding period.

Attributed to its tight cost control measures, all the other costs of the Group during the period under review were kept at an efficient level.

Liquidity and financial resources

As at 30 June 2012, the Group’s net current assets, cash and bank balances and shareholders’ funds amounted to approximately HK\$78.0 million, HK\$132.1 million and HK\$167.7 million (31 December 2011: HK\$76.9 million, HK\$131.7 million and HK\$168.6 million) respectively. The current ratio, expressed as current assets over current liabilities, was maintained at the level of 1.46 (31 December 2011: 1.40). The Group had no interest bearing loan both as at 30 June 2012 and 31 December 2011 respectively.

Operation review

Employees

As at 30 June 2012, the Group had 1,835 (30 June 2011: 1,827) employees. Employee remuneration, excluding directors' emoluments, for the six months ended 30 June 2012 was approximately HK\$29.5 million (six months ended 30 June 2011: HK\$34.8 million). The decrease in employee remuneration during the period under review was in line with the change in revenue of the Group during the two periods though of increase in wage rates in China.

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

The unfavourable factors including the rising material and labour costs will continue to affect the results of the Group in the coming seasons. The Group will try to minimize these unfavourable factors by promoting higher value-added products.

Having considered the unfavourable economic situations, the Directors maintain a conservative view as to the results of the coming seasons.

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

As at 30 June 2012, 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. Wong Chun ("Mr. Wong")	Beneficial owner	116,894,000	18.26%
Mr. Hsia Chieh-Wen ("Mr. Hsia")	Beneficial owner	69,888,000	10.92%
Mr. Wong Kwong Chi	Interest of Spouse	<u>6,380,000</u>	<u>0.99%</u>

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 2012

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 Rules 5.67 of the GEM Listing Rules. The Directors, upon specific enquiry being made, confirm that during the three months ended 30 June 2012, they have complied with the required standard of dealings and the Company's code of conduct regarding directors' securities transactions.

SHARE OPTION SCHEMES

The share option scheme of the Company adopted on 13 December 2001 (the "Scheme") for the purpose of providing incentives to directors and eligible employees expired on 3 January 2012. No share option was granted under the Scheme since its adoption. Save as aforesaid, there is no other share option scheme subsist during the period under review.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed under the section headed "Directors' and Chief Executive's 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 the following person as having a notifiable interest or short position in the issued share capital of the Company as at 30 June 2012:

Name of Substantial Shareholder	Capacity	Number of Issued Ordinary Shares held	Percentage of issued share capital of the Company
HSBC International Trustee Limited (<i>Note</i>)	Trustee	279,616,000	43.69%

Note: HSBC International Trustee Limited is the trustee of the discretionary trust, the Pang's Family Trust, and is deemed to be interested in 279,616,000 Shares held by Modern Wealth Assets Limited, a wholly owned subsidiary of the True Profit Management Limited which in turn is a wholly owned subsidiary of HSBC International Trustee Limited. Mr. Pang Kuo-Shi, an executive director of the Company, is also a director of Modern Wealth Assets Limited and his wife is a beneficiary of the Pang's Family Trust.

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 2011, 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 2012, 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

During the period, the Group paid rental expenses of HK\$79,000 (2011: HK\$80,000) to San Chen Company in which Mr. Pang holds 42.75% equity interest and can exercise significant influence in it.

Saved 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 of the Company 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 complied throughout the six months period ended 30 June 2012 with the code provisions in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules, save for one exception: Code provision A4.1 provides that non-executive Directors should be appointed for specific term, subject to re-election. The Company deviated from this provision in that all non-executive Directors of the Company were 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 already given the Company's shareholders the right to approve continuation of non-executive Directors' offices. The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company. The

Company has received, from each of the independent non-executive directors, an annual confirmation on his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive directors are independent.

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, and all of them 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 has not been audited but has been reviewed by the Audit 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 2012.

On behalf of the Board
Pang Kuo-Shi
Chairman

Hong Kong Special Administrative Region of the People's Republic of China
10 August 2012

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.